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 June 30, 2025

OR

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

Commission file number 001-16174

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

(Exact name of registrant as specified in its charter)

Israel	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification Number)**
124 Dvora HaNevi'a St., Tel Aviv, ISRAEL	**6944020**
(Address of principal executive offices)	**(Zip code)**

+972 (3) 914-8213
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing one Ordinary Share	**TEVA**	**New York 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 (§232.405 of this chapter) 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 Act). Yes ☐ No ☒

As of June 30, 2025, the registrant had 1,147,150,917 ordinary shares outstanding.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

For an accessible version of this Quarterly Report on Form 10-Q, please visit www.tevapharm.com

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INTRODUCTION AND USE OF CERTAIN TERMS

Unless otherwise indicated, all references to the "Company," "we," "our" and "Teva" refer to Teva Pharmaceutical Industries Limited and its subsidiaries, and references to "revenues" refer to net revenues. References to "U.S. dollars," "dollars," "U.S. $" and "$" are to the lawful currency of the United States of America, and references to "NIS" are to new Israeli shekels. References to "ADS(s)" are to Teva's American Depositary Share(s). References to "MS" are to multiple sclerosis. Market data, including both sales and share data, is based on information provided by IQVIA, a provider of market research to the pharmaceutical industry ("IQVIA"), unless otherwise stated. References to "R&D" are to Research and Development, references to "IPR&D" are to in-process R&D, references to "S&M" are to Selling and Marketing and references to "G&A" are to General and Administrative. Some amounts in this report may not add up due to rounding. All percentages have been calculated using unrounded amounts. This report on Form 10-Q contains many of the trademarks and trade names used by Teva in the United States and internationally to distinguish its products and services. Any third-party trademarks mentioned in this report are the property of their respective owners.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q, and the reports and documents incorporated by reference in this Quarterly Report on Form 10-Q, may contain 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 additional costs and delays; delays in launches of new generic products; our ability to develop and commercialize additional pharmaceutical products; competition for our innovative medicines; our ability to achieve expected results from investments in our product pipeline; our ability to successfully execute our Pivot to Growth strategy, including to expand our innovative and biosimilar medicines pipeline and profitably commercialize the 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, including any potential challenges to our Orange Book patent listings in the U.S.;
- 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; the widespread outbreak of an illness or any other communicable disease, or any other public health crisis; effectiveness of our optimization efforts; significant disruptions of information technology systems, including cybersecurity attacks 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, major hostilities or terrorism, such as the ongoing conflict between Russia and Ukraine and the state of war declared in Israel; 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 integrate acquisitions; and our prospects and opportunities for growth if we sell assets or business units and close or divest plants and facilities, as well as our ability to successfully and cost-effectively 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 environments; the effects of governmental and civil proceedings and litigation which we are, or in the future become, party to; the effects of reforms in healthcare regulation and 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 is expected to result in stricter Medicaid eligibility requirements and work requirements, which may result in reduced Medicaid enrollment and a resulting decline in coverage for purchases of our medicines, and U.S. Executive Orders issued in April and May 2025 intended to reduce the prices paid by Americans for prescription medicines, including most-favored-nation pricing; increased legal and regulatory action 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; product liability claims; 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 the impact of Environmental, Social and Governance ("ESG") issues;

- the impact of the state of war declared in Israel and the military activity in the Middle East, including the risk of disruptions to our operations and facilities, such as our manufacturing and R&D facilities, located in Israel, the impact of our employees who are military reservists being called to active military duty, and the impact of the war on the economic, social and political stability of Israel;
- other financial and economic risks, including: our exposure to currency fluctuations and restrictions as well as credit risks; potential impairments of our long-lived assets; the impact of geopolitical conflicts including the state of war declared in Israel and the conflict between Russia and Ukraine; 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; our exposure to changes in international trade policies, including the imposition of tariffs in the jurisdictions in which we operate, and the effects of such developments on sales of our products and the pricing and availability of our raw materials; and the impact of any future failure to establish and maintain effective internal control over our financial reporting;

and other factors discussed in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2024, 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.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TEVA PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in millions, except for share data)
(Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,161	$ 3,300
Accounts receivables, net of allowance for credit losses of $84 million and $78 million as of June 30, 2025 and December 31, 2024, respectively.	3,564	3,059
Inventories	3,497	3,007
Prepaid expenses	1,084	1,006
Other current assets	472	409
Assets held for sale	1,842	1,771
Total current assets	12,620	12,552
Deferred income taxes	1,781	1,799
Other non-current assets	470	462
Property, plant and equipment, net	4,810	4,581
Operating lease right-of-use assets, net	358	367
Identifiable intangible assets, net	4,142	4,418
Goodwill	15,949	15,147
Total assets	$ 40,131	$ 39,326
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	$ 464	$ 1,781
Sales reserves and allowances	4,050	3,678
Accounts payables	2,498	2,203
Employee-related obligations	481	624
Accrued expenses	3,095	2,792
Other current liabilities	940	1,020
Liabilities held for sale	334	698
Total current liabilities	11,861	12,796
Long-term liabilities:		
Deferred income taxes	440	483
Other taxes and long-term liabilities	3,938	4,028
Senior notes and loans	16,763	16,002
Operating lease liabilities	296	296
Total long-term liabilities	21,436	20,809
Commitments and contingencies, see note 10		
Total liabilities	33,297	33,606
Redeemable non-controlling interests	—	340
Equity:		
Teva shareholders' equity:		
Ordinary shares of NIS 0.10 par value per share; June 30, 2025 and December 31, 2024: authorized 2,495 million shares; issued 1,253 million shares and 1,240 million shares, respectively.	58	58
Additional paid-in capital	28,003	27,764
Accumulated deficit	(14,676)	(15,173)
Accumulated other comprehensive loss	(2,431)	(3,148)
Treasury shares as of June 30, 2025 and December 31, 2024: 106 million and 107 million ordinary shares, respectively.	(4,128)	(4,128)
	6,827	5,373
Non-controlling interests	7	7
Total equity	6,834	5,380
Total liabilities, redeemable non-controlling interests and equity	$ 40,131	$ 39,326

Amounts may not add up due to rounding.
The accompanying notes are an integral part of the financial statements.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(U.S. dollars in millions, except share and per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net revenues	$4,176	$4,164	$8,067	$7,983
Cost of sales	2,074	2,140	4,088	4,188
Gross profit	2,102	2,024	3,979	3,795
Research and development expenses	244	269	490	511
Selling and marketing expenses	654	656	1,276	1,265
General and administrative expenses	305	283	603	561
Intangible assets impairments	42	61	163	141
Goodwill impairment	—	400	—	400
Other assets impairments, restructuring and other items	232	280	210	954
Legal settlements and loss contingencies	166	83	252	188
Other loss (income)	4	(2)	9	(1)
Operating income (loss)	455	(5)	975	(223)
Financial expenses, net	252	241	477	491
Income (loss) before income taxes	203	(246)	497	(713)
Income taxes (benefit)	(78)	630	(4)	578
Share in (profits) losses of associated companies, net	(1)	(2)	(1)	2
Net income (loss)	283	(874)	503	(1,294)
Net income (loss) attributable to redeemable and non-redeemable non-controlling interests	*	(29)	6	(309)
Net income (loss) attributable to Teva	282	(846)	497	(985)
Earnings (loss) per share attributable to ordinary shareholders:				
Basic	$ 0.25	$ (0.75)	$ 0.43	$ (0.87)
Diluted	$ 0.24	$ (0.75)	$ 0.43	$ (0.87)
Weighted average number of shares (in millions):				
Basic	1,147	1,133	1,142	1,128
Diluted	1,161	1,133	1,159	1,128

* Represents an amount less than $0.5 million.

Amounts may not add up due to rounding.
The accompanying notes are an integral part of the financial statements.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(U.S. dollars in millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income (loss)	$ 283	$ (874)	$ 503	$(1,294)
Other comprehensive income (loss), net of tax:				
Currency translation adjustment	227	(145)	721	(268)
Unrealized gain (loss) from derivative financial instruments, net	17	7	24	14
Unrealized loss on defined benefit plans	—	—	(1)	(1)
Total other comprehensive income (loss)	244	(138)	744	(255)
Total comprehensive income (loss)	527	(1,012)	1,247	(1,549)
Comprehensive income (loss) attributable to redeemable and non-redeemable non-controlling interests	*	(61)	33	(383)
Comprehensive income (loss) attributable to Teva	$ 527	$ (951)	$1,214	$(1,166)

* Represents an amount less than $0.5 million.

Amounts may not add up due to rounding.
The accompanying notes are an integral part of the financial statements.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Teva shareholders' equity								
	Ordinary shares								
	Number of shares (in millions)	Stated value	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive (loss)	Treasury shares	Total Teva shareholders' equity	Non-controlling interests	Total equity
					(U.S. dollars in millions)				
Balance at March 31, 2025	1,253	58	27,965	(14,958)	(2,675)	(4,128)	6,262	7	6,269
Net Income (loss)				282			282	*	283
Other comprehensive income (loss)					244		244		244
Stock-based compensation expense			38				38		38
Balance at June 30, 2025	1,253	$ 58	$ 28,003	$ (14,676)	$ (2,431)	$ (4,128)	$ 6,827	$ 7	$ 6,834

* Represents an amount less than $0.5 million.

	Teva shareholders' equity								
	Ordinary shares								
	Number of shares (in millions)	Stated value	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive (loss)	Treasury shares	Total Teva shareholders' equity	Non-controlling interests	Total equity
					(U.S. dollars in millions)				
Balance at December 31, 2024	1,240	58	27,764	(15,173)	(3,148)	(4,128)	5,373	7	5,380
Net Income (loss)				497			497	*	497
Other comprehensive income (loss)					717		717		717
Issuance of Shares	13	*					*		*
Proceeds from exercise of options			3				3		3
Stock-based compensation expense			72				72		72
Purchase of shares from redeemable non-controlling interests**			165				165		165
Balance at June 30, 2025	1,253	$ 58	$ 28,003	$ (14,676)	$ (2,431)	$ (4,128)	$ 6,827	$ 7	$ 6,834

* Represents an amount less than $0.5 million.
** In connection with the sale of Teva's business venture in Japan. See note 17.

	Teva shareholders' equity								
	Ordinary shares								
	Number of shares (in millions)	Stated value	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive (loss)	Treasury shares	Total Teva shareholders' equity	Non-controlling interests	Total equity
					(U.S. dollars in millions)				
Balance at March 31, 2024	1,238	58	27,796	(13,673)	(2,775)	(4,128)	7,278	265	7,543
Net Income (loss)				(846)			(846)	(29)	(874)
Other comprehensive income (loss)					(106)		(106)	(32)	(138)
Issuance of shares	*	*					*		*
Stock-based compensation expense			32				32		32
Balance at June 30, 2024	1,239	$ 58	$ 27,829	$ (14,519)	$ (2,881)	$ (4,128)	$ 6,359	$ 204	$ 6,563

* Represents an amount less than 0.5 million.

	Teva shareholders' equity								
	Ordinary shares								
	Number of shares (in millions)	Stated value	Additional paid-in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive (loss)	Treasury shares	Total Teva shareholders' equity	Non-controlling interests	Total equity
				(U.S. dollars in millions)					
Balance at December 31, 2023	1,227	57	27,807	(13,534)	(2,697)	(4,128)	7,506	620	8,126
Net Income (loss)				(985)			(985)	(309)	(1,294)
Other comprehensive income (loss)					(181)		(181)	(74)	(255)
Issuance of Shares	12	1	*				1		1
Stock-based compensation expense			60				60		60
Proceeds from exercise of options			6				6		6
Dividend to non-controlling interest **								(18)	(18)
Purchase of shares from non-controlling interests***			(45)		(3)		(48)	(16)	(64)
Balance at June 30, 2024	1,239	$ 58	$ 27,829	$ (14,519)	$ (2,881)	$(4,128)	$ 6,359	$ 204	$ 6,563

* Represents an amount less than $0.5 million.

** In connection with dividends to non-controlling interests in Teva's business venture in Japan.

*** Purchase of shares from non-controlling interests in a Teva's subsidiary in Switzerland.

Amounts may not add up due to rounding.
The accompanying notes are an integral part of the financial statements.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating activities:				
Net income (loss)	$ 283	(874)	$ 503	(1,294)
Adjustments to reconcile net income (loss) to net cash provided by operations:				
Depreciation and amortization	251	259	494	531
Impairment of goodwill	—	400	—	400
Impairment of long-lived assets and assets held for sale	99	130	177	809
Net change in operating assets and liabilities	(336)	(10)	(1,035)	(507)
Deferred income taxes – net and uncertain tax positions	(211)	(424)	(183)	(613)
Stock-based compensation	38	32	72	60
Other items*	105	592	94	594
Net loss (gain) from sale of business and long-lived assets	(2)	(1)	—	(1)
Net cash provided by (used in) operating activities	227	103	122	(21)
Investing activities:				
Beneficial interest collected in exchange for securitized trade receivables	336	317	658	612
Purchases of property, plant and equipment and intangible assets	(96)	(97)	(223)	(221)
Proceeds from sale of business and long-lived assets, net	9	1	26	1
Acquisition of businesses, net of cash acquired	—	—	—	(15)
Purchases of investments and other assets	(16)	(43)	(27)	(55)
Other investing activities	3	—	3	—
Net cash provided by (used in) investing activities	236	178	437	322
Financing activities:				
Repayment of senior notes and loans and other long-term liabilities	(2,300)	(956)	(3,668)	(956)
Proceeds from senior notes, net of issuance costs	2,305	—	2,305	—
Purchase of shares from redeemable and non-redeemable non-controlling interests	—	—	(38)	(64)
Dividends paid to redeemable and non-redeemable non-controlling interests	—	—	(340)	(78)
Other financing activities	1	(10)	3	(19)
Net cash provided by (used in) financing activities	6	(966)	(1,738)	(1,117)
Translation adjustment on cash and cash equivalents	(5)	(49)	40	(153)
Net change in cash and cash equivalents	464	(733)	(1,139)	(969)
Balance of cash, cash equivalents at beginning of period	1,697	2,991	3,300	3,227
Balance of cash, cash equivalents at end of period	$ 2,161	2,258	$ 2,161	2,258
Non-cash financing and investing activities:				
Beneficial interest obtained in exchange for securitized accounts receivables	$ 329	320	$ 641	632

* Adjustment in the three months period ended June 30, 2024 was mainly related to an agreement with the Israeli Tax Authorities. See note 11.

Amounts may not add up due to rounding.
The accompanying notes are an integral part of the financial statements.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED
Notes to Consolidated Financial Statements
(Unaudited)

Note 1 – Basis of presentation:

a. Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements. In the opinion of management, the financial statements reflect all normal and recurring adjustments necessary for a fair statement of the financial position and results of operations of Teva. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission ("SEC"). The year-end balance sheet data was derived from the audited consolidated financial statements as of December 31, 2024, but not all disclosures required by generally accepted accounting principles in the United States ("U.S. GAAP") are included.

In preparing the Company's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity and disclosure of contingent liabilities and assets at the dates of the financial statements and the reported amounts of revenues and expenses during the reported years. Actual results could differ from those estimates.

In preparing the Company's consolidated financial statements, management also considered the economic implications of inflation expectations on its critical and significant accounting estimates. Government actions taken to address macroeconomic developments, as well as their economic impact on Teva's third-party manufacturers and suppliers, customers and markets, could also impact such estimates and may change in future periods. As applicable to these consolidated financial statements, the most significant estimates and assumptions relate to determining the valuation and recoverability of IPR&D and long-lived assets, marketed product rights, contingent consideration and goodwill, assessing sales reserves and allowances in the United States, uncertain tax positions, valuation allowances and contingencies. Some of these estimates could be impacted by higher costs and the ability to pass on such higher costs to customers, which is highly uncertain.

As of the date of these consolidated financial statements, sustained conflict between Russia and Ukraine and disruption in the region is ongoing. The Russia and Ukraine markets are included in Teva's International Markets segment results. Teva has no manufacturing or R&D facilities in these markets. During the three and six months ended June 30, 2025, the impact of this conflict on Teva's results of operation and financial condition continues to be immaterial.

Since October 2023, Israel has been in a state of war on multiple fronts involving the Gaza Strip and other countries and regions in the Middle East, including most recently the Islamic Republic of Iran. As of the date of these consolidated financial statements, the situation remains ongoing. Israel is included in Teva's International Markets segment results. Teva's global headquarters and several manufacturing and R&D facilities are located in Israel. Currently, such activities in Israel remain largely unaffected. Teva continues to maintain contingency plans with backup production locations for key products. During the three and six months ended June 30, 2025, the impact of this war on Teva's results of operations and financial condition is immaterial, but such impact may increase, which could be material, as a result of the continuation, escalation or expansion of such war. Teva's results of operations for the three and six months ended June 30, 2025, are not necessarily indicative of results that could be expected for the entire fiscal year.

Certain amounts in the consolidated financial statements and associated notes may not add up due to rounding. All percentages have been calculated using unrounded amounts.

b. Significant accounting policies

Recently adopted accounting pronouncements

None.

Recently issued accounting pronouncements, not yet adopted

In May 2025, the FASB issued ASU 2025-03 "Business Combinations and Consolidation: Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity," which amends the guidance for determining the accounting acquirer in certain transactions. The guidance should be applied prospectively. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods, with early adoption permitted. The adoption of this guidance will affect acquisition transactions of variable interest entities that occur after the initial application date.

In November 2024, the FASB issued ASU 2024-03 "Income Statement: Reporting Comprehensive Income—Expense Disaggregation Disclosures," which requires more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in certain expense captions presented on the face of the income statement, as well as disclosures about selling expenses. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements disclosures.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is intended to enhance the transparency and decision-usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to disclosure regarding rate reconciliation and income taxes paid both in the U.S. and in foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 on a prospective basis, with the option to apply the standard retrospectively. The Company expects the adoption of this standard to result in expanded disclosures in its consolidated financial statements.

In October 2023, the FASB issued ASU 2023-06 "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative," which incorporates certain SEC disclosure requirements into the FASB Accounting Standards Codification ("Codification"). The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification topics, allow investors to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments in this ASU should be applied prospectively. For all entities within the scope of the affected Codification subtopics, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the associated amendment will be removed from the Codification and will not become effective for any entities. The Company does not expect ASU 2023-06 will have a material impact to its consolidated financial statements.

NOTE 2 – Certain transactions:

The Company has entered into alliances and other arrangements with third parties to acquire rights to products it does not have, to access markets it does not operate in and to otherwise share development costs or business risks. The Company's most significant agreements of this nature are summarized below.

mAbxience

In April 2024, Teva announced it entered into a strategic licensing agreement with mAbxience for a biosimilar candidate currently in development for the treatment of multiple oncology indications. Under the terms of the licensing agreement, mAbxience will develop and produce the biosimilar product and Teva will lead the regulatory processes and commercialization in multiple global markets, including Europe and the U.S. In September 2024, Teva and mAbxience entered into an amendment to the licensing agreement whereby, similar to the initial licensing agreement, mAbxience will lead the development and production of an anti-PD-1 oncology biosimilar candidate and Teva will manage regulatory approvals and oversee commercialization in the designated markets.

Under the initial agreement, Teva paid mAbxience an aggregate of $20 million in upfront and milestone payments in 2024, which were recorded as R&D expenses. Pursuant to the amendment of the licensing agreement, in the fourth quarter of 2024, Teva paid mAbxience further upfront and milestone payments in a total amount of $15 million, which were recorded as R&D expenses. In the second quarter of 2025, Teva recognized a milestone payment of $12 million as R&D expenses, which is expected to be paid in the third quarter of 2025. mAbxience may be eligible for additional future development, regulatory and commercial milestone payments, in an aggregate amount of up to $308 million.

Launch Therapeutics and Abingworth

On March 28, 2024, Teva and Launch Therapeutics, Inc. ("Launch Therapeutics") entered into a clinical collaboration agreement to further accelerate the clinical research program of Teva's Dual-Action Asthma Rescue Inhaler ("DARI") (ICS-SABA; TEV-'248). As part of this clinical collaboration agreement Teva also entered into a development funding agreement with funds affiliated with Abingworth LLP ("Abingworth"). Under the clinical collaboration agreement, Launch Therapeutics, a clinical development company backed by Abingworth and Carlyle, the global investment firm, will have the lead role in the operational execution and management of the planned clinical trials. Teva will retain primary responsibility for manufacturing, regulatory interactions in the U.S., and commercialization. DARI (ICS-SABA) is currently in Phase 3 for the treatment of asthma symptoms addressing both immediate symptoms and long-term inflammation.

Under the development funding agreement, Abingworth will provide Teva up to $150 million to fund ongoing development costs for DARI (ICS-SABA). In exchange and subject to regulatory approval, Teva will pay Abingworth a milestone payment in the amount actually funded by Abingworth up to $150 million, as well as success payments based on DARI (ICS-SABA) sales. During the first six months of 2025 and during 2024, Teva recorded $58 million and $42 million, respectively, as reimbursement for R&D expenses incurred in connection with this agreement.

Biolojic Design

On November 26, 2023, Teva entered into a license agreement with Biolojic Design Ltd. ("Biolojic"), pursuant to which Teva received exclusive rights to develop, manufacture and globally commercialize a BD9 multibody for the potential treatment of atopic dermatitis and asthma. In exchange, Teva paid an upfront payment of $10 million in January 2024, which was recorded as R&D expenses in the fourth quarter of 2023. In the second quarter of 2025, Teva paid a milestone payment of $5 million, which was recorded as R&D expenses. Biolojic may be eligible to receive additional development and commercial milestone payments of approximately $500 million, over the next several years, based on the achievement of certain pre-clinical, clinical and regulatory milestones, with the majority of payments based on future sales achievements. On May 27, 2025, Teva and Biolojic initiated IND-enabling studies of BD9.

Royalty Pharma

On November 9, 2023, Teva entered into a funding agreement with Royalty Pharma plc. ("Royalty Pharma") to further accelerate the clinical research program for Teva's olanzapine LAI (TEV-'749). Under the terms of the funding agreement, Royalty Pharma will provide Teva up to $100 million to fund ongoing development costs for olanzapine LAI (TEV-'749). In exchange and subject to regulatory approval, Teva will pay Royalty Pharma a milestone payment in the amount actually funded by Royalty Pharma, paid over 5 years, in addition to royalties upon commercialization. Teva will continue to lead the development and commercialization of the product globally. During 2023 and 2024, Teva recorded $100 million as reimbursement for R&D expenses incurred in connection with this agreement, which collectively amounted to the total funding Royalty Pharma was to provide Teva. Olanzapine LAI (TEV-'749) is currently in Phase 3 for the treatment of schizophrenia (see also MedinCell transaction below).

Sanofi

On October 3, 2023, Teva entered into an exclusive collaboration with Sanofi to co-develop and co- commercialize Teva's duvakitug (anti-TL1A, TEV-'574) asset, a novel anti-TL1A therapy for the treatment of ulcerative colitis and Crohn's disease, two types of inflammatory bowel disease. Under the terms of the collaboration agreement, in partial consideration of the licenses granted to Sanofi, Teva received an upfront payment of $500 million in the fourth quarter of 2023, which was recognized as revenue. Additionally, Teva may receive up to $1 billion in development and launch milestones. Each company will equally share the remaining development costs globally and net profits and losses in major markets, with other markets subject to a royalty arrangement, and Sanofi will lead the development of the Phase 3 program. Teva will lead commercialization of the product in Europe, Israel and specified other countries, and Sanofi will lead commercialization in North America, Japan, other parts of Asia and the rest of the world. On December 17, 2024, Teva and Sanofi announced that the Phase 2b study for duvakitug met its primary endpoints in patients with ulcerative colitis and Crohn's disease. Sanofi and Teva plan to initiate Phase 3 development in inflammatory bowel disease in the second half of 2025, pending regulatory discussions.

MODAG

In October 2021, Teva announced a license agreement with MODAG GmbH ("Modag") providing Teva with an exclusive global license to develop, manufacture and commercialize Modag's lead compound, emrusolmin (TEV-'286) and a related compound (TEV-'287). Teva paid an upfront payment of $10 million to Modag in the fourth quarter of 2021, recorded as R&D expenses. Emrusolmin (TEV-'286) was developed for the treatment of Multiple System Atrophy ("MSA") and Parkinson's disease. In the third quarter of 2024, Teva initiated a Phase 2 clinical trial for emrusolmin (TEV-'286). In the second quarter of 2025, Teva initiated a Phase 1 clinical trial for TEV-'287, which is being developed for Parkinson's disease, and consequently paid a milestone payment of $10 million, which was recorded as R&D expenses. Modag may be eligible for additional future development milestone payments in an aggregate amount of up to $20 million, as well as future commercial milestones and royalties.

Alvotech

In August 2020, Teva entered into an agreement with biopharmaceutical company Alvotech for the exclusive commercialization in the U.S. of five biosimilar product candidates. The initial pipeline for this collaboration contained biosimilar candidates addressing multiple therapeutic areas, including proposed biosimilars to Humira® (adalimumab) and Stelara® (ustekinumab). Under the terms of the agreement, Alvotech is responsible for the development, registration and supply of the biosimilar product candidates and Teva will exclusively commercialize the products in the U.S. In July 2023, Alvotech and Teva amended their collaboration agreement, adding two new biosimilar candidates as well as line extensions of two current biosimilar candidates to their partnership.

Teva made upfront and milestone payments in an aggregate amount of $124 million between the years 2020 and 2024. In the first quarter of 2025, Teva made an additional milestone payment of $5 million, which was recognized as R&D expense in the fourth quarter of 2024. Additional development and commercial milestone payments of up to approximately $375 million, in addition to royalty and milestone payments related to the amendment of the collaboration agreement entered into in July 2023, may be payable by Teva over the next few years. Teva and Alvotech will share revenue from the commercialization of these biosimilars.

The amendment of the collaboration agreement entered into in July 2023 includes increased involvement by Teva regarding manufacturing and quality at Alvotech's manufacturing facility. Additionally, pursuant to another amendment to the collaboration agreement entered into on September 29, 2023, Teva purchased $40 million of subordinated convertible bonds of Alvotech, which were redeemed and paid by Alvotech to Teva for $44 million, including accrued interest, in July 2024.

On February 24, 2024, Alvotech and Teva announced that the FDA approved SIMLANDI® (adalimumab-ryvk) injection, as an interchangeable biosimilar to Humira®, for the treatment of adult rheumatoid arthritis, juvenile idiopathic arthritis, adult psoriatic arthritis, adult ankylosing spondylitis, Crohn's disease, adult ulcerative colitis, adult plaque psoriasis, adult hidradenitis suppurativa and adult uveitis. On April 17, 2024, Alvotech and Teva amended their collaboration agreement to enable the purchase by Quallent of a private label adalimumab-ryvk injection from Alvotech for the U.S. market, with Alvotech sharing profits with Teva on the private label sales. On May 20, 2024, Alvotech and Teva announced that SIMLANDI is available in the United States.

On April 16, 2024, the FDA approved SELARSDI™ (ustekinumab-aekn) injection for subcutaneous use, as a biosimilar to Stelara®, for the treatment of moderate to severe plaque psoriasis and for active psoriatic arthritis in adults and pediatric patients six years and older. On October 22, 2024, the FDA approved SELARSDI in a new presentation, 130 mg/26 mL (5 mg/mL) solution in a single-dose vial for intravenous infusion, expanding its label to include the treatment of adults with Crohn's disease and ulcerative colitis. On February 21, 2025, Alvotech and Teva announced that SELARSDI was available in the United States, and on May 5, 2025, the FDA approved SELARSDI (ustekinumab-aekn) injection as interchangeable with the reference biologic Stelara® (ustekinumab) in all presentations matching the reference product, effective as of April 30, 2025.

In January 2025, the FDA accepted for review Biologic License Applications ("BLA") for Alvotech's proposed biosimilars to Simponi® and Simponi Aria® (golimumab) and in February 2025, the FDA accepted for review a BLA for Alvotech's proposed biosimilar to Eylea® (aflibercept).

Takeda

In December 2016, Teva entered into a license agreement with a subsidiary of Takeda Pharmaceutical Company Ltd. ("Takeda"), for the research, development, manufacture and commercialization of ATTENUKINE™ technology. In 2017, Teva received an upfront payment of $30 million and a milestone payment of $20 million. During the second quarter of 2022, Takeda initiated its Phase 2 study of modakafusp alfa (formerly TAK-573 or TEV '573) and as a result paid Teva a milestone payment of $25 million, which was recognized as revenue in the second quarter of 2022. In April 2024, Takeda informed Teva of its intent to terminate the agreement with respect to such product candidate, and its product rights were reverted back to Teva in the first quarter of 2025. In December 2024, Takeda informed Teva of its intent to terminate the license agreement in its entirety, which termination became effective on May 31, 2025, with all remaining rights to the ATTENUKINE™ technology reverting back to Teva.

MedinCell

In November 2013, Teva entered into an agreement with MedinCell for the development and commercialization of multiple long-acting injectable ("LAI") products. Teva leads the clinical development and regulatory process and is responsible for the commercialization of these products. The lead product is risperidone LAI (formerly known as TV-46000). On April 28, 2023, the FDA approved UZEDY® (risperidone) extended-release injectable suspension for the treatment of schizophrenia in adults, which was launched in the U.S. in May 2023. On February 25, 2025, Teva and MedinCell announced that the supplemental New Drug Application (sNDA) for UZEDY extended-release injectable suspension for the maintenance treatment of Bipolar I disorder in adults had been accepted for filing by the FDA. MedinCell may be eligible for future sales-based milestone payments of up to $105 million with respect to UZEDY. Teva also pays MedinCell royalties on net sales.

The second selected product candidate is olanzapine LAI (TEV-'749) for the treatment of schizophrenia. In the third quarter of 2022, Teva decided to progress development of the product to Phase 3 and, as a result, paid a milestone payment of $3 million to MedinCell, which was recognized as R&D expenses. On May 8, 2024, Teva and MedinCell announced positive Phase 3 efficacy results from a trial evaluating olanzapine LAI as a once-monthly subcutaneous long-acting injectable in adults with schizophrenia, and on March 31, 2025, Teva announced survey results demonstrating patient and healthcare satisfaction with olanzapine LAI. Additional safety and efficacy results are planned to be presented in the second half of 2025. Teva paid a further $5 million milestone payment to MedinCell in the first quarter of 2025, which was recognized as R&D expenses. MedinCell may become eligible for further development and commercial milestones of up to $112 million, as well as royalties on sales of olanzapine LAI (TEV-'749).

Assets and Liabilities Held for Sale:

General

Assets and liabilities held for sale as of June 30, 2025 included Teva's API business. Assets held for sale as of December 31, 2024 included mainly Teva's API business and Teva's business venture in Japan.

On December 31, 2024, Teva classified its API business (including its R&D, manufacturing and commercial activities) as held for sale. The intention to divest is in alignment with Teva's Pivot to Growth strategy. However, there can be no assurance regarding the ultimate timing or structure of a potential divestiture or whether a divestiture will be agreed or completed at all.

In connection with the held for sale classification of Teva's API business, in the first six months of 2025, Teva recorded expenses of $9 million in other assets impairments, restructuring and other items. See note 12.

On March 31, 2025, Teva divested its business venture in Japan, for which Teva recorded a marginal gain in the first quarter of 2025.

Teva has elected the policy to include the currency translation adjustment related to the disposal group as part of the asset carrying amount.

The Company has determined that the divestiture of its businesses does not represent a strategic shift that would have a major effect on the Company's operations and financial results and therefore the divestitures did not meet the criteria for discontinued operations classification.

The table below summarizes all of Teva's assets and liabilities included as held for sale as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	(U.S. $ in millions)	
Accounts receivables	$ 118	222
Inventories	520	$ 647
Property, plant and equipment, net and others	955	913
Identifiable intangible assets, net	21	83
Goodwill	207	255
Other current assets	107	99
Other non-current assets	198	236
Expected loss on sale*	(284)	(684)
Total assets of the disposal group classified as held for sale in the consolidated balance sheets	$1,842	$ 1,771
Accounts payables	(235)	(283)
Other current liabilities	(21)	(49)
Other non-current liabilities	(78)	(85)
Expected loss on sale*	—	(281)
Total liabilities of the disposal group classified as held for sale in the consolidated balance sheets	$ (334)	$ (698)

* Includes an expected loss from reclassification of currency translation adjustments to the consolidated statements of income (loss) upon sale.

NOTE 3 – Revenue from contracts with customers:

Disaggregation of revenue

The following table disaggregates Teva's revenues by major revenue streams. For additional information on disaggregation of revenues, see note 15.

	Three months ended June 30, 2025				
	United States	Europe	International Markets	Other activities	Total
			(U.S.$ in millions)		
Sale of goods	1,755	1,275	469	136	3,636
Licensing arrangements	29	9	9	(1)	46
Distribution	365	§	12	—	377
Other	2	13	5	98	117
	$ 2,151	$1,298	$ 495	$ 232	$4,176

§ Represents an amount less than $0.5 million.

	Three months ended June 30, 2024				
	United States	Europe	International Markets	Other activities	Total
			(U.S.$ in millions)		
Sale of goods	1,714	1,203	574	150	3,640
Licensing arrangements	23	6	6	1	36
Distribution	373	§	9	—	382
Other	§	3	4	99	106
	$ 2,110	$1,213	$ 593	$ 249	$4,164

§ Represents an amount less than $0.5 million.

	Six months ended June 30, 2025				
	United States	Europe	International Markets	Other activities	Total
			(U.S.$ in millions)		
Sale of goods	3,270	2,473	1,023	265	7,031
Licensing arrangements	50	16	16	§	82
Distribution	738	§	22	—	760
Other	2	2	17	173	194
	$ 4,060	$2,492	$ 1,077	$ 438	$8,067

§ Represents an amount less than $0.5 million.

	Six months ended June 30, 2024				
	United States	Europe	International Markets	Other activities	Total
			(U.S.$ in millions)		
Sale of goods	3,034	2,455	1,140	277	6,907
Licensing arrangements	45	18	11	1	75
Distribution	754	1	18	—	773
Other	1	12	20	195	228
	$ 3,835	$2,485	$ 1,190	$ 474	$7,983

Variable consideration

Variable consideration mainly includes sales reserves and allowances (“SR&A”), comprised of rebates (including Medicaid and other governmental program discounts), chargebacks, returns and other promotional (including shelf stock adjustments) items. Provisions for prompt payment discounts are netted against accounts receivables.

The Company recognizes these provisions at the time of sale and adjusts them if the actual amounts differ from the estimated provisions.

SR&A to U.S. customers comprised approximately 69% of the Company's total SR&A as of June 30, 2025, with the remaining balance primarily related to customers in Canada and Germany. The changes in SR&A for third-party sales for the six months ended June 30, 2025 and 2024 were as follows:

	Sales Reserves and Allowances							
	Reserves included in Accounts Receivable, net	Rebates	Medicaid and other governmental allowances	Chargebacks	Returns	Other	Total reserves included in Sales Reserves and Allowances	Total
				(U.S.$ in millions)				
Balance at January 1, 2025	$ 56	$ 1,674	$ 561	$ 936	$ 399	$108	$ 3,678	$ 3,734
Provisions related to sales made in current year period	203	2,520	486	4,034	143	73	7,256	7,459
Provisions related to sales made in prior periods	—	(46)	30	(28)	(1)	(7)	(52)	(52)
Credits and payments	(194)	(2,363)	(468)	(3,962)	(112)	(48)	(6,953)	(7,147)
Translation differences	—	64	17	18	5	17	121	121
Balance at June 30, 2025	$ 65	$ 1,849	$ 626	$ 998	$ 434	$143	$ 4,050	$ 4,115

	Sales Reserves and Allowances							
	Reserves included in Accounts Receivable, net	Rebates	Medicaid and other governmental allowances	Chargebacks	Returns	Other	Total reserves included in Sales Reserves and Allowances	Total
				(U.S.$ in millions)				
Balance at January 1, 2024	$ 61	$ 1,603	$ 540	$ 859	$ 436	$ 97	$ 3,535	$ 3,596
Provisions related to sales made in current year period	194	2,325	382	3,950	146	81	6,896	7,084
Provisions related to sales made in prior periods	—	12	26	(11)	(17)	(1)	9	9
Credits and payments	(184)	(2,183)	(376)	(3,923)	(129)	(82)	(6,705)	(6,884)
Translation differences	—	(19)	(4)	(6)	(4)	(2)	(35)	(35)
Balance at June 30, 2024	$ 70	$ 1,738	$ 568	$ 869	$ 432	$ 93	$ 3,700	$ 3,770

NOTE 4 – Inventories:

Inventories, net of reserves, consisted of the following:

	June 30, 2025	December 31, 2024
	(U.S. $ in millions)	
Finished products	$2,106	$ 1,783
Raw and packaging materials	724	671
Products in process	392	353
Materials in transit and payments on account	276	199
	$3,497	$ 3,007

NOTE 5 – Identifiable intangible assets:

Identifiable intangible assets consisted of the following:

	Gross carrying amount net of impairment		Accumulated amortization		Net carrying amount	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
	(U.S. $ in millions)					
Product rights	$ 16,399	$ 15,915	$ 12,743	$ 11,998	$3,656	$ 3,917
Trade names	595	568	322	300	273	268
In process research and development	213	233	—	—	213	233
Total	$ 17,207	$ 16,716	$ 13,065	$ 12,298	$4,142	$ 4,418

Product rights and trade names

Product rights and trade names are assets presented at amortized cost. Product rights and trade names represent a portfolio of pharmaceutical products in various therapeutic categories from various acquisitions with a weighted average life period of approximately 8 years.

Amortization of intangible assets was $148 million and $146 million in the three months ended June 30, 2025 and 2024, respectively.

Amortization of intangible assets was $292 million and $298 million in the six months ended June 30, 2025 and 2024, respectively.

IPR&D

Teva's IPR&D are assets that have not yet been approved in its major markets. IPR&D carries intrinsic risks that the asset might not succeed in advanced phases and may be impaired in future periods.

Intangible assets impairments

Impairments of long-lived intangible assets for the three months ended June 30, 2025 and 2024 were $42 million and $61 million, respectively.

Impairments in the second quarter of 2025 consisted of:

(a) Identifiable product rights of $40 million due to: (i) $25 million mainly related to updated market assumptions regarding price and volume of products mainly in Europe, and (ii) $15 million mainly related to a change in Teva's commercial plan regarding certain products as part of its optimization efforts, mainly in the U.S.; and

(b) IPR&D assets of $2 million, mainly related to generic pipeline products resulting from development progress and changes in other key valuation indications mainly in Europe and the U.S. (e.g., market size, competition assumptions, legal landscape and launch date).

Impairments in the second quarter of 2024 consisted of:

(a) Identifiable product rights of $51 million, mainly due to updated market assumptions regarding price and volume of products mainly in the U.S.; and

(b) IPR&D assets of $10 million, mainly related to generic pipeline products resulting from development progress and changes in other key valuation indications (e.g., market size, competition assumptions, legal landscape and launch date).

Impairments of long-lived intangible assets for the six months ended June 30, 2025 and 2024 were $163 million and $141 million, respectively.

Impairments in the first six months of 2025 consisted of:

(a) Identifiable product rights of $153 million due to: (i) $87 million mainly related to a change in Teva's commercial plan regarding certain products as part of its optimization efforts, mainly in the U.S., and (ii) $66 million mainly related to updated market assumptions regarding price and volume of products in Europe; and

(b) IPR&D assets of $10 million, mainly related to generic pipeline products resulting from development progress and changes in other key valuation indications mainly in the U.S. (e.g., market size, competition assumptions, legal landscape and launch date).

Impairments in the first six months of 2024 consisted of:

(a) Identifiable product rights of $108 million, mainly due to updated market assumptions regarding price and volume of products mainly in the U.S.; and

(b) IPR&D assets of $33 million, mainly related to generic pipeline products resulting from development progress and changes in other key valuation indications mainly in the U.S. (e.g., market size, competition assumptions, legal landscape and launch date).

The fair value measurement of the impaired intangible assets in the first six months ended June 30, 2025 is based on significant unobservable inputs in the market and thus represents a Level 3 measurement within the fair value hierarchy. The discount rate applied ranged from 8.25% to 9.25%. A probability of success factor of 90% was used in the fair value calculation to reflect inherent regulatory and commercial risk of IPR&D.

NOTE 6 – Goodwill:

Changes in the carrying amount of goodwill for the period ended June 30, 2025, were as follows:

	United States	Europe	International Markets	Other		Total
				Teva's API	Medis	
	(U.S. $ in millions)					
Balance as of December 31, 2024 (1)	$5,732	$8,075	$ 1,110	$ —	$232	$15,147
Other changes during the period:						
Translation differences and other	—	731	12	—	59	802
Balance as of June 30, 2025 (1)	$5,732	$8,806	$ 1,122	$ —	$291	$15,949

(1) Cumulative goodwill impairment as of June 30, 2025 and December 31, 2024, was each approximately $29.6 billion.

Teva operates its business through three reporting segments: United States, Europe and International Markets. Each of these business segments is a reporting unit. Additional reporting units include Teva's production and sale of APIs to third parties ("Teva API") and an out-licensing platform offering a portfolio of products to other pharmaceutical companies through its affiliate Medis. Teva's API and Medis reporting units are included under "Other" in the table above. See note 15 for additional segment information.

Teva determines the fair value of its reporting units using the income approach. The income approach is a forward-looking approach for estimating fair value. Within the income approach, the method used is the discounted cash flow method. Teva begins with a forecast of all the expected net cash flows associated with the reporting unit, which includes the application of a terminal value, and then applies a discount rate to arrive at a net present value amount. Cash flow projections are based on Teva's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted average cost of capital ("WACC"), adjusted for the relevant risk associated with country-specific and business-specific characteristics. If any of these expectations were to vary materially from Teva's assumptions, Teva may record an impairment of goodwill allocated to these reporting units in the future.

First Quarter Developments

During the first quarter of 2025, management evaluated whether there were any developments that occurred during the quarter to determine if it was more likely than not that the fair value of any of its reporting units was below its carrying amount as of March 31, 2025. Management concluded that no triggering event had occurred and, therefore, no quantitative assessment was performed.

Second Quarter Developments

Pursuant to Company policy, Teva conducted its annual goodwill impairment test for all reporting units during the second quarter of 2025. Management considered all information available, including information gathered from its latest long-range planning ("LRP") process and annual operating plan ("AOP"), which are parts of Teva's internal financial planning and budgeting processes, as well as the recently announced "Accelerate Growth" phase under Teva's Pivot to Growth strategy ("Teva's Strategy"). The LRP, the AOP and Teva's Strategy were discussed and reviewed by Teva's management and its Board of Directors.

Additionally, Teva conducted a quantitative analysis of all of its reporting units as part of its annual goodwill impairment test with the assistance of an independent valuation expert.

Based on this quantitative analysis, no goodwill impairment charge was recorded in the second quarter of 2025.

As of June 30, 2025, Teva's United States, Europe, International Markets and Medis reporting units each had fair values in excess of 10% over their book values.

In the second quarter of 2024, Teva recorded a goodwill impairment charge of $400 million related to Teva's API reporting unit.

NOTE 7 – Debt obligations:

a. Short-term debt:

	Interest rate as of June 30, 2025	Maturity	June 30, 2025	December 31, 2024
		(U.S. $ in millions)		
Convertible senior debentures	0.25%	2026	23	23
Current maturities of long-term liabilities and other			441	1,758
Total short-term debt			$ 464	$ 1,781

Convertible senior debentures

The principal amount of Teva's 0.25% convertible senior debentures due in 2026 was $23 million as of June 30, 2025 and as of December 31, 2024. These convertible senior debentures include a "net share settlement" feature according to which the principal amount will be paid in cash and in case of conversion, only the residual conversion value above the principal amount will be paid in Teva shares.

b. Long-term debt:

	Interest rate as of June 30, 2025	Maturity	June 30, 2025	December 31, 2024
		(U.S. $ in millions)		
Senior notes EUR 1,000 million (4)	6.00%	2025	—	429
Senior notes USD 1,000 million (5)	7.13%	2025	—	427
Senior notes EUR 900 million (6)	4.50%	2025	—	515
Senior notes CHF 350 million	1.00%	2025	438	387
Senior notes USD 3,500 million (10)	3.15%	2026	1,798	3,374
Senior notes EUR 700 million	1.88%	2027	820	730
Sustainability-linked senior notes USD 1,000 million (1)(*)(10)	4.75%	2027	649	1,000
Sustainability-linked senior notes EUR 1,100 million (1)(*)	3.75%	2027	1,289	1,144
Senior notes USD 1,250 million	6.75%	2028	1,250	1,250
Senior notes EUR 750 million	1.63%	2028	876	778
Sustainability-linked senior notes USD 1,000 million (2)(*)	5.13%	2029	1,000	1,000
Sustainability-linked senior notes USD 600 million (3)(*)(10)	7.88%	2029	398	600
Sustainability-linked senior notes EUR 800 million (3)(*)(10)	7.38%	2029	775	835
Sustainability-linked senior notes EUR 1,500 million (2)(*)	4.38%	2030	1,756	1,562
Senior notes USD 700 million (7)	5.75%	2030	696	—
Sustainability-linked senior notes USD 500 million (3)(*)	8.13%	2031	500	500
Sustainability-linked senior notes EUR 500 million (3)(*)	7.88%	2031	585	521
Senior notes EUR 1,000 million (8)	4.13%	2031	1,164	—
Senior notes USD 500 million (9)	6.00%	2032	496	—
Senior notes USD 789 million	6.15%	2036	783	783
Senior notes USD 2,000 million	4.10%	2046	1,986	1,986
Total senior notes			17,259	17,821
Less current maturities			(438)	(1,758)
Less debt issuance costs (11)			(58)	(61)
Total senior notes and loans			$16,763	$ 16,002

(1) If Teva fails to achieve certain sustainability performance targets, a one-time premium payment of 0.15%-0.45% out of the principal amount will be paid at maturity or upon earlier redemption, if such redemption is on or after May 9, 2026.
(2) If Teva fails to achieve certain sustainability performance targets, the interest rate shall increase by 0.125%-0.375% per annum, from and including May 9, 2026.
(3) If Teva fails to achieve certain sustainability performance targets, the interest rate shall increase by 0.100%-0.300% per annum, from and including September 15, 2026.
(4) In January 2025, Teva repaid $426 million of its 6.00% senior notes due 2025 at maturity.
(5) In January 2025, Teva repaid $427 million of its 7.13% senior notes due 2025 at maturity.
(6) In March 2025, Teva repaid $515 million of its 4.50% senior notes due 2025 at maturity.
(7) In May 2025, Teva issued senior notes in an aggregate principal amount of $700 million bearing 5.75% annual interest and due December 2030.
(8) In May 2025, Teva issued senior notes in an aggregate principal amount of €1,000 million bearing 4.125% annual interest and due June 2031.
(9) In May 2025, Teva issued senior notes in an aggregate principal amount of $500 million bearing 6.00% annual interest and due December 2032.
(10) In June 2025, Teva consummated a cash tender offer and extinguished $1,579 million aggregate principal amount of its 3.15% senior notes due 2026; $351 million aggregate principal amount of its 4.75% senior notes due 2027; $202 million aggregate principal amount of its 7.88% senior notes due in 2029; and $157 million aggregate principal amount of its 7.38% senior notes due in 2029. The extinguishment resulted in a loss of $10 million which was recorded under financial expenses, net.
(11) Debt issuance costs as of June 30, 2025 include $13 million in connection with the issuance of the senior notes in May 2025, partially offset by $6 million acceleration of issuance costs related to the cash tender offer.
(12) In July 2025, Teva repaid $444 million of its 1% senior notes due 2025 at maturity.
* Interest rate adjustments and a potential one-time premium payment related to the sustainability-linked bonds are treated as bifurcated embedded derivatives. See note 8c.

Long-term debt was issued by several indirect wholly-owned subsidiaries of the Company and is fully and unconditionally guaranteed by the Company as to payment of all principal, interest, discount and additional amounts, if any. The long-term debt outlined in the above table is generally redeemable at any time at varying redemption prices plus accrued and unpaid interest.

Teva's debt as of June 30, 2025 was effectively denominated in the following currencies: 55% in U.S. dollars, 42% in euro and 3% in Swiss franc.

Teva's principal sources of short-term liquidity are its cash on hand, existing cash investments, liquid securities and available credit facilities, primarily its $1.8 billion unsecured syndicated sustainability-linked revolving credit facility entered into in April 2022, as amended in February 2023 and in May 2024 ("RCF").

The RCF had an initial maturity date of April 2026 with two one-year extension options. In April 2024, an extension option was exercised and the RCF maturity date was extended to April 2027. The RCF contains certain covenants, including certain limitations on incurring liens and indebtedness and maintenance of certain financial ratios, including a maximum leverage ratio, which becomes more restrictive over time.

On May 3, 2024, the terms of the RCF were amended to update the Company's maximum permitted leverage ratio under the RCF for certain periods. Under the terms of the RCF, as amended, the Company's leverage ratio shall not exceed (i) 4.00x in 2025 and in the first quarter of 2026, (ii) 3.75x in the second, third and fourth quarters of 2026 and (iii) 3.50x in the first quarter of 2027 and onwards. The RCF permits the Company to increase the maximum leverage ratio if it consummates or commences certain material transactions.

Under the RCF, as amended, the applicable margin used to calculate the interest rate under the RCF is linked to one sustainability performance target, the number of new regulatory submissions in low and middle-income countries.

Proceeds from borrowings under the RCF can be used for general corporate purposes, including repaying existing debt. As of June 30, 2025, and as of the date of this Quarterly Report on Form 10-Q, no amounts were outstanding under the RCF. Based on current and forecasted results, the Company expects that it will not exceed the financial covenant thresholds set forth in the RCF within one year from the date the financial statements are issued.

Under specified circumstances, including non-compliance with any of the covenants described above and the unavailability of any waiver, amendment or other modification thereto, the Company will not be able to borrow under the RCF. Additionally, violations of the covenants, under the circumstances referred to above, would result in an event of default in all borrowings under the RCF and, when greater than a specified threshold amount as set forth in each series of senior notes and sustainability-linked senior notes is outstanding, could lead to an event of default under the Company's senior notes and sustainability-linked senior notes due to cross-acceleration provisions.

Teva expects that it will continue to have sufficient cash resources to support its debt service payments and all other financial obligations within one year from the date that the financial statements are issued.

NOTE 8 – Derivative instruments and hedging activities:

a. Foreign exchange risk management:

In the first six months of 2025, approximately 46% of Teva's revenues were denominated in currencies other than the U.S. dollar. As a result, Teva is subject to significant foreign currency risks.

The Company enters into forward exchange contracts and purchases and writes options in order to hedge the currency exposure on balance sheet items, revenues and expenses. In addition, the Company takes measures to reduce its exposure by using natural hedging. The Company also acts to offset risks in opposite directions among the subsidiaries within Teva. The currency hedged items are usually denominated in the following main currencies: euro, Swiss franc, British pound, Russian ruble, Canadian dollar, Polish złoty, Japanese yen, new Israeli shekel, Indian rupee and other currencies. Depending on market conditions, foreign currency risk is also managed through the use of foreign currency debt.

The Company may choose to hedge against possible fluctuations in foreign subsidiaries net assets ("net investment hedge") and has entered into cross-currency swaps and forward-contracts in the past in order to hedge such an exposure.

Most of the counterparties to the derivatives are major banks and the Company is monitoring the associated inherent credit risks. The Company enters into derivative transactions for hedging purposes only.

b. Interest risk management:

The Company raises capital through various debt instruments, including senior notes, sustainability-linked senior notes, bank loans and convertible debentures that bear fixed or variable interest rates, as well as a syndicated sustainability-linked revolving credit facility and securitization programs that bear a variable interest rate. In some cases, the Company has swapped from a fixed to a variable interest rate ("fair value hedge") and from a fixed to a fixed interest rate with an exchange from a currency other than the functional currency ("cash flow hedge"), thereby reducing overall interest expenses or hedging risks associated with interest rate fluctuations. As of June 30, 2025, all outstanding senior notes, sustainability-linked senior notes and convertible debentures bear a fixed interest rate.

c. Bifurcated embedded derivatives:

Upon the issuance of its sustainability-linked senior notes, Teva recognized embedded derivatives related to interest rate adjustments and a potential one-time premium payment upon failure to achieve certain sustainability performance targets, such as access to medicines in low-to-middle-income countries and reduction of absolute greenhouse gas emissions, which were bifurcated and are accounted for separately as derivative financial instruments. As of June 30, 2025, the fair value of these derivative instruments is negligible.

d. Derivative instruments outstanding:

The following table summarizes the classification and fair values of derivative instruments:

	Fair value		Fair value	
	Designated as hedging instruments		Not designated as hedging instruments	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Reported under	(U.S. $ in millions)		(U.S. $ in millions)	
Asset derivatives:				
Other current assets:				
Option and forward contracts	$ —	$ —	$ 71	$ 71
Liability derivatives:				
Other current liabilities:				
Option and forward contracts	—	—	(50)	(24)
Other non-current liabilities:				
Cross-currency interest rate swap-cash flow hedge (1)	(19)	—	—	—

The table below provides information regarding the location and amount of pre-tax (gains) losses from derivatives designated in cash flow hedging relationships:

	Financial expenses, net		Other comprehensive income (loss)	
	Three months ended,		Three months ended,	
Reported under	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(U.S. $ in millions)			
Line items in which effects of hedges are recorded	$ 252	$ 241	$ 244	$ (138)
Cross-currency interest rate swap - cash flow hedge (1)	17	—	1	—

	Financial expenses, net		Other comprehensive income (loss)	
	Six months ended,		Six months ended,	
Reported under	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(U.S. $ in millions)			
Line items in which effects of hedges are recorded	$ 477	$ 491	$ 744	$ (255)
Cross-currency interest rate swap - cash flow hedge (1)	17	(8)	1	1

The table below provides information regarding the location and amount of pre-tax (gains) losses from derivatives not designated as hedging instruments:

	Financial expenses, net		Net revenues	
	Three months ended,		Three months ended,	
Reported under	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(U.S. $ in millions)			
Line items in which effects of hedges are recorded	$ 252	$ 241	$(4,176)	$(4,164)
Option and forward contracts (2)	(58)	(27)	—	—
Option and forward contracts economic hedge (3)	—	—	32	2

Reported under	Financial expenses, net Six months ended, June 30, 2025	Financial expenses, net Six months ended, June 30, 2024	Net revenues Six months ended, June 30, 2025	Net revenues Six months ended, June 30, 2024
	(U.S. $ in millions)			
Line items in which effects of hedges are recorded	$ 477	$ 491	$(8,067)	$(7,983)
Option and forward contracts (2)	4	(37)	—	—
Option and forward contracts economic hedge (3)	—	—	60	(10)

(1) In May 2025, Teva entered into a $500 million notional amount of fixed to fixed cross-currency interest rate swaps relating to its 5.75% senior notes due 2030 to hedge the foreign currency exchange risk of future principal and interest payments associated with the USD denominated notes. The cross-currency swaps synthetically convert part of the USD debt into CHF, aligning debt servicing costs with Teva's inflows and reducing economic volatility. These swaps have been designated as cash flow hedges and the gain or loss on these swaps will be reported as a component of other comprehensive income and reclassified into earnings in each period during which the swaps affect earnings in the same line item associated with the USD denominated bonds.

(2) Teva uses foreign exchange contracts (mainly option and forward contracts) to hedge balance sheet items from currency exposure. These foreign exchange contracts are not designated as hedging instruments for accounting purposes. In connection with these foreign exchange contracts, Teva recognizes gains or losses that offset the revaluation of the balance sheet items also recorded under financial expenses, net.

(3) Teva entered into option and forward contracts designed to limit the exposure of foreign exchange fluctuations on projected revenues and expenses recorded in euro, Swiss franc, British pound, Russian ruble, Canadian dollar, Polish złoty, Japanese yen, new Israeli shekel, Indian rupee and some other currencies to protect its projected operating results for 2025. These derivative instruments do not meet the criteria for hedge accounting, however, they are accounted for as an economic hedge. These derivative instruments, which may include hedging transactions against future projected revenues and expenses, are recognized on the balance sheet at their fair value on a quarterly basis, while the foreign exchange impact on the underlying revenues and expenses may occur in subsequent quarters. In the three months ended June 30, 2025, the negative impact from these derivatives recognized under revenues was $32 million. In the three months ended June 30, 2024, the negative impact from these derivatives recognized under revenues was $2 million. In the six months ended June 30, 2025, the negative impact from these derivatives recognized under revenues was $60 million. In the six months ended June 30, 2024, the positive impact from these derivatives recognized under revenues was $10 million. Changes in the fair value of the derivative instruments are recognized in the same line item in the statements of income as the underlying exposure being hedged. Cash flows associated with these derivatives are reflected as cash flows from operating activities in the consolidated statements of cash flows.

e. Amortizations due to terminated derivative instruments:

Forward-starting interest rate swaps and treasury lock agreements

In 2015, Teva entered into forward-starting interest rate swaps and treasury lock agreements to protect the Company from interest rate fluctuations in connection with a future debt issuance the Company was planning. These forward-starting interest rate swaps and treasury lock agreements were terminated in July 2016 upon the debt issuance. Termination of these transactions resulted in a loss position of $493 million, which was recorded as other comprehensive income (loss) and is amortized under financial expenses, net over the life of the debt.

With respect to these forward-starting interest rate swaps and treasury lock agreements, losses of $17 million and $7 million were recognized under financial expenses, net, for each of the three months ended June 30, 2025 and 2024, and losses of $24 million and $14 million were recognized under financial expenses, net for each of the six months ended June 30, 2025 and 2024, respectively.

f. Securitization:

U.S. securitization program

On November 7, 2022, Teva and a bankruptcy-remote special purpose vehicle ("SPV") entered into an accounts receivable securitization facility ("AR Facility") with PNC Bank, National Association ("PNC") with a three-year term. The AR Facility provided for purchases of accounts receivable by PNC in an amount of up to $1 billion through November 2023, and up to $500 million from November 2023 through November 2025. On June 30, 2023, the AR Facility agreement was amended to include an additional receivables purchaser under the agreement, in an amount of up to $250 million through November 2025. As a result, the total commitment of PNC was reduced to an amount of up to $750 million, effective June 30, 2023. Under the terms of the AR facility agreement, in November 2023, the total commitment of PNC was further reduced to an amount of up to $500 million through November 2025. On November 7, 2023, the SPV amended the agreement and increased the commitment amount to a maximum of $1 billion by including an additional receivables purchaser in an amount of up to $250 million through March 2024, which was then reduced by $125 million through November 2025. As a result, the commitment amount was reduced to a maximum of $875 million without any additional purchasers participating in the AR facility. On October 29, 2024, the SPV amended the agreement and increased the commitment amount to a maximum amount of $950 million by an existing receivables purchaser increasing its commitment by $75 million.

Pledged accounts receivables

In connection with the U.S. securitization program, accounts receivables, net of allowance for credit losses, include $673 million and $558 million as of June 30, 2025 and December 31, 2024, respectively, which are pledged by the SPV to PNC.

g. Supplier Finance Program Obligation

Teva maintains supply chain finance agreements with participating financial institutions. Under these agreements, participating suppliers may voluntarily elect to sell their accounts receivable with Teva to these financial institutions. Teva's suppliers negotiate their financing agreements directly with the respective financial institutions and Teva is not a party to these agreements. Teva has no economic interest in its suppliers' decisions to participate in the program and Teva pays the financial institutions the stated amount of confirmed invoices on the maturity dates, which is generally within 120 days from the date the invoice was received. The agreements with the financial institutions do not require Teva to provide assets pledged as security or other forms of guarantees for the supplier finance program. All outstanding amounts related to suppliers participating in the supplier finance program are recorded under accounts payables in Teva's consolidated balance sheets. As of June 30, 2025 and December 31, 2024, the outstanding accounts payables to suppliers participating in these supplier finance programs were $196 million and $158 million, respectively.

NOTE 9 – Legal settlements and loss contingencies:

In the second quarter of 2025, Teva recorded expenses of $166 million in legal settlements and loss contingencies, compared to expenses of $83 million in the second quarter of 2024. Expenses in the second quarter of 2025 were mainly related to an update to the estimated provision recorded for the claims brought by attorneys general representing states and territories throughout the United States in the generic drug antitrust litigation, an update to the estimated settlement provision for the opioid cases (mainly the effect of the passage of time on the net present value of the discounted payments), and a provision recorded in connection with the antitrust litigation related to QVAR®. Expenses in the second quarter of 2024 were mainly related to an update to the estimated settlement provision for the opioid cases (mainly the effect of the passage of time on the net present value of the discounted payments), as well as an update in the estimated provision related to the settlement of several opt-out claims in connection with the Ontario Teachers Securities litigation, partially offset by an update to the estimated provision for the U.S. DOJ patient assistance program litigation. See note 10.

In the first six months of 2025, Teva recorded expenses of $252 million in legal settlements and loss contingencies, compared to $188 million in the first six months of 2024. Expenses in the first six months of 2025 were mainly related to an update to the estimated settlement provision for the opioid cases (mainly the effect of the passage of time on the net present value of the discounted payments), an update to the estimated provision recorded for the claims brought by attorneys general representing states and territories throughout the United States in the generic drug antitrust litigation, as well a provision recorded in connection with the antitrust litigation related to QVAR. Expenses in the first six months of 2024 were mainly related to an update to the estimated settlement provision for the opioid cases (mainly the effect of the passage of time on the net present value of the discounted payments), as well as an update in the estimated provision related to the settlement of several opt-out claims in connection with the Ontario Teachers Securities litigation.

As of June 30, 2025 and December 31, 2024, Teva's provision for legal settlements and loss contingencies recorded under accrued expenses and other taxes and long-term liabilities was $5,002 million and $4,881 million, respectively.

NOTE 10 – Commitments and contingencies:

General

From time to time, Teva and/or its subsidiaries are subject to claims for damages and/or equitable relief arising in the ordinary course of business. In addition, as described below, in large part as a result of the nature of its business, Teva is frequently subject to litigation. Teva generally believes that it has meritorious defenses to the actions brought against it and vigorously pursues the defense or settlement of each such action.

Teva records a provision in its consolidated financial statements to the extent that it concludes that a contingent liability is probable and the amount thereof is reasonably estimable. Based upon the status of the cases described below, management's assessments of the likelihood of damages, and the advice of legal counsel, no material provisions have been made regarding the matters disclosed in this note, except as noted below. Litigation outcomes and contingencies are unpredictable, and substantial damages or other relief may be awarded. Accordingly, management's assessments involve complex judgments about future events and often rely heavily on estimates and assumptions. Teva continuously reviews the matters described below and may, from time to time, remove previously disclosed matters where the exposures were fully resolved in the prior year, or determined to no longer meet the materiality threshold for disclosure, or were substantially resolved.

If one or more of such proceedings described below were to result in final judgments against Teva, such judgments could be material to its results of operations and cash flows in a given period. In addition, Teva incurs significant legal fees and related expenses in the course of defending its positions even if the facts and circumstances of a particular litigation do not give rise to a provision in the consolidated financial statements.

In connection with third-party agreements, Teva may under certain circumstances be required to indemnify, and may be indemnified by, in unspecified amounts, the parties to such agreements against third-party claims. Among other things, Teva's agreements with third parties may require Teva to indemnify them, or require them to indemnify Teva, for the costs and damages incurred in connection with product liability claims, in specified or unspecified amounts.

Except as otherwise noted, all of the litigation matters disclosed below involve claims arising in the United States. Except as otherwise noted, all third-party sales figures given below are based on IQVIA data.

Intellectual Property Litigation

From time to time, Teva seeks to develop generic and biosimilar versions of patent-protected pharmaceuticals and biopharmaceuticals for sale prior to patent expiration in various markets. In the United States, to obtain approval for most generics prior to the expiration of the originator's patents, Teva must challenge the patents under the procedures set forth in the Hatch-Waxman Act of 1984, as amended. For many biosimilar products that are covered by patents, Teva participates in the "patent dance" procedures of the Biologics Price Competition and Innovation Act ("BPCIA"), which allow for the challenge to originator patents prior to obtaining biosimilar product approval. To the extent that Teva seeks to utilize such patent challenge procedures, Teva is and expects to be involved in patent litigation regarding the validity, enforceability or infringement of the originator's patents. Teva may also be involved in patent litigation involving the extent to which its product or manufacturing process techniques may infringe other originator or third-party patents.

Additionally, depending upon a complex analysis of a variety of legal and commercial factors, Teva may, in certain circumstances, elect to market a generic or biosimilar version of the product even though litigation is still pending. To the extent Teva elects to proceed in this manner, it could face substantial liability for patent infringement if the final court decision is adverse to Teva, which could be material to its results of operations and cash flows in a given period.

Teva could also be sued for patent infringement outside of the context of the Hatch-Waxman Act or BPCIA. For example, Teva could be sued for patent infringement after commencing sales of a product. This type of litigation can involve any of Teva's pharmaceutical products, not just its generic and biosimilar products.

The general rule for damages in patent infringement cases in the United States is that the patentee should be compensated by no less than a reasonable royalty and it may also be able, in certain circumstances, to be compensated for its lost profits. The amount of a reasonable royalty award would generally be calculated based on the sales of Teva's product. The amount of lost profits would generally be based on the lost sales of the patentee's product. In addition, the patentee may seek consequential damages as well as enhanced damages of up to three times the profits lost by the patent holder for willful infringement, although courts have typically awarded much lower multiples.

Teva is also involved in litigation regarding patents in other countries where it does business, particularly in Europe. The laws concerning generic pharmaceuticals and patents differ from country to country. Damages for patent infringement in Europe may include lost profits or a reasonable royalty, but enhanced damages for willful infringement are generally not available.

In July 2014, GlaxoSmithKline ("GSK") filed claims against Teva in the U.S. District Court for the District of Delaware for infringement of a patent directed to using carvedilol in a specified manner to decrease the risk of mortality in patients with congestive heart failure. Teva began selling its carvedilol tablets (the generic version of GSK's Coreg®) in September 2007. A jury returned a verdict in GSK's favor, which was initially overturned by the U.S. District Court. The Court of Appeals for the Federal Circuit reinstated the $235.5 million jury verdict, not including pre- or post-judgment interest, finding Teva liable for patent infringement. The U.S. Supreme Court denied Teva's appeal for a rehearing. On December 12, 2024, the U.S. District Court for the District of Delaware set a schedule for briefing on legal issues that remain in the case, and the briefings were completed on March 26, 2025. In addition to those legal issues, there will need to be a trial regarding certain equitable issues that were never presented in the 2017 jury trial. Teva recognized a provision based on its offer to settle the matter.

Product Liability Litigation

Teva's business inherently exposes it to potential product liability claims. Teva maintains a program of insurance, which may include commercial insurance, self-insurance (including direct risk retention), or a combination of both types of insurance, in amounts and on terms that it believes are reasonable and prudent in light of its business and related risks. However, Teva sells, and will continue to sell, pharmaceuticals that are not covered by its product liability insurance; in addition, it may be subject to claims for which insurance coverage is denied, as well as claims that exceed its policy limits. Product liability coverage for pharmaceutical companies is becoming more expensive and increasingly difficult to obtain. As a result, Teva may not be able to obtain the type and amount of insurance it desires, or any insurance on reasonable terms, in certain or all of its markets.

Since July 2018, Teva and its subsidiaries have been parties to litigation relating to previously unknown nitrosamine impurities discovered in certain products. The nitrosamine impurities were allegedly found in the active pharmaceutical ingredient ("API") supplied to Teva by multiple API manufacturers. Subsequently, Teva initiated recalls of losartan in April 2019 and metformin in June 2020, due to the presence of nitrosamine impurities.

Various nitrosamine litigations remain pending in the United States related to Teva's valsartan, losartan, metformin and ranitidine products. There are currently two Multi-District Litigations ("MDL") pending against Teva and other manufacturers, including one MDL in the U.S. District Court for the District of New Jersey with respect to Teva's valsartan and losartan products, and another MDL in the U.S. District Court for the Southern District of Florida related to Teva's ranitidine products.

The claims against Teva and other generic manufacturers in the ranitidine MDL have been dismissed on preemption and other grounds, and are currently on appeal in the Eleventh Circuit Court of Appeals. Teva was dismissed from all ranitidine claims pending in Illinois based on preemption grounds, which plaintiffs have appealed. State court ranitidine cases naming Teva are also pending in coordinated proceedings in California and Pennsylvania.

The district court in the valsartan MDL originally scheduled the first trial to commence in the fourth quarter of 2024, but that trial has been postponed indefinitely. Bellwether trial workup based on personal injury claims involving Teva's valsartan product is underway, and Teva's first trial may occur no earlier than in the first quarter of 2026. Discovery is paused indefinitely in the MDL with respect to the losartan claims against Teva.

Certain generic manufacturers, including Teva, have also been named in a small number of state court actions brought by single plaintiffs asserting allegations similar to those in the aforementioned valsartan MDL. All of these state court matters are stayed, aside from a single case pending in New Jersey. Similar lawsuits are pending in Canada.

Teva was also named in a consolidated proceeding pending in the U.S. District Court for the District of New Jersey brought by individuals and end payors seeking economic damages on behalf of purported classes of consumers and end payors who purchased Teva's and other generic manufacturers' metformin products. In December 2024, Teva reached a settlement on this matter that resolved all of the plaintiffs' claims against Teva and the settlement agreement will be presented to the court for approval.

Competition Matters

As part of its generic pharmaceuticals business, Teva has challenged a number of patents covering branded pharmaceuticals, some of which are among the most widely-prescribed and well-known drugs on the market. Many of Teva's patent challenges have resulted in litigation relating to Teva's attempts to market generic versions of such pharmaceuticals under the federal Hatch-Waxman Act. Some of this litigation has been resolved through settlement agreements in which Teva obtained a license to market a generic version of the drug, often years before the patents expire.

Teva and its subsidiaries have been named as defendants in cases that allege antitrust violations arising from such settlement agreements. The plaintiffs in these cases are usually direct and indirect purchasers of pharmaceutical products, some of whom assert claims on behalf of classes of all direct and indirect purchasers, and they typically allege that (i) Teva received something of value from the innovator in exchange for an agreement to delay generic entry, and (ii) significant savings could have been realized if there had been no settlement agreement and generic competition had commenced earlier. These plaintiffs seek various forms of injunctive and monetary relief, including damages based on the difference between the brand price and what the generic price allegedly would have been and disgorgement of profits, which are often automatically tripled under the relevant statutes, plus attorneys' fees and costs. The alleged damages generally depend on the size of the branded market and the length of the alleged delay, and can be substantial, potentially measured in multiples of the annual brand sales, particularly where the alleged delays are lengthy or branded drugs with annual sales in the billions of dollars are involved.

Teva believes that its settlement agreements are lawful and serve to increase competition, and has defended them vigorously. In Teva's experience to date, these cases have typically settled for a fraction of the high end of the damages sought, although there can be no assurance that such outcomes will continue.

In June 2013, the U.S. Supreme Court held, in Federal Trade Commission ("FTC") v. Actavis, Inc., that a rule of reason test should be applied in analyzing whether such settlements potentially violate the federal antitrust laws. The Supreme Court held that a trial court must analyze each agreement in its entirety in order to determine whether it violates the U.S. antitrust laws. This test has resulted in increased scrutiny of Teva's patent settlements, additional action by the FTC and state and local authorities, and an increased risk of liability in Teva's currently pending antitrust litigations.

In December 2011, three groups of plaintiffs filed claims against Wyeth and Teva for alleged violations of the U.S. antitrust laws in connection with their November 2005 settlement of patent litigation involving extended-release venlafaxine (generic Effexor XR®). The cases were filed by a purported class of direct purchasers, a purported class of indirect purchasers and certain chain pharmacies in the U.S. District Court for the District of New Jersey. The plaintiffs claim that the settlement agreement between Wyeth and Teva unlawfully delayed generic entry. On September 18, 2024, the district court lifted its stay of discovery and the case is now proceeding. Teva and one group of plaintiffs (the "Indirect Purchaser Plaintiffs" or "IPPs") reached an agreement to resolve the IPPs' claims against Teva, and on March 19, 2025, that settlement was granted preliminary approval by the court. Annual sales of Effexor XR® were approximately $2.6 billion at the time of settlement and at the time Teva launched its generic version of Effexor XR® in July 2010.

In February 2012, two purported classes of direct-purchaser plaintiffs filed claims against GSK and Teva in the U.S. District Court for the District of New Jersey for alleged violations of the antitrust laws in connection with their February 2005 settlement of patent litigation involving lamotrigine (generic Lamictal®). The plaintiffs claimed that the settlement agreement unlawfully delayed generic entry and sought unspecified damages. During February 2023, a number of direct purchasers who were denied class certification filed suit as individual plaintiffs, which action was transferred to the U.S. District Court for the District of New Jersey. Discovery of the newly added individual plaintiffs is ongoing. Annual sales of Lamictal® were approximately $950 million at the time of the settlement and approximately $2.3 billion at the time Teva launched its generic version of Lamictal® in July 2008.

In April 2013, purported classes of direct purchasers of, and end payers for, Niaspan® (extended release niacin) filed claims against Teva and Abbott for violating the antitrust laws by entering into a settlement agreement in April 2005 to resolve patent litigation over the product. A multidistrict litigation has been established in the U.S. District Court for the Eastern District of Pennsylvania. Throughout 2015 and in January 2016, several individual direct-purchaser opt-out plaintiffs filed complaints with allegations nearly identical to those of the direct purchasers' class. On April 24, 2023, the U.S. District Court's denial of the indirect purchasers' motion for class certification was affirmed by the Court of Appeals for the Third Circuit, and on June 5, 2023, the Court of Appeals denied the indirect purchasers' petition for re-hearing. The litigation remains ongoing. In October 2016, the District Attorney for Orange County, California, filed a similar complaint in California state court, alleging violations of state law and seeking restitution and civil penalties. The California state court case remains stayed. Annual sales of Niaspan® were approximately $416 million at the time of the settlement and approximately $1.1 billion at the time Teva launched its generic version of Niaspan® in September 2013.

In November 2020, the European Commission issued a final decision in its proceedings against both Cephalon and Teva, finding that the 2005 settlement agreement between the parties had the object and effect of hindering the entry of generic modafinil, and imposed fines totaling euro 60.5 million on Teva and Cephalon, potentially subject to post-decision interest. Teva and Cephalon filed an appeal against the decision in February 2021, and a judgment was issued on October 18, 2023 rejecting Teva's grounds of appeal. A provision for this matter was included in the financial statements. In lieu of posting a cash bond, Teva has provided the European Commission with a bank guarantee in the amount of the imposed fines, plus post-decision interest. On January 4, 2024, Teva appealed the October 2023 judgment to the European Court of Justice. On March 27, 2025, the advocate general to the European Court of Justice issued a non-binding opinion, recommending that Teva's appeal be dismissed. The appeal otherwise remains pending.

Between September 2021 and April 2022, several private plaintiffs including retailers and health insurance providers filed claims in various courts against Teva and certain other defendants related to various medicines used to treat HIV, which were all removed and/or consolidated into the U.S. District Court for the Northern District of California. As they relate to Teva, the lawsuits challenged settlement agreements Teva entered into with Gilead in 2013 and/or 2014 to resolve patent litigation relating to Teva's generic versions of Viread® and/or Truvada® and Atripla®, although plaintiffs abandoned any claim for damages relating to the Viread® settlement. In May 2023, Teva and Gilead reached a settlement agreement with the retailer plaintiffs and Teva recognized a provision for this matter based on such settlement. On June 30, 2023, the jury in the trial against the remaining plaintiffs issued a verdict in favor of Teva and Gilead, rejecting all of the remaining plaintiffs' claims. On February 12, 2024, the court entered a judgment as to all claims against Teva. The plaintiffs appealed to the U.S. Court of Appeals for the Ninth Circuit, and the appeal is fully briefed. Annual sales in the United States at the time of the settlement of Viread®, Truvada® and Atripla® were approximately $582 million, $2.4 billion, and $2.9 billion, respectively. Annual sales in the United States at the time Teva launched its generic version of Viread® in 2017, Truvada® in 2020 and Atripla® in 2020 were approximately $728 million, $2.1 billion and $444 million, respectively.

In March 2021, the European Commission opened a formal antitrust investigation to assess whether Teva may have abused a dominant position by delaying the market entry and uptake of medicines that compete with COPAXONE®. On October 10, 2022, the European Commission issued a Statement of Objections, which sets forth its preliminary allegations that Teva had engaged in anti-competitive practices. On October 31, 2024, the European Commission announced its final decision, alleging that Teva had abused a dominant position in certain European member states by (i) filing and withdrawing certain divisional patents, and (ii) raising concerns about competitors' follow-on versions of COPAXONE. The decision also includes a fine of euro 462.6 million, potentially subject to post-decision interest. Teva filed an appeal against the decision with the General Court of the European Union in January 2025, and that appeal remains pending. In accordance with Accounting Standards Codification 450 "Accounting for Contingencies," Teva recognized a provision in its financial statements in the third quarter of 2024, based on management's current best estimate of the outcome within a range of outcomes for the final resolution of this case. Teva has provided the European Commission with surety underwritten guarantees in an amount of euro 462.6 million, together with specified post-decision interest, to cover the fine amount. Certain generic competitors in Europe have also brought similar antitrust claims against Teva in Germany and the Netherlands, which have been stayed. Teva could face additional claims from generic competitors, payors, or other private plaintiffs in Europe related to this matter.

On June 29, 2021, Mylan Pharmaceuticals ("Mylan") filed claims against Teva in the U.S. District Court for the District of New Jersey. On March 11, 2022 and March 15, 2022, purported purchasers of COPAXONE filed claims against Teva in the U.S. District Court for the District of New Jersey on behalf of themselves and similarly situated direct and indirect purchasers of COPAXONE. On August 22, 2022, additional purported purchasers of COPAXONE sued Teva in the U.S. District Court for the District of Vermont on behalf of themselves and similarly situated indirect purchasers of COPAXONE. The complaints variously assert claims for alleged violations of the Lanham Act, state and federal unfair competition and monopolization laws, tortious interference, trade libel, and a violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO Act"). Additionally, plaintiffs claim Teva was involved in an unlawful scheme to delay and hinder generic competition concerning COPAXONE sales. Plaintiffs seek damages for lost profits and expenses, disgorgement, restitution, treble damages, attorneys' fees and costs, and injunctive relief. Teva moved to dismiss all of the complaints, and on January 22, 2024, Teva's motion to dismiss the complaint in the District of Vermont was granted as to certain state law claims but was otherwise denied. On February 27, 2025, the Special Master in the District of New Jersey issued reports and recommendations on Teva's motions to dismiss the direct purchaser plaintiffs' ("DPP") complaint and the Mylan complaint, recommending dismissal of several aspects of the plaintiffs' respective claims and allowing others to proceed. Mylan filed an objection with the District Court to certain of the Special Master's recommendations for dismissal but not others. The objection remains pending. A decision on Teva's remaining motions to dismiss the indirect purchasers' complaint in the District of New Jersey remains pending. On April 30, 2025, the Special Master granted DPPs leave to replead one aspect of their claim but also granted Teva leave to file a renewed motion to dismiss the amended complaint; the DPPs waived any other objection. On May 30, 2025, the DPPs filed an amended complaint, which drops its class allegations and adds several new direct purchaser plaintiffs. Teva submitted its renewed motion to dismiss certain of DPPs' allegations to the Special Master for resolution. In April 2025, in the Vermont purchaser action, Teva filed motions for partial judgment on the pleadings and a partial stay of discovery, but both motions were denied. On April 3, 2025, Walgreen Co., The Kroger Co., Albertsons Companies, Inc., and H-E-B, L.P. ("Retailers"), as opt-outs of the purported DPP class in the District of New Jersey, filed a complaint against Teva in the District of Vermont alleging claims similar to those filed by other plaintiffs and asserting a claim under the Sherman Act. On April 23, 2025, Teva filed a motion to dismiss or transfer the Retailers' action from the District of Vermont to the District of New Jersey. Decisions on all three of those motions remain pending.

On July 15, 2021, the U.K. Competition and Markets Authority ("CMA") issued a decision imposing fines for breaches of U.K. competition law by Allergan, Actavis UK, Auden Mckenzie and a number of other companies in connection with the supply of 10mg and 20mg hydrocortisone tablets in the U.K. The decision combines the CMA's three prior investigations into the supply of hydrocortisone tablets in the U.K., as well as the CMA's subsequent investigation relating to an alleged anticompetitive agreement with Waymade. On January 9, 2017, Teva completed the sale of Actavis UK to Accord Healthcare Limited, in connection with which Teva agreed to indemnify Accord Healthcare for potential fines imposed by the CMA and/or damages awarded by a court against Actavis UK in relation to two of the three statements of objection from the CMA (dated December 16, 2016 and March 3, 2017), and resulting from conduct prior to the closing date of the sale. In addition, Teva agreed to indemnify Allergan against losses arising from this matter in the event of any such fines or damages. On October 6, 2021, Accord UK (previously Actavis UK) and Auden Mckenzie appealed to the U.K. Competition Appeal Tribunal (the "Tribunal") the CMA's decisions that the prices of hydrocortisone were unfair and excessive and that the agreements amounted to infringements of the U.K.'s Competition Act as so-called pay-for-delay arrangements. The hearing for the appeal concluded in the first quarter of 2023, with partial judgments handed down by the Tribunal on September 18, 2023 (judgment on unfair pricing), March 8, 2024 (judgments on pay-for-delay and due process) and April 29, 2024 (judgment on fines). On September 6, 2024, the U.K. Court of Appeal overturned the Tribunal's judgment on due process and, as a result, the Tribunal will now consider and issue a further judgment on fines. Accord UK and Auden Mckenzie requested permission to appeal the U.K. Court of Appeal's ruling (overturning the Tribunal's judgment on due process) to the U.K. Supreme Court, but that request was denied in January 2025. In March 2025, the Tribunal gave Accord UK and Auden Mckenzie permission to appeal to the Court of Appeal certain other issues relating to unfair pricing and fines. Those appeals have been filed and remain pending. A provision for the estimated exposure for Teva related to the fines and/or damages has been recorded in the financial statements.

In November 2022, two complaints filed by plaintiffs purporting to represent retailer purchasers and a putative class of end-payor purchasers were filed in the U.S. District Court for the District of New Jersey against Teva and its marketing partner, Natco Pharma Limited ("Natco"), alleging violations of the antitrust laws in connection with their December 2015 settlement of patent litigation with Celgene Corporation (which was subsequently acquired by BMS) involving the drug Revlimid® (lenalidomide). The complaints also name Celgene and BMS as defendants. On January 24, 2023, the complaints were consolidated for pre-trial purposes only with an earlier-filed, already consolidated Insurer Opt-Out Action filed against BMS and Celgene. On February 16, 2023, plaintiffs filed amended complaints adding additional plaintiffs. On May 16, 2023, Teva and Natco, along with Celgene, moved to dismiss the complaints against them. Additionally, on October 6, 2023, two individual payor plaintiffs brought claims similar to those described above in the U.S. District Court for the Northern District of California, which actions were consolidated with the pending consolidated actions and transferred to the U.S. District Court for the District of New Jersey. On June 6, 2024, the court granted in full Celgene's motion to dismiss the Insurer Opt-Out Action, but allowed plaintiffs leave to amend most of their claims. The Court had previously administratively terminated Teva's, Natco's, and Celgene's motions to dismiss the retailer and end-payor complaints pending the decision on the Insurer Opt-Out Action. On August 5, 2024, plaintiffs filed amended complaints to which the defendants subsequently filed motions to dismiss, which remain pending. On December 16, 2024, five individual Insurer Opt Out plaintiffs, each of whom had added Teva and Natco as defendants in the Insurer Amended Complaint filed on August 5, 2024, filed new standalone complaints adding no new substantive allegations and naming Teva, Natco and other defendants as defendants. Annual sales of Revlimid® in the United States were approximately $3.5 billion at the time of the settlement.

On December 2, 2022, plaintiffs purporting to represent putative classes of indirect purchasers of EpiPen® (epinephrine injection) and NUVIGIL® (armodafinil) filed a complaint in the U.S. District Court for the District of Kansas against Teva, Cephalon, and a former Teva executive. Teva owns the New Drug Application ("NDA") for NUVIGIL and sold the brand product, for which generic entry occurred in 2016. Teva filed an ANDA to sell generic EpiPen®, which Teva launched in 2018, following receipt of FDA approval. The complaint alleges, among other things, that the defendants violated federal antitrust laws, the RICO Act, and various state laws in connection with settlements resolving patent litigation relating to those products. Plaintiffs seek injunctive relief, compensatory and punitive damages, interest, attorneys' fees and costs. On September 26, 2023, plaintiffs filed a brief in opposition to Teva's motion to dismiss the amended complaint, in which plaintiffs limited their claims only to those relating to the alleged delay of generic NUVIGIL. On March 26, 2024, the court issued its decision, which granted Teva's motion in part, dismissing plaintiffs' RICO claims and certain state law claims, but denied Teva's motion regarding plaintiffs' antitrust claims. On April 26, 2024, Teva sought certification to seek an interlocutory appeal of the decision, which the court denied on November 6, 2024. On June 14, 2024, the court entered orders bifurcating discovery and limiting the first phase to the question of the timeliness of plaintiffs' claims. Substantially similar complaints were filed in the U.S. District Courts for the Central District of California and the Eastern District of New York on June 19, and June 23, 2025, respectively. By agreement, those complaints will be transferred to the District of Kansas. Annual sales of NUVIGIL in the United States were approximately $300 million at the time Teva entered into the first settlement with an ANDA filer in 2012.

In May 2023, certain end-payor plaintiffs filed putative class action complaints in the U.S. District Court for the District of Massachusetts against Teva and a number of its affiliates, alleging that Teva engaged in anticompetitive conduct to suppress generic competition to its branded QVAR asthma inhalers in violation of state and federal antitrust laws and state consumer protection laws. On May 7, 2024, the court granted Teva's motion to dismiss in part and denied its motion in part. The court dismissed plaintiffs' claim that Teva had engaged in "sham litigation" and certain of plaintiffs' state antitrust and consumer protection claims, but permitted the case to proceed on the remainder of plaintiffs' allegations. On June 18, 2024, Teva answered in all cases and simultaneously moved for judgment on the pleadings pursuant to Rule 12(c). On June 28, 2024, Teva stipulated to the dismissal of the two direct purchaser plaintiffs' claims, with prejudice. On November 6, 2024, the court granted in part Teva's Rule 12(c) motion, dismissing plaintiffs' reverse payment claim, while denying the remainder of Teva's motion. Discovery in this case is ongoing. In the second quarter of 2025, Teva recognized a provision for this matter.

Government Investigations and Litigation Relating to Pricing and Marketing

Teva is involved in government investigations and litigation arising from the marketing and promotion of its pharmaceutical products in the United States.

In 2015 and 2016, Actavis and Teva USA each respectively received subpoenas from the U.S. Department of Justice ("DOJ") Antitrust Division seeking documents and other information relating to the marketing and pricing of certain Teva USA generic products and communications with competitors about such products. On August 25, 2020, a federal grand jury in the Eastern District of Pennsylvania returned a three-count indictment charging Teva USA with criminal felony Sherman Act violations. On August 21, 2023, Teva USA entered into a 3-year deferred prosecution agreement ("DPA") with the DOJ. Under the terms of the DPA, Teva USA: (i) admitted to violating the antitrust laws by agreeing with competitors, in three instances between 2013 and 2015 involving three separate customers, not to bid on an opportunity to supply a customer with a particular generic product (in the first instance pravastatin, in the second clotrimazole, and in the third tobramycin); (ii) agreed to divest the pravastatin that it sells in the United States to a third-party buyer; (iii) agreed to donate $50 million worth of clotrimazole and tobramycin, valued at wholesale acquisition cost ("WAC"), to humanitarian organizations over five years; and (iv) agreed to pay a fine in the amount of $225 million over 5 years, with $22.5 million due each year from 2024 through 2027, and $135 million due in 2028. Teva recognized a provision for the resolution of this case and divested pravastatin in November 2024 pursuant to the DPA.

In May 2018, Teva received a civil investigative demand from the DOJ Civil Division pursuant to its investigation concerning allegations that generic pharmaceutical manufacturers, including Teva, engaged in market allocation and/or price-fixing agreements, paid illegal remuneration, and caused false claims to be submitted in violation of the False Claims Act. On October 10, 2024, Teva entered into a settlement agreement with the Civil Division to resolve these allegations. Under the terms of the settlement, which includes no admission of wrongdoing, Teva is required to pay $25 million, consisting of $10 million that was paid in the fourth quarter of 2024 and $15 million that will be paid in 2025. Teva has recognized a provision for the resolution of this matter.

In 2015 and 2016, Actavis and Teva USA each respectively received a subpoena from the Connecticut Attorney General seeking documents and other information relating to potential state antitrust law violations. On December 15, 2016, and as subsequently amended, a civil action was brought by the attorneys general of 49 states, as well as the District of Columbia and Puerto Rico, which includes claims against both Actavis and Teva. On May 10, 2019, and as subsequently amended, most of these attorneys general filed another antitrust complaint against Actavis, Teva and other companies and individuals alleging that Teva was at the center of a conspiracy in the generic pharmaceutical industry and asserting that Teva and others allegedly fixed prices, rigged bids, and allocated customers and market share with respect to certain products. The second complaint was amended on November 22, 2024, to add California as a plaintiff as well as to add additional defendants. On June 10, 2020, most of the same states, with the addition of the U.S. Virgin Islands, filed a separate, third complaint in the U.S. District Court for the District of Connecticut naming, among other defendants, Actavis, in a similar complaint relating to dermatological generic products, and that complaint was later amended to, among other things, add California as a plaintiff.

In the various complaints described above, which also include claims against certain former employees of Actavis and Teva USA, the states seek a finding that the defendants' actions violated federal antitrust law and state antitrust and consumer protection laws, as well as injunctive relief, disgorgement, damages on behalf of various state and governmental entities and consumers, civil penalties and costs. In April 2024, all three of the attorneys general's lawsuits were transferred back to the U.S. District Court for the District of Connecticut where they were originally filed. The court has adopted a schedule for summary judgment in the attorneys general's third complaint pursuant to which multiple groups of motions will be filed during 2025. Fact discovery in the first and second complaints was completed in July 2025.

Teva has settled with the states of Mississippi (in June 2021), Louisiana (in March 2022), Georgia (in September 2022), Arkansas (in October 2022), Florida (in February 2023), Kentucky (in June 2023), South Dakota (in June 2024), and New Mexico (in June 2024). Teva paid each state an amount proportional to its share of the national population (approximately $1,000,000 for each 1% share of the national population), and the states have dismissed their claims against Actavis and Teva USA, as well as certain former employees of Actavis and Teva USA, pursuant to these settlements. These settlements, in addition to the status of negotiations with several other U.S. state attorneys general to settle on comparable terms, caused management to consider settlement of the claims filed by the remaining attorneys general to be probable, and management recorded an estimated provision in the third quarter of 2022. In the second quarter of 2025, Teva updated the provision based on recent developments in its ongoing negotiations with certain remaining U.S. state attorneys general. The States of Alabama (in March 2022) and Hawaii (in August 2023) and the territories of American Samoa (in July 2020) and Guam (in February 2023) have all voluntarily dismissed all of their claims in the litigation against Actavis and Teva USA. The dismissals by Alabama, Hawaii and Guam were with prejudice and the dismissal by American Samoa was without prejudice.

Beginning on March 2, 2016, and through June 2025, numerous complaints have been filed in the United States on behalf of putative classes of direct and indirect purchasers of several generic drug products, as well as several individual direct and indirect purchaser opt-out plaintiffs, including most recently a complaint filed by an indirect opt out plaintiff on June 9, 2025. All such complaints have been transferred to the generic drug multidistrict litigation in the Eastern District of Pennsylvania ("Pennsylvania MDL"). These complaints have been brought against various manufacturer defendants, including Teva USA and Actavis, alleging that these defendants engaged in conspiracies to fix prices and/or allocate market share of generic products, and generally seeking injunctive relief and damages under federal antitrust law, as well as damages under various state laws. With limited exceptions, all fact discovery in the Pennsylvania MDL is scheduled to be completed in December 2025. The Pennsylvania MDL court had proposed holding a bellwether trial on a single drug, starting in August 2025, in a case in which Actavis (but not Teva) is a defendant. On March 7, 2025, the Pennsylvania MDL court granted the direct and indirect purchasers' respective motions for class certification as to that bellwether drug, but on June 17, 2025, the United States Court of Appeals for the Third Circuit gave defendants permission to immediately appeal those grants of class certification, and the Pennsylvania MDL court has stayed the trial in the bellwether case against Actavis, in light of the Third Circuit's ruling.

From 2019 to 2021, certain individual plaintiffs commenced civil actions in the Pennsylvania Court of Common Pleas of Philadelphia County against many of the defendants in the Pennsylvania MDL, including Teva and Actavis. Following defendants' request, the cases filed in the Court of Common Pleas of Philadelphia County have all been placed in deferred status. One plaintiff, Aetna Inc., filed a complaint in Connecticut state court on December 30, 2024. Certain counties in New York and Texas have also commenced civil actions against many of the defendants in the Pennsylvania MDL, including Teva and Actavis, and the complaints have been transferred to the Pennsylvania MDL. On March 14, 2025 and June 9, 2025, respectively, Walmart Inc. and Southwest Airlines, Inc. filed lawsuits against various manufacturers, including Teva and Actavis, in the Eastern District of Pennsylvania which will likely be transferred to the Pennsylvania MDL. On May 19, 2025, New York Quality Healthcare Corporation filed a lawsuit against various manufacturers, including Teva and Actavis, in New York Supreme Court, County of New York.

There is also one similar complaint brought in Canada, which is in its early stages and alleges that the defendants engaged in conspiracies to fix prices and/or allocate market share of generic drug products to the detriment of a class of private payors.

In March 2017, Teva received a subpoena from the U.S. Attorney's office in Boston, Massachusetts requesting documents related to Teva's donations to patient assistance programs. In August 2020, the U.S. Attorney's office in Boston, Massachusetts brought a civil action in the U.S. District Court for the District of Massachusetts alleging causes of action under the federal False Claims Act and for unjust enrichment (the "DOJ PAP Complaint"). It was alleged that Teva's donations to certain 501(c)(3) charities that provided financial assistance to multiple sclerosis patients violated the Anti-Kickback Statute. On October 10, 2024, Teva entered into a settlement agreement with the DOJ to resolve these claims. Under the terms of the settlement, which includes no admission of wrongdoing, Teva is required to pay $425 million over 6 years – $19 million was paid in the fourth quarter of 2024, $34 million will be paid in 2025, $49 million will be paid in each of 2026 and 2027, $99 million will be paid in 2028, and $175 million will be paid in 2029. The case was dismissed with prejudice on November 19, 2024. Teva has recognized a provision for the resolution of this case. Additionally, on January 8, 2021, Humana, Inc. ("Humana") filed an action against Teva in the U.S. District Court for the Middle District of Florida based on the allegations raised in the DOJ PAP Complaint. In June 2023, Teva filed a joint motion to dismiss the amended complaint, together with co-defendant Advanced Care Scripts, Inc., and on April 29, 2025 the court granted the motion to dismiss. On May 28, 2025, Humana re-filed the case in Kentucky circuit court, alleging the same facts alleged in the Florida district court action. On November 17, 2022, United Healthcare also filed an action against Teva in the U.S. District Court for the District of New Jersey based on the conduct alleged in the DOJ PAP Complaint, and on February 29, 2024, United Healthcare filed an amended complaint. On March 28, 2025, Teva moved for summary judgment limited to the statute of limitations defense as per the court's order, and that motion is pending. On August 16, 2024, several MSP Recovery-related entities filed a putative class action against Teva and others in the U.S. District Court for the District of Kansas based on the alleged conduct in the DOJ PAP Complaint. On November 18, 2024, Teva filed a motion to dismiss the complaint, and on April 30, 2025, the Court granted the motion, dismissing all claims against Teva and its co-defendants. The MSP Recovery-related plaintiffs did not appeal the decision and the deadline to appeal has passed.

In April 2021, a city and county in Washington filed claims against Teva in the U.S. District Court for the Western District of Washington for alleged violations of the RICO Act, Washington's Consumer Protection Act, and unjust enrichment concerning Teva's sale of COPAXONE. Plaintiffs purport to represent a nationwide class of health plans and a subclass of Washington-based health plans that purchased and/or reimbursed health plan members for COPAXONE. Plaintiffs allege that Teva engaged in several fraudulent schemes that resulted in plaintiffs and the putative class members purchasing and/or reimbursing plan members for additional prescriptions of COPAXONE and/or at inflated COPAXONE prices. Plaintiffs seek treble damages for the excess reimbursements and inflated costs, as well as injunctive relief. On November 17, 2021, Teva moved to dismiss the suit, on the grounds that plaintiffs' claims are barred by the applicable statutes of limitations and the direct purchaser rule, suffer from jurisdictional defects, and fail to plausibly allege fraud or other elements of their claims. On March 9, 2023, the court held a hearing on the motion to dismiss, and a decision remains pending. On June 27, 2025, Teva filed a motion to lift the stay of discovery. That motion is not yet fully briefed.

On December 1, 2022, Teva received a civil subpoena from the U.S. Attorney's office in Boston, Massachusetts requesting certain documents related to the sale and marketing of AUSTEDO® and risperidone LAI. Teva is cooperating with the request for documents and information.

In June 2024, Teva received a civil investigative demand from the Federal Trade Commission ("FTC") seeking documents and information regarding an investigation related to patents listed in the Food and Drug Administration's Approved Drug Products with Therapeutic Equivalence Evaluations publication ("Orange Book") in connection with certain inhaler products. Teva is cooperating with the request for documents and information.

On October 1, 2024, Teva received a civil investigative demand from the U.S. Attorney's office in Boston, Massachusetts and the Civil Division of the Department of Justice requesting certain documents and information related to the manufacturing practices at its former manufacturing facility in Irvine, California, which Teva closed in 2022. Teva is cooperating with the request for documents and information.

Opioids Litigation

Since May 2014, more than 3,500 complaints have been filed by various governmental agencies and private plaintiffs in U.S. state and federal courts with respect to opioid sales and distribution against various Teva affiliates and several other pharmaceutical companies, the vast majority of which have been resolved. Cases brought by third party payers, both as individual cases and as class actions, remain. The majority of the remaining cases are consolidated in the multidistrict litigation in the Northern District of Ohio (the "MDL Opioid Proceeding"). These cases assert claims under similar provisions of different state laws and generally allege that the defendants engaged in improper marketing and distribution of Teva's branded opioids, including ACTIQ® and FENTORA®, and also assert claims related to Teva's generic opioid products.

In addition, over 950 personal injury plaintiffs, including various putative class actions of individuals, have asserted personal injury and wrongful death claims in over 600 complaints, nearly all of which are consolidated in the MDL Opioid Proceeding. Furthermore, approximately 100 personal injury complaints allege that Anda (in addition to naming other distributors and manufacturers) failed to develop and implement systems sufficient to identify suspicious orders of opioid products and prevent their abuse and diversion. Plaintiffs seek a variety of remedies, including restitution, civil penalties, disgorgement of profits, treble damages, non-economic damages, attorneys' fees and injunctive relief. Certain plaintiffs seek damages for all costs associated with addressing the abuse of opioids and opioid addiction and certain plaintiffs specify multiple billions of dollars in the aggregate as alleged damages. In many of these cases, plaintiffs are seeking joint and several damages among all defendants. All but a handful of these cases are stayed in the MDL Opioid Proceedings.

In June 2023, Teva finalized and fully resolved its nationwide settlement agreement with the states and litigating subdivisions. Under the financial terms of the nationwide settlement agreement with the states and subdivisions, Teva will pay up to $4.25 billion (including the already settled cases), spread over 13 years. This total includes the supply of up to $1.2 billion of Teva's generic version of Narcan® (naloxone hydrochloride nasal spray), valued at wholesale acquisition cost, over 10 years or cash at 20% of the wholesale acquisition cost ($240 million) in lieu of product. In September 2024, Teva reached and finalized an agreement with the City of Baltimore to settle its opioid-related claims for a total of $80 million (of which $35 million was paid in December 2024 and the remainder was paid in July 2025), averting a trial that was scheduled to begin on September 16, 2024.

With its settlement with the City of Baltimore, Teva has settled with 100% of the U.S. states and litigating political subdivisions and the Native American tribes (the "Tribes"). Teva's estimated cash payments between 2025 and 2029 for all opioids settlements are: $419 million to be paid in 2025 (of which $47 million was paid as of June 30, 2025), $363 million payable in 2026; $364 million payable in 2027; $385 million payable in 2028; and $339 million payable in 2029. These payments are subject to change based on various factors including, but not limited to, timing of payments, most favored nations clauses associated with prior settlements, and the states' elections to take Teva's generic version of Narcan® (naloxone hydrochloride nasal spray). The remaining payments, subject to adjustments, will be paid beyond 2030.

Various Teva affiliates, along with several other pharmaceutical companies, were named as defendants in opioids cases initiated by approximately 500 U.S. hospitals and other healthcare providers asserting opioid-related claims, including public nuisance. Specifically, the lawsuits brought by the hospitals allege that they have incurred financial harm from increased operating costs for treating patients whose underlying illnesses are purportedly exacerbated or complicated by opioid addiction. In September 2024, Teva and the representatives for acute care hospitals finalized the terms of a proposed class settlement agreement. No eligible hospitals or healthcare providers opted out. On March 4, 2025, the court overseeing the hospital cases granted final approval for the settlement. Under the financial terms of the national settlement agreement, Teva will pay up to $126 million in cash, spread over 18 years, and supply up to $49 million of Teva's generic version of Narcan® (naloxone hydrochloride nasal spray), valued at wholesale acquisition cost, over 7 years.

In light of the nationwide settlement agreement between Teva and the States' Attorneys General and their subdivisions, Teva's indemnification obligations arising from Teva's acquisition of the Actavis Generics business for opioid-related claims, prior settlements reached with Louisiana, Texas, Rhode Island, Florida, San Francisco, West Virginia, New York, the Tribes, Nevada and the City of Baltimore, the agreement with the hospitals discussed above, as well as an estimate for a number of items including, but not limited to, costs associated with administering injunctive terms, and most favored nations clauses associated with prior settlements, the Company has recorded a provision. The provision is a reasonable estimate of the ultimate costs for Teva's opioids settlements, after discounting payments to their net present value. Opioid-related lawsuits brought against Teva by dozens of third-party payers, such as unions and welfare funds, remain pending. A reasonable upper end of a range of loss cannot be determined for the entirety of the remaining opioid-related cases. An adverse resolution of any of these lawsuits or investigations may involve large monetary penalties, damages, and/or other forms of monetary and non-monetary relief and could have a material and adverse effect on Teva's reputation, business, results of operations and cash flows.

In addition, Teva, certain of its subsidiaries and other defendants, are defending claims and putative class action lawsuits in Canada related to the manufacture, sale, marketing and distribution of opioid medications. The lawsuits include a claim by the Province of British Columbia on behalf of itself and a putative class of other federal and provincial governments, and claims of municipalities, First Nations, and persons who used opioids on behalf of themselves and putative classes. In November and December 2023, the British Columbia Supreme Court held a hearing regarding preliminary motions, including plaintiffs' certification motion, which remain pending. On January 22, 2025, the court granted plaintiffs' motion for class certification. Defendants appealed this decision, and a hearing on this appeal currently is scheduled for December 2025.

Shareholder Litigation

On November 6, 2016 and December 27, 2016, two putative securities class actions were filed in the U.S. District Court for the Central District of California against Teva and certain of its current and former officers and directors. Those lawsuits subsequently were consolidated and transferred to the U.S. District Court for the District of Connecticut (the "Ontario Teachers Securities Litigation"). On December 13, 2019, the lead plaintiff filed an amended complaint, purportedly on behalf of purchasers of Teva's securities between February 6, 2014 and May 10, 2019, asserting that Teva and certain of its current and former officers and directors violated federal securities and common laws in connection with Teva's alleged failure to disclose pricing strategies for various drugs in its generic drug portfolio and by making allegedly false or misleading statements in certain offering materials. From July 2017 to June 2019, other putative securities class actions were filed in other federal courts based on similar allegations and claims, and were transferred to the U.S. District Court for the District of Connecticut. Between August 2017 and January 2022, twenty-three complaints were filed against Teva and certain of its current and former officers and directors on behalf of plaintiffs in various forums across the country, but many of those plaintiffs "opted-out" of the Ontario Teachers Securities Litigation. On January 18, 2022, Teva entered into a settlement in the Ontario Teachers Securities Litigation for $420 million, which received final approval from the court on June 2, 2022. The vast majority of the total settlement amount was covered by the Company's insurance carriers, with a small portion contributed by Teva. Additionally, as part of the settlement, Teva admitted no liability and denied all allegations of wrongdoing. On January 22, 2021, the Court dismissed the "opt-out" plaintiffs' claims arising from statements made prior to the five-year statute of repose, but denied Teva's motion to dismiss their claims under Israeli laws. Teva has settled the majority of the "opt-out" claims, and one opt-out case remains outstanding. Teva also reached a settlement with shareholders who filed class actions in Israel with similar allegations to those raised in the Ontario Teachers Securities Litigation, which was approved by the court in Israel in November 2023.

On September 23, 2020, a putative securities class action was filed in the U.S. District Court for the Eastern District of Pennsylvania against Teva and certain of its former officers. On August 10, 2021, the lead plaintiff filed a corrected amended class action complaint, purportedly on behalf of persons who purchased or otherwise acquired Teva securities between October 29, 2015 and August 18, 2020. The corrected amended complaint alleges that Teva and certain of its current and former officers violated federal securities laws by allegedly making false and misleading statements regarding the commercial performance of COPAXONE, namely, by failing to disclose that Teva had allegedly caused the submission of false claims to Medicare through Teva's donations to bona fide independent charities that provide financial assistance to patients, which allegedly impacted COPAXONE's commercial success and the sustainability of its revenues and resulted in the DOJ PAP Complaint filed by the DOJ. The corrected amended complaint seeks unspecified damages and legal fees. On November 3, 2023, the court granted plaintiff's motion for class certification, to which Teva filed a petition with the Third Circuit Court of Appeals for leave to appeal, which was denied on May 16, 2024. A motion to approve a securities class action was also filed in September 2022 in the Central District Court in Israel, which has been stayed pending the U.S. litigation, with similar allegations to those made in the above complaint filed in the U.S. District Court for the Eastern District of Pennsylvania.

Environmental Matters

Teva or its subsidiaries are party to a number of environmental proceedings, or have received claims, including under the federal Superfund law or other federal, provincial or state and local laws, imposing liability for alleged noncompliance, or for the investigation and remediation of releases of hazardous substances and for natural resource damages. Many of these proceedings and claims seek to require the generators of hazardous wastes disposed of at a third party-owned site, or the party responsible for a release of hazardous substances, including per-and polyfluoroalkyl substances (PFAS), that impacted a site, to investigate and clean the site or to pay or reimburse others for such activities, including for oversight by governmental authorities and any related damages to natural resources. Teva or its subsidiaries have received claims, or been made a party to these proceedings, along with others, as an alleged generator of wastes that were disposed of or treated at third-party waste disposal sites, or as a result of an alleged release from one of Teva's facilities or former facilities.

Although liability among the responsible parties, under certain circumstances, may be joint and several, these proceedings are frequently resolved so that the allocation of clean-up and other costs among the parties reflects the relative contributions of the parties to the site conditions and takes into account other pertinent factors. Teva's potential liability varies greatly at each of the sites; for some sites the costs of the investigation, clean-up and natural resource damages have not yet been determined, and for others Teva's allocable share of liability has not been determined. At other sites, Teva has taken an active role in identifying those costs, to the extent they are identifiable and estimable, which do not include reductions for potential recoveries of clean-up costs from insurers, indemnitors, former site owners or operators or other potentially responsible parties. In addition, enforcement proceedings relating to alleged violations of federal, state, commonwealth or local requirements at some of Teva's facilities may result in the imposition of significant penalties (in amounts not expected to materially adversely affect Teva's results of operations) and the recovery of certain costs and natural resource damages, and may require that corrective actions and enhanced compliance measures be implemented.

Item 103 of Regulation S-K promulgated by the SEC requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions, unless the Company reasonably believes that the matter will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than $300,000. The following matter is disclosed in accordance with that requirement. On July 8, 2021, the National Green Tribunal Principal Bench, New Delhi, issued an order against Teva's subsidiary in India, Teva API India Private Limited, finding non-compliance with environmental laws and assessing a penalty of $1.4 million. Teva filed an appeal before the Hon'ble Supreme Court of India, disputing certain of the findings and the amount of the penalty. On August 5, 2021, the Supreme Court issued notice and granted a stay of operation of the judgment passed by the National Green Tribunal Principal Bench. On April 8, 2025, the Supreme Court accepted the appeal filed by Teva's subsidiary and it will be scheduled for hearing(s) in due course. The Company does not believe that the eventual outcome of such matter will have a material effect on its business.

Gain Contingencies

From time to time, Teva may directly or indirectly pursue claims against certain parties, including but not limited to patent infringement lawsuits against other pharmaceutical companies to protect its patent rights, as well as derivative actions brought on behalf of Teva. Teva recognizes gain contingencies from the defendants in such lawsuits when they are realized or when all related contingencies have been resolved. No gain has been recognized regarding the matters disclosed below, unless mentioned otherwise.

In October 2017, Teva filed a lawsuit in the U.S. District Court for the District of Massachusetts alleging that Eli Lilly & Co.'s ("Lilly") marketing and sale of its galcanezumab product for the treatment of migraine infringes nine Teva patents, including three method of treatment patents and six composition of matter patents. Lilly then submitted inter partes review ("IPR") petitions to the Patent Trial and Appeal Board ("PTAB"), challenging the validity of the nine Teva patents. The PTAB issued decisions upholding the three method of treatment patents but finding the six composition of matter patents invalid, which decisions were affirmed by the Court of Appeals for the Federal Circuit on August 16, 2021. A jury trial regarding the three method of treatment patents resulted in a verdict in Teva's favor on November 9, 2022, in which the three method of treatment patents were determined to be valid and infringed by Lilly and Teva was awarded $176.5 million in damages. On September 26, 2023, the U.S. District Court for the District of Massachusetts issued a decision that reversed the jury's verdict and damages award, finding Teva's method of treatment patents to be invalid. Teva filed its opening appeal brief on February 2, 2024 and Lilly filed its responsive brief on April 19, 2024. Teva filed its responsive brief on May 29, 2024, and Lilly's final brief was filed on July 19, 2024. The appeal hearing has been set for September 5, 2025.

In March 2024, Teva filed a lawsuit in the U.S. District Court for the District of New Jersey alleging that Amarin Pharma, Inc., Amarin Pharmaceuticals Ireland Limited, and Amarin Corporation plc (collectively "Amarin") engaged in a decade-long scheme to lock up the supply of icosapent ethyl to prevent and delay generic competition to its branded Vascepa® drug product. Teva's lawsuit coincides with four other lawsuits brought by generic drug manufacturers and purchasers of branded Vascepa® alleging the same or similar conduct by Amarin. Teva's requested relief includes compensatory damages for lost sales and lost profits from generic icosapent ethyl drug sales that Teva could have made absent Amarin's alleged interference. On May 24, 2024, Amarin filed a motion in the U.S. District Court for the District of Nevada, seeking to enforce the terms of an earlier Teva-Amarin agreement to settle patent litigation regarding Vascepa®, which Amarin asserts precludes Teva from filing the present antitrust action. Teva opposed this motion on June 7, 2024, and on December 4, 2024, the Nevada court denied Amarin's motion. On March 25, 2025, Amarin filed a "pre-motion letter" with the District of New Jersey, where the case is pending, asking for permission to file a motion to dismiss on the same grounds as its motion in Nevada. Teva opposed Amarin's request on April 14, 2025, and the issue remains pending. The Court has not yet acted on Amarin's pre-motion letter or granted it permission to file a motion to dismiss. As the lawsuit is still in its initial stages, it is not possible to predict its outcome and there is no guarantee that Teva will be granted its requested relief.

In June 2024, Teva filed a lawsuit in the U.S. District Court for the Northern District of California alleging that Corcept Therapeutics, Inc. ("Corcept"), and Optime Care Inc. ("Optime") have engaged in a multifaceted, years-long scheme to stifle generic competition to Corcept's branded Korlym® (mifepristone) drug product, which is indicated to treat endogenous Cushing's syndrome. Teva alleges that Corcept and Optime have suppressed competition by abusing the patent and judicial systems, entering a long-term, blanket exclusive-dealing agreement that has locked up a key pharmaceutical distribution channel, and making illicit payments to physicians as compensation for prescribing Korlym®. Teva's requested relief includes compensatory damages for lost sales and lost profits from generic mifepristone drug sales that Teva could have made absent Corcept and Optime's alleged interference, as well as injunctive relief to remove the unlawful barriers to generic competition created by Corcept and Optime. Teva filed an amended complaint in September 2024. Defendants filed a joint motion to dismiss in October 2024, which motion is fully briefed and awaiting decision. As the lawsuit is still in its initial stages, it is not possible to predict its outcome and there is no guarantee that Teva will be granted its requested relief.

Motions to approve derivative actions seeking monetary damages against certain past and present directors and officers have been filed in Israeli Courts alleging negligence and recklessness, as well as motions for document disclosure prior to initiating derivative actions. Motions were filed with respect to several U.S. and EU settlement agreements, allegations related to the DOJ PAP Complaint, and with respect to the European Commission's proceedings relating to COPAXONE.

NOTE 11 – Income taxes:

In the second quarter of 2025, Teva recognized a tax benefit of $78 million, on a pre-tax income of $203 million. In the second quarter of 2024, Teva recognized a tax expense of $630 million, on a pre-tax loss of $246 million.

Teva's tax rate for the second quarter of 2025 was mainly affected by releases of uncertain tax positions, foreign exchange impact on deferred tax positions and interest and inflation adjustments related to the agreement with the Israeli Tax Authorities ("ITA") mentioned below.

Teva's tax rate for the second quarter of 2024 was mainly affected by the agreement with the ITA mentioned below, and impairments.

In the first six months of 2025, Teva recognized a tax benefit of $4 million, on a pre-tax income of $497 million. In the first six months of 2024, Teva recognized a tax expense of $578 million, on a pre-tax loss of $713 million.

Teva's tax rate for the first six months of 2025 was mainly affected by releases of uncertain tax positions, foreign exchange impact on deferred tax positions and interest and inflation adjustments related to the agreement with the ITA mentioned below.

Teva's tax rate for the first six months of 2024 was mainly affected by the agreement with the ITA, deferred tax benefits resulting from intellectual property related integration plans, impairments and interest expense disallowances.

The statutory Israeli corporate tax rate is 23% in 2025. Teva's global tax rate differs from the Israeli statutory tax rate, mainly due to generation of profits in various jurisdictions in which tax rates are different than the Israeli tax rate, tax benefits, as well as infrequent or non-recurring items.

Teva filed a claim seeking the refund of withholding taxes paid to the Indian tax authorities in 2012. A trial for this case is currently ongoing. A final and binding decision against Teva in this case may lead to a charge of $122 million.

On June 23, 2024, Teva entered into an agreement with the ITA to settle certain litigation with respect to taxes payable for the Company's taxable years 2008 through 2020 (the "Agreement"). Pursuant to the terms of the Agreement, the Company will pay a total amount of approximately $750 million (based on exchange rates at the date of the Agreement) to the ITA spread over a six-year period beginning in 2024. Additionally, under the terms of the Agreement, it was further agreed that in the future event the Company pays dividends on, or repurchases, its equity interests, the Company will pay an additional 5%-7% of the amount of such dividends or repurchases in corporate taxes, up to a maximum tax payment amount of approximately $500 million. Any amounts due under this provision of the Agreement will be recorded in the future as incurred.

Teva periodically assesses its valuation allowances against certain deferred tax assets. Depending on Teva's operating results, changes in tax laws and other factors, Teva may need to adjust its valuation allowance. The timing and amount of such adjustments could vary based on the Company's assessment and could result in the recognition or de-recognition of certain deferred tax assets and a corresponding income tax effect in the period in which the change is recorded, which could be material.

Subsequent to the second quarter of 2025, on July 4, 2025, the One Big Beautiful Bill Act was signed into law in the United States. As of the date of this Quarterly Report on Form 10-Q, the legislation contains certain provisions related to the extent of deductibility of interest expense for U.S. federal tax purposes, R&D costs and other depreciable property, as well as changes to U.S. taxation of foreign subsidiaries' earnings, and other U.S. corporate tax law changes. Teva is evaluating the impact of this legislation on its annual income taxes, deferred tax assets and valuation allowances, and cash flow forecasts. The Company does not currently anticipate that the legislation will have a material impact on its consolidated financial statements. As the legislation was signed into law after June 30, 2025, the impacts were not included in the operating results for the second quarter of 2025.

Teva believes it has adequately provided for all of its uncertain tax positions, including items currently under dispute, however, adverse outcomes to any of these positions or disputes could be material.

The OECD introduced Base Erosion and Profit Shifting ("BEPS") Pillar Two rules that impose a global minimum tax rate of 15% for large multinational corporations. On December 12, 2022, the EU Council announced that EU member states had reached an agreement to implement the minimum taxation component of 15% of the OECD's reform of international taxation. Teva has evaluated the potential impact on its 2025 consolidated financial statements and related disclosures and does not expect Pillar Two to have a material impact on its effective tax rate or consolidated financial statements in the foreseeable future.

NOTE 12 – Other assets impairments, restructuring and other items:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(U.S. $ in millions)		(U.S. $ in millions)	
Impairments of long-lived tangible assets (*)	$ 58	$ 69	$ 14	$ 668
Contingent consideration	19	192	30	271
Restructuring	154	18	168	31
Other	1	1	(1)	(17)
Total	$ 232	$ 280	$ 210	$ 954

(*) Including impairments related to exit and disposal activities.

Impairments

In the three months ended June 30, 2025, Teva recorded an expense of $58 million under impairments of tangible assets, compared to an expense of $69 million in the three months ended June 30, 2024. The expense for the three months ended June 30, 2025, was mainly related to the held for sale measurement of the API business (including its R&D, manufacturing and commercial activities), which includes a favorable impact related to the expected gain from reclassification of currency translation adjustments. The expense for the three months ended June 30, 2024, was mainly related to the expected loss from reclassification of currency translation adjustments in connection with the classification of the business venture in Japan as held for sale.

Impairments of tangible assets for the six months ended June 30, 2025 and 2024 were $14 million and $668 million, respectively. The impairment for the six months ended June 30, 2025 was mainly related to the held for sale measurement of the API business (including its R&D, manufacturing and commercial activities), which includes a favorable impact related to the expected gain from reclassification of currency translation adjustments. The impairments for the six months ended June 30, 2024 were mainly related to the classification of the business venture in Japan as held for sale (see note 2).

In addition, as part of the Company's efforts to further focus its business by optimizing its portfolio and global manufacturing footprint to achieve additional operational efficiencies, the Company, from time to time, evaluates strategic alternatives for certain individual assets or asset groups. These strategic alternatives may include partnerships, joint ventures, redeployment of assets or divestitures. These actions may involve substantial impairment charges in the future depending on the ultimate course of action for these long-lived assets. Any such impairment charges are recorded in the period in which there is a triggering event or commitment to a probable transaction.

Teva may record additional impairments in the future, to the extent it changes its plans on any given asset and/or the assumptions underlying such plans, as a result of its network consolidation activities and its Pivot to Growth strategy.

Contingent consideration

In the three months ended June 30, 2025, Teva recorded an expense of $19 million for contingent consideration, compared to an expense of $192 million in the three months ended June 30, 2024. The expenses in the three months ended June 30, 2025, were mainly related to lenalidomide capsules (the generic version of Revlimid®) and bendamustine (mainly the effect of the passage of time on the net present value of the discounted payments). The expenses in the three months ended June 30, 2024, were mainly related to a change in the estimated future royalty payments to Allergan in connection with lenalidomide capsules (the generic version of Revlimid®) and a change in the estimated future royalty payments to Eagle in connection with expected future bendamustine sales.

In the six months ended June 30, 2025, Teva recorded an expense of $30 million for contingent consideration, compared to an expense of $271 million in the six months ended June 30, 2024. The expense in the first six months of 2025 was mainly related to lenalidomide capsules (the generic version of Revlimid®) (mainly the effect of the passage of time on the net present value of the discounted payments). The expense in the first six months of 2024 was mainly related to a change in the estimated future royalty payments to Allergan in connection with lenalidomide capsules (the generic version of Revlimid®) and a change in the estimated future royalty payments to Eagle in connection with expected future bendamustine sales.

Restructuring

In the three months ended June 30, 2025, Teva recorded $154 million of restructuring expenses, compared to $18 million in the three months ended June 30, 2024. Expenses in the three months ended June 30, 2025 were primarily related to optimization activities in connection with Teva's Transformation programs related to Teva's global organization and operations, mainly through headcount reductions. Expenses for the three months ended June 30, 2024 were primarily related to network consolidation activities.

In the six months ended June 30, 2025, Teva recorded $168 million of restructuring expenses, compared to $31 million in the six months ended June 30, 2024. Expenses for the six months ended June 30, 2025 were primarily related to optimization activities in connection with Teva's Transformation programs related to Teva's global organization and operations, mainly through headcount reduction. Expenses for the six months ended June 30, 2024 were primarily related to network consolidation activities.

Under Teva's Transformation programs announced on May 7, 2025, Teva expects to achieve such cost savings through a variety of initiatives including examining practices and efficiencies in methods of working, reduction in headcount and optimizing external spend in the following years. These Transformation programs are expected to result in the reduction of approximately 8% of Teva's total work force as of December 31, 2024, by the end of 2027.

The following tables provide the components of the Company's restructuring costs:

	Three months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Restructuring		
Employee termination	$ 151	$ 13
Other	3	5
Total	$ 154	$ 18

	Six months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Restructuring		
Employee termination	$ 163	$ 20
Other	5	11
Total	$ 168	$ 31

The following table provides the components of and changes in the Company's restructuring accruals:

	Employee termination costs	Other	Total
	(U.S. $ in millions)		
Balance as of January 1, 2025	$ (55)	$ (13)	$ (68)
Provision	(163)	(5)	(168)
Utilization and other*	50	4	54
Balance as of June 30, 2025	$ (168)	$ (14)	$(182)

	Employee termination costs	Other	Total
	(U.S. $ in millions)		
Balance as of January 1, 2024	$ (75)	$ (7)	$ (82)
Provision	(20)	(11)	(31)
Utilization and other*	46	12	58
Balance as of June 30, 2024	$ (49)	$ (6)	$ (55)

* Includes adjustments for foreign currency translation.

NOTE 13 – Earnings (Loss) per share:

Basic earnings and loss per share are computed by dividing net income (loss) attributable to Teva's ordinary shareholders by the weighted average number of ordinary shares outstanding, including fully vested restricted share units ("RSUs") and performance share units ("PSUs") during the period, net of treasury shares.

In computing diluted earnings per share for the three and six months ended June 30, 2025, basic earnings per share were adjusted to take into account the potential dilution that could occur upon the exercise of options and non-vested RSUs and PSUs granted under employee stock compensation plans. No account was taken of the potential dilution that could occur upon the exercise of convertible senior debentures, since they had an anti-dilutive effect on earnings per share.

In computing diluted loss per share for the three and six months ended June 30, 2024, no account was taken of the potential dilution that could occur upon the exercise of options and non-vested RSUs and PSUs granted under employee stock compensation plans, and convertible senior debentures, since they had an anti-dilutive effect on loss per share.

The weighted average diluted shares outstanding used for the fully diluted share calculations for the three months ended June 30, 2025 and 2024 were 1,161 million shares and 1,133 million shares, respectively.

The weighted average diluted shares outstanding used for the fully diluted share calculations for the six months ended June 30, 2025 and 2024 were 1,159 million shares and 1,128 million shares, respectively.

Basic earnings per share was $0.25 for the three months ended June 30, 2025, compared to basic loss per share of $0.75 for the three months ended June 30, 2024.

Diluted earnings per share was $0.24 for the three months ended June 30, 2025, compared to diluted loss per share of $0.75 for the three months ended June 30, 2024.

Basic and diluted earnings per share was $0.43 for the six months ended June 30, 2025, compared to basic and diluted loss per share of $0.87 for the six months ended June 30, 2024.

NOTE 14 – Accumulated other comprehensive income (loss):

The components of, and changes within, accumulated other comprehensive income (loss) attributable to Teva are presented in the table below:

	Net Unrealized Gains (Losses)		Benefit Plans	
	Foreign currency translation adjustments	Derivative financial instruments	Actuarial gains (losses) and prior service (costs) credits	Total
	(U.S. $ in millions)			
Balance as of December 31, 2024, net of taxes	$ (2,857)	$ (238)	$ (52)	$(3,148)
Other comprehensive income (loss) before reclassifications	558	—	—	558
Amounts reclassified to the statements of income	—	24	(1)	23
Release of cumulative translation adjustments**	181	—	—	181
Net other comprehensive income (loss) before tax	739	24	(1)	762
Corresponding income tax	45	—	—	45
Net other comprehensive income (loss) after tax*	694	24	(1)	717
Balance as of June 30, 2025, net of taxes	$ (2,163)	$ (214)	$ (53)	$(2,431)

* Amounts do not include a $27 million gain from foreign currency translation adjustments attributable to redeemable and non-redeemable non-controlling interests.

** In connection with the sale of Teva's business venture in Japan.

	Net Unrealized Gains (Losses)		Benefit Plans	
	Foreign currency translation adjustments	Derivative financial instruments	Actuarial gains (losses) and prior service (costs) credits	Total
	(U.S. $ in millions)			
Balance as of December 31, 2023, net of taxes	$ (2,384)	$ (266)	$ (46)	$(2,697)
Other comprehensive income (loss) before reclassifications	(205)	—	1	(204)
Amounts reclassified to the statements of income	—	14	(2)	12
Net other comprehensive income (loss) before tax	(205)	14	(1)	(192)
Corresponding income tax	8	—	—	8
Net other comprehensive income (loss) after tax*	(197)	14	(1)	(184)
Balance as of June 30, 2024, net of taxes	$ (2,581)	$ (252)	$ (47)	$(2,881)

* Amounts do not include a $74 million loss from foreign currency translation adjustments attributable to non-controlling interests.

NOTE 15 – Segments:

Teva operates its business and reports its financial results in the following three segments:

(a) United States segment.

(b) Europe segment, which includes the European Union, the United Kingdom and certain other European countries.

(c) International Markets segment, which includes all countries other than the United States and countries included in the Europe segment.

In addition to these three segments, Teva has other sources of revenues included in other activities, primarily the sale of APIs to third parties, certain contract manufacturing services and an out-licensing platform offering a portfolio of products to other pharmaceutical companies through its affiliate Medis.

Teva's Chief Executive Officer ("CEO"), who is the chief operating decision maker ("CODM"), reviews financial information prepared on a consolidated basis, accompanied by disaggregated information about revenues and contributed profit by the three identified reportable segments, namely the United States, Europe and International Markets, to make decisions about resources to be allocated to the segments and assess their performance.

The key areas of focus by the CODM for allocation of resources are revenues from each reportable segment, as well as operating expenses (cost of sales, R&D expenses, S&M expenses, G&A expenses, and other). While the CODM analyzes each of these categories, the CODM focuses particularly on period-over-period fluctuations and budget-to-actual variances to determine the right allocation of resources to be attributed to each segment to ensure profitability is maximized.

Segment profit is comprised of revenues for the segment less cost of sales, R&D expenses, S&M expenses, G&A expenses and other expenses (income) related to the segment. Segment profit does not include amortization and certain other items.

Teva manages its assets on a company basis, not by segments, as many of its assets are shared or commingled. Teva's CODM does not regularly review asset information by reportable segment and, therefore, Teva does not report asset information by reportable segment.

Teva's CEO may review its strategy and organizational structure from time to time. Based on such review, in May 2023 Teva launched its new Pivot to Growth strategy. Any additional changes in strategy may lead to a reevaluation of the Company's segments and goodwill allocation to reporting units, as well as fair value attributable to its reporting units. See note 6.

On January 31, 2024, Teva announced that it intends to divest its API business (including its R&D, manufacturing and commercial activities) through a sale. The intention to divest is in alignment with Teva's Pivot to Growth strategy. However, there can be no assurance regarding the ultimate timing or structure of a potential divestiture or that a divestiture will be agreed or completed at all. See note 2.

a. Segment information:

	Three months ended June 30, 2025		
	United States	Europe	International Markets
	(U.S. $ in millions)		
Revenues	$ 2,151	$1,298	$ 495
Cost of sales	901	581	251
R&D expenses	152	59	24
S&M expenses	279	228	114
G&A expenses	113	66	32
Other	§	§	(1)
Segment profit	$ 706	$ 364	$ 74

§ Represents an amount less than $0.5 million.

	Three months ended June 30, 2024		
	United States	Europe	International Markets
	(U.S. $ in millions)		
Revenues	$ 2,110	$1,213	$ 593
Cost of sales	943	536	307
R&D expenses	170	62	30
S&M expenses	270	209	145
G&A expenses	100	64	38
Other	(1)	§	§
Segment profit	$ 629	$ 342	$ 73

§ Represents an amount less than $0.5 million.

	Six months ended June 30, 2025		
	United States	Europe	International Markets
	(U.S. $ in millions)		
Revenues	$ 4,060	$2,492	$ 1,077
Cost of sales	1,752	1,117	556
R&D expenses	306	120	49
S&M expenses	552	427	232
G&A expenses	208	135	72
Other	3	§	(2)
Segment profit	$ 1,239	$ 693	$ 171

§ Represents an amount less than $0.5 million.

	Six months ended June 30, 2024		
	United States	Europe	International Markets
	(U.S. $ in millions)		
Revenues	$ 3,835	$2,485	$ 1,190
Cost of sales	1,809	1,070	607
R&D expenses	324	118	58
S&M expenses	530	403	263
G&A expenses	193	130	73
Other	(1)	§	(1)
Segment profit	$ 979	$ 764	$ 190

§ Represents an amount less than $0.5 million.

The following table presents a reconciliation of Teva's segment profits to its consolidated operating income (loss) and to consolidated income (loss) before income taxes for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(U.S. $ in millions)		(U.S. $ in millions)	
United States profit	$ 706	$ 629	$1,239	$ 979
Europe profit	364	342	693	764
International Markets profit	74	73	171	190
Total reportable segments profit	1,144	1,043	2,102	1,933
Profit (loss) of other activities	(11)	12	(23)	15
Amounts not allocated to segments:				
Amortization	148	146	292	298
Other assets impairments, restructuring and other items	232	280	210	954
Goodwill impairment	—	400	—	400
Intangible assets impairments	42	61	163	141
Legal settlements and loss contingencies	166	83	249	188
Other unallocated amounts	91	91	190	190
Consolidated operating income (loss)	455	(5)	975	(223)
Financial expenses, net	252	241	477	491
Consolidated income (loss) before income taxes	$ 203	$ (246)	$ 497	$ (713)

b. Segment revenues by major products and activities:

The following tables present revenues by major products and activities for the three months ended June 30, 2025 and 2024:

United States	Three months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Generic products (including biosimilars)	$ 961	$ 1,023
AJOVY®	63	42
AUSTEDO	495	407
BENDEKA® and TREANDA®	40	41
COPAXONE	62	81
UZEDY	54	24
Anda	365	373
Other	111	119
Total	$ 2,151	$ 2,110

United States	Six months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Generic products (including biosimilars)	$1,809	$1,831
AJOVY	117	87
AUSTEDO	891	689
BENDEKA and TREANDA	76	87
COPAXONE	116	111
UZEDY	93	40
Anda	738	754
Other	220	237
Total	$4,060	$3,835

Europe	Three months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Generic products (including OTC and biosimilars)	$1,040	$ 970
AJOVY	71	52
COPAXONE	50	53
Respiratory products	55	57
Other*	81	81
Total	$1,298	$1,213

* Other revenues in the second quarter of 2025 include the sale of certain product rights.

Europe	Six months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Generic products (including OTC and biosimilars)	$2,029	$1,974
AJOVY	129	102
COPAXONE	92	110
Respiratory products	110	123
Other*	132	175
Total	$2,492	$2,485

* Other revenues in the first six months of 2025 include the sale of certain product rights.

International markets	Three months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Generic products (including OTC and biosimilars)	$ 410	$ 486
AJOVY	20	22
AUSTEDO	3	12
COPAXONE	7	14
Other	55	59
Total	$ 495	$ 593

International markets	Six months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
Generic products (including OTC and biosimilars)	$ 878	$ 963
AJOVY	48	39
AUSTEDO	18	26
COPAXONE	17	25
Other*	116	136
Total	$1,077	$1,190

* Other revenues in the first six months of 2025 include the sale of certain product rights.

NOTE 16 – Fair value measurement:

Financial items carried at fair value on a recurring basis as of June 30, 2025 and December 31, 2024 are classified in the tables below in one of the three categories of fair value levels:

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
	(U.S. $ in millions)			
Cash and cash equivalents:				
Money markets	$1,360	$ —	$ —	$1,360
Cash, deposits and other	801	—	—	801
Investment in securities:				
Equity securities	13	—	—	13
Other	1	—	—	1
Derivatives:				
Asset derivatives:				
Options and forward contracts	—	71	—	71
Liability derivatives:				
Options and forward contracts	—	(50)	—	(50)
Cross currency interest rate swap	—	(19)	—	(19)
Bifurcated embedded derivatives	—	—	§	—
Contingent consideration*	—	—	(303)	(303)
Total	$2,175	$ 2	$ (303)	$1,874

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(U.S. $ in millions)			
Cash and cash equivalents:				
Money markets	$2,005	$ —	$ —	$2,005
Cash, deposits and other	1,295	—	—	1,295
Investment in securities:				
Equity securities	12	—	—	12
Other	3	—	—	3
Derivatives:				
Asset derivatives:				
Options and forward contracts	—	71	—	71
Liability derivatives:				
Options and forward contracts	—	(24)	—	(24)
Bifurcated embedded derivatives	—	—	§	—
Contingent consideration*	$ —	—	(401)	(401)
Total	3,315	$ 47	$ (401)	$2,961

§ Represents an amount less than $0.5 million.
* Contingent consideration represents liabilities recorded at fair value in connection with acquisitions.

Teva determined the fair value of the liabilities for contingent consideration based on a probability-weighted discounted cash flow analysis. This fair value measurement is based on significant unobservable inputs in the market and thus represents a Level 3 measurement within the fair value hierarchy. The fair value of contingent consideration is based on several factors, such as cash flows projected from the success of unapproved product candidates; probability of success of product candidates, including risks associated with uncertainty regarding achievement and payment of milestone events; time and resources required to complete the development and approval of product candidates; life of the potential commercialized products and associated risks with obtaining regulatory approvals in the United States and Europe, and the risk adjusted discount rate for fair value measurement. The discount rate applied ranged from 8.25% to 11%. The weighted average discount rate, calculated based on the relative fair value of Teva's contingent consideration liabilities, was 8.8%. Contingent consideration is evaluated quarterly, or more frequently, if circumstances dictate. Changes in the fair value of contingent consideration are recorded in the consolidated statements of income. Significant changes in unobservable inputs, mainly the probability of success and cash flows projected, could result in material changes to the contingent consideration liabilities. A change of the discount rate by 1% would have not resulted in material changes to the contingent consideration liabilities.

The following table summarizes the activity for the financial assets and liabilities where fair value measurements are estimated utilizing Level 3 inputs:

	Six months ended June 30, 2025	Six months ended June 30, 2024
	(U.S. $ in millions)	
Fair value at the beginning of the period	$ (401)	(477)
Bifurcated embedded derivatives	§	§
Adjustments to provisions for contingent consideration:		
Allergan transaction	(21)	(239)
Eagle transaction	(8)	(31)
Novetide transaction	(1)	(1)
Settlement of contingent consideration:		
Allergan transaction	103	102
Eagle transaction	23	28
Novetide transaction	2	2
Fair value at the end of the period	$ (303)	$ (616)

§ Represents an amount less than $0.5 million.

Financial instruments not measured at fair value

Financial instruments measured on a basis other than fair value mostly consist of senior notes, sustainability-linked senior notes and convertible senior debentures (see note 7) and are presented in the table below in terms of fair value (level 1 inputs):

	Estimated fair value*	
	June 30, 2025	December 31, 2024
	(U.S. $ in millions)	
Senior notes and sustainability-linked senior notes included under senior notes and loans	$16,673	$ 15,717
Senior notes and convertible senior debentures included under short-term debt	460	1,779
Total	$17,133	$ 17,496

* The fair value was estimated based on quoted market prices.

NOTE 17 – Redeemable Non-Controlling Interests:

In December 2024, Teva entered into an agreement with JKI Co., Ltd. ("JKI") established by the fund managed and operated by private equity firm J-Will Partners Co., Ltd. ("J-Will"), through which JKI will acquire Teva-Takeda, Teva's business venture in Japan (the "BV"), which includes generic products and legacy products. This transaction was completed on March 31, 2025.

Since the establishment of the BV and until the completion of the BV's sale on March 31, 2025, Teva held 51% of the outstanding common stock of the BV, and as a result, Teva consolidated the BV in its financial statements during that period. On March 31, 2025, after the sale of the BV was completed, Teva deconsolidated the BV from its financial statements.

Pursuant to existing agreements with the minority investors of the BV, a redemption feature exists whereby the interest held by the minority investors is redeemable as a result of a sale of the BV, subject to certain terms listed therein. The redemption value would be determined based on a prescribed formula derived from the consideration received from the sale of the BV.

The balance of the redeemable non-controlling interest is reported at the greater of the initial carrying amount adjusted for the redeemable non-controlling interest's share of earnings or losses and other comprehensive income or loss, or its estimated redemption value. The resulting changes in the estimated redemption amount (increases or decreases) are recorded with corresponding adjustments against retained earnings or, in the absence of retained earnings, additional paid-in-capital. Since the share redemption feature does not include a share cap, these interests are presented on the consolidated balance sheets outside of permanent equity under the caption "Redeemable non-controlling interest".

Commensurate with the sale of the BV, Teva redeemed the remaining balance of the redeemable non-controlling interest with consideration of $38 million, following which, such balance was zero, as of March 31, 2025.

Changes in the carrying amount of the redeemable non-controlling interests for the period ended June 30, 2025 were as follows:

	Redeemable non-controlling interests
	(U.S. $ in millions)
Balance as of December 31, 2024	$ 340
Changes during the period:	
Share in comprehensive income (loss)	33
Dividend payment	(340)
Purchase of shares from redeemable non-controlling interests	(38)
Other adjustments related to redeemable non-controlling interests	6
Balance as of June 30, 2025	$ —

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business Overview

We are a leading innovative biopharmaceutical company, enabled by a world-class generics business. For over 120 years, our commitment has never wavered. From innovating in the fields of neuroscience and immunology to providing complex generic medicines, biosimilars and pharmacy brands worldwide.

Today, the Company's global network of capabilities enables its approximately 37,000 employees across 57 markets to advance health by developing medicines for the future while championing the production of generics and biologics. We are dedicated to addressing patients' needs, now and in the future.

Teva was incorporated in Israel on February 13, 1944 and is the successor to a number of Israeli corporations, the oldest of which was established in 1901.

Our Business Segments

We operate our business through three segments: United States, Europe and International Markets. Each business segment manages our entire product portfolio in its region, including generics, which includes biosimilars and OTC products, as well as innovative medicines. This structure enables strong alignment and integration between operations, commercial regions, R&D and our global marketing and portfolio function, optimizing our product lifecycle across therapeutic areas.

In addition to these three segments, we have other activities, primarily the sale of API to third parties, certain contract manufacturing services and an out-licensing platform offering a portfolio of products to other pharmaceutical companies through our affiliate Medis.

Pivot to Growth Strategy

In the second quarter of 2025, we continued to execute on the four key pillars of our "Pivot to Growth" strategy, announced in May 2023, and entered into its second phase. During this second phase of "Accelerate Growth," we expect to focus on growing our innovative portfolio, aligning capital allocation to invest in the highest value activities, and optimizing our organization and operations for cost savings. Under Teva's Transformation programs announced on May 7, 2025, we expect to achieve such cost savings through a variety of initiatives including examining practices and efficiencies in methods of working, reduction in headcount and optimizing external spend in the following years.

Macroeconomic and Geopolitical Environment

In recent years, the global economy has been impacted by fluctuating foreign exchange rates. In the second quarter of 2025, approximately 45% of our revenues were denominated in currencies other than the U.S. dollar and we manufacture our products largely outside of the United States. Fluctuations in the U.S. dollar versus other currencies in which we operate may materially impact our revenues, results of operations, profits and cash flows. Additionally, in recent years, in many of the markets in which we operate, we experienced higher levels of inflation resulting in higher interest rates, though in certain other markets, such as the EU, we recently experienced a decrease in inflation which resulted in lower interests rates. Although inflationary and other macroeconomic pressures have and may continue to ease, the higher costs we have experienced during recent periods have already impacted our operations and may continue to have an effect on our financial results. The global economy has also been impacted by geopolitical tensions which have resulted in disruptions to global supply chains, including our internal supply chain, as well as ongoing developments regarding international trade policies. The U.S. Government recently announced tariffs on products imported from several jurisdictions in which we operate and source our raw materials from, and has made announcements regarding the potential imposition of tariffs on other jurisdictions. Certain of the announced tariffs have been delayed and we are currently assessing the potential impact on our supply chain and our global operations. However, the U.S. Government may in the future pause, reimpose or increase tariffs, and countries subject to such tariffs have and in the future may impose reciprocal tariffs or other restrictive trade measures in response. Any of these actions could impact our costs and our global operations. Since October 2023, Israel has been in a state of war on multiple fronts involving the Gaza Strip and other countries and regions in the Middle East, including most recently the Islamic Republic of Iran. As of the date of this Quarterly Report on Form 10-Q, this situation remains ongoing. Despite these conditions, our global headquarters as well as several of our manufacturing and R&D facilities are located in Israel and operations there currently remain largely unaffected.

Highlights

Significant highlights in the second quarter of 2025 included:

- Revenues in the second quarter of 2025 were $4,176 million, flat in U.S. dollars, or a decrease of 1% in local currency terms compared to the second quarter of 2024. This decrease was mainly due to lower revenues from generic products in our International Markets segment associated with the divestment of our business venture in Japan, as well as in our U.S. segment, and a decrease in revenues from COPAXONE, partially offset by an increase in revenues from our key innovative products AUSTEDO, AJOVY and UZEDY.
- Our U.S. segment generated revenues of $2,151 million and segment profit of $706 million in the second quarter of 2025. Revenues increased by 2% and segment profit increased by 12% compared to the second quarter of 2024.
- Our Europe segment generated revenues of $1,298 million and segment profit of $364 million in the second quarter of 2025. Revenues increased by 7% in U.S. dollars, or 3% in local currency terms, compared to the second quarter of 2024. Segment profit increased by 6% compared to the second quarter of 2024.
- Our International Markets segment generated revenues of $495 million and segment profit of $74 million in the second quarter of 2025. Revenues decreased by 17% in U.S. dollars, compared to the second quarter of 2024. In local currency terms revenues decreased by 16%, compared to the second quarter of 2024. Segment profit increased by 1% compared to the second quarter of 2024.
- Our revenues from other activities in the second quarter of 2025 were $232 million. Revenues decreased by 7% in U.S. dollars, or 9% in local currency terms, compared to the second quarter of 2024.
- Exchange rate movements during the second quarter of 2025, net of hedging effects, positively impacted our revenues by $49 million and had a negligible impact on operating income, compared to the second quarter of 2024.
- Gross profit margin was 50.3% in the second quarter of 2025, compared to 48.6% in the second quarter of 2024.
- R&D expenses, net in the second quarter of 2025 were $244 million, a decrease of 9% compared to $269 million in the second quarter of 2024.
- Impairments of identifiable intangible assets were $42 million in the second quarter of 2025, compared to $61 million in the second quarter of 2024. See note 5 to our consolidated financial statements.
- We recorded legal settlements and loss contingencies of $166 million in the second quarter of 2025, compared to $83 million in the second quarter of 2024. See note 9 to our consolidated financial statements.
- Operating income was $455 million in the second quarter of 2025, compared to an operating loss of $5 million in the second quarter of 2024.
- In the second quarter of 2025, we recognized a tax benefit of $78 million, on a pre-tax income of $203 million. In the second quarter of 2024, we recognized a tax expense of $630 million, on a pre-tax loss of $246 million. See note 11 to our consolidated financial statements.
- As of June 30, 2025, our debt was $17,227 million, compared to $17,783 million as of December 31, 2024. See note 7 to our consolidated financial statements.
- Cash flow generated from operating activities during the second quarter of 2025 was $227 million, compared to $103 million of cash flow generated from operating activities in the second quarter of 2024. The higher cash flow generated from operating activities in the second quarter of 2025 resulted mainly from higher profit in our U.S. segment, and a positive impact from accounts receivables, net of SR&A mainly due to collection timing, partially offset by higher sequential inventory levels, as well as higher tax payments.
- During the second quarter of 2025, we generated free cash flow of $476 million, which we define as comprising $227 million in cash flow generated from operating activities, $336 million in beneficial interest collected in exchange for securitized accounts receivables (under our EU securitization program) and $9 million of proceeds from divestitures of businesses and other assets, partially offset by $96 million in cash used for capital investment. During the second quarter of 2024, we generated free cash flow of $324 million. The increase in the second quarter of 2025, resulted mainly from higher cash flow generated from operating activities.

Results of Operations

Comparison of Three Months Ended June 30, 2025 to Three Months Ended June 30, 2024

Segment Information

United States Segment

The following table presents revenues, expenses and profit for our United States segment for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,			
	2025		2024	
	(U.S. $ in millions / % of Segment Revenues)			
Revenues	$2,151	100%	$2,110	100%
Cost of sales	901	41.9%	943	44.7%
Gross profit	1,250	58.1%	1,167	55.3%
R&D expenses	152	7.0%	170	8.1%
S&M expenses	279	13.0%	270	12.8%
G&A expenses	113	5.2%	100	4.7%
Other	§	§	(1)	§
Segment profit*	$706	32.8%	$629	29.8%

* Segment profit does not include amortization and certain other items.

§ Represents an amount less than $0.5 million or 0.5%, as applicable.

United States Revenues

Revenues from our United States segment in the second quarter of 2025 were $2,151 million, an increase of $41 million, or 2%, compared to the second quarter of 2024. This increase was mainly due to higher revenues from our innovative products, mainly AUSTEDO, UZEDY and AJOVY, partially offset by lower revenues from generic products and COPAXONE.

Revenues by Major Products and Activities

The following table presents revenues for our United States segment by major products and activities for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,		Percentage Change
	2025	2024	2025-2024
	(U.S. $ in millions)		
Generic products (including biosimilars)	$ 961	$ 1,023	(6%)
AJOVY	63	42	53%
AUSTEDO	495	407	22%
BENDEKA and TREANDA	40	41	(3%)
COPAXONE	62	81	(23%)
UZEDY	54	24	120%
Anda	365	373	(2%)
Other	111	119	(7%)
Total	$ 2,151	$ 2,110	2%

Generic products (including biosimilars) revenues in our United States segment in the second quarter of 2025 were $961 million, a decrease of 6% compared to the second quarter of 2024. This decrease was mainly driven by lower revenues from lenalidomide capsules (the generic version of Revlimid®) and liraglutide injection 1.8mg (an authorized generic of Victoza®), driven primarily by increased competition, partially offset by higher revenues from our portfolio of biosimilar products.

Among the most significant generic products we sold in the United States in the second quarter of 2025 were lenalidomide capsules (the generic version of Revlimid®), epinephrine injectable solution (the generic equivalent of EpiPen® and EpiPen Jr®) and Truxima® (the biosimilar to Rituxan®). In the second quarter of 2025, our total prescriptions were approximately 266 million (based on trailing twelve months), representing 6.9% of total U.S. generic prescriptions, compared to approximately 303 million (based on trailing twelve months), representing 7.9% of total U.S. generic prescriptions in the second quarter of 2024, all according to IQVIA data.

On April 7, 2025, Teva and Samsung Bioepis Co., Ltd. announced the availability of, and subsequently launched, EPYSQLI® (eculizumab-aagh), a biosimilar to Soliris® (eculizumab), in the U.S., for the treatment of paroxysmal nocturnal hemoglobinuria (PNH), atypical hemolytic uremic syndrome (aHUS) and generalized myasthenia gravis (gMG) in adult patients who are anti-acetylcholine receptor (AchR) antibody positive.

AJOVY revenues in our United States segment in the second quarter of 2025 were $63 million, an increase of 53% compared to the second quarter of 2024, mainly due to an increase in sales allowance due to a non-recurring item in the second quarter of 2024, and growth in volume in the second quarter of 2025. In the second quarter of 2025, AJOVY's exit market share in the United States in terms of total number of prescriptions was 31.0% out of subcutaneous injectable anti- CGRP class, compared to 28.6% in the second quarter of 2024.

AJOVY is indicated for the preventive treatment of migraine in adults and was launched in the U.S. in 2018. AJOVY is the only anti-CGRP subcutaneous product indicated for both quarterly and monthly dosing options. In April 2025, the FDA accepted Teva's supplemental Biologics License Application (sBLA) for AJOVY to expand the indication to include children and adolescents.

AJOVY is protected worldwide by patents expiring in 2026 at the earliest; extensions have been granted in several countries, including the United States and in Europe, until 2031. Additional patents relating to the use of AJOVY in the treatment of migraine have also been issued in the United States and Europe and will expire between 2035 and 2039. Such patents are also pending in other countries. AJOVY will also be protected by regulatory exclusivity for 12 years from marketing approval in the United States (obtained in September 2018) and 10 years from marketing approval in Europe (obtained in April 2019).

In October 2017, we filed a lawsuit in the U.S. District Court for the District of Massachusetts alleging that Eli Lilly & Co.'s ("Lilly") marketing and sale of its galcanezumab product for the treatment of migraine infringes nine Teva patents, including three method of treatment patents and six composition of matter patents. Lilly then submitted IPR petitions to the PTAB, challenging the validity of the nine Teva patents. The PTAB issued decisions upholding the three method of treatment patents but finding the six composition of matter patents invalid, which decisions were affirmed by the Court of Appeals for the Federal Circuit on August 16, 2021. A jury trial regarding the three method of treatment patents resulted in a verdict in Teva's favor on November 9, 2022, in which the three method of treatment patents were determined to be valid and infringed by Lilly, and Teva was awarded $176.5 million in damages. On September 26, 2023, the U.S. District Court for the District of Massachusetts issued a decision that reversed the jury's verdict and damages award, finding Teva's method of treatment patents to be invalid. Teva appealed this ruling on October 24, 2023, and the matter is fully briefed. The appeal hearing has been set for September 5, 2025.

In addition, in 2018, we entered into separate agreements with Alder Biopharmaceuticals, Inc. and Lilly resolving the European Patent Office oppositions that they filed against our AJOVY patents. The settlement agreement with Lilly also resolved Lilly's action to revoke the patent protecting AJOVY in the United Kingdom.

AUSTEDO revenues in our United States segment in the second quarter of 2025 were $495 million, an increase of 22%, compared to $407 million in the second quarter of 2024. This increase was mainly due to growth in volumes, including the approval of AUSTEDO XR as a one pill, once-daily treatment in 2024.

AUSTEDO was launched in the U.S. in 2017. It is indicated for the treatment of chorea associated with Huntington's disease and for the treatment of tardive dyskinesia in adults.

AUSTEDO is protected in the United States by 14 Orange Book patents expiring between 2031 and 2038. We received notice letters from two ANDA filers regarding the filing of their ANDAs with paragraph (IV) certifications for certain of the patents listed in the Orange Book for AUSTEDO. On April 29, 2022 and June 8, 2022, we reached agreements with Lupin and Aurobindo, respectively, to sell their generic products beginning in April 2033, or earlier under certain circumstances. In addition, Apotex filed a petition for IPR by the Patent and Trial Appeal Board ("PTAB") of the patent covering the deutetrabenazine compound that expires in 2031. On March 9, 2022, the U.S. Patent and Trademark Office denied Apotex's petition and declined to institute a review of the deutetrabenazine patent. In China, invalidity proceedings were initiated against the deutetrabenazine compound patent by a local Chinese pharmaceutical company, and were discontinued following a settlement between the parties. There are no further patent litigations pending regarding AUSTEDO at this time.

AUSTEDO XR (deutetrabenazine) extended-release tablets was approved by the FDA on February 17, 2023 in three doses of 6, 12 and 24 mg, and became commercially available in the U.S. in May 2023. The FDA approved AUSTEDO XR as a one pill, once-daily treatment option in doses of 30, 36, 42, and 48 mg in May 2024 and in 18 mg in July 2024. AUSTEDO XR is a once-daily formulation indicated in adults for tardive dyskinesia and chorea associated with Huntington's disease, which is additional to the currently marketed twice-daily AUSTEDO. AUSTEDO XR is protected by 11 Orange Book patents expiring between 2031 and 2041.

On January 17, 2025, the Centers for Medicare and Medicaid Services ("CMS") released a list of prescription medicines selected for price-setting discussions, which included AUSTEDO and AUSTEDO XR. The price-setting process has commenced, and the revised prices set by the U.S. Government, which will apply to eligible Medicare patients, are expected to become effective on January 1, 2027. As the price-setting process is still in its early stages, the extent to which prices for AUSTEDO and AUSTEDO XR will change as a result of such discussions remains uncertain.

UZEDY (risperidone) extended-release injectable suspension revenues in our United States segment in the second quarter of 2025 were $54 million, an increase of 120% compared to the second quarter of 2024, mainly due to growth in volume.

UZEDY was approved by the FDA on April 28, 2023 for the treatment of schizophrenia in adults, and was launched in the U.S. in May 2023. UZEDY is a subcutaneous, long-acting formulation of risperidone that controls the steady release of risperidone. UZEDY is protected by four Orange Book patents expiring between 2027 and 2040. UZEDY is protected by regulatory exclusivity until April 28, 2026. We are moving forward with plans to launch UZEDY in other countries around the world. UZEDY faces competition from multiple products.

BENDEKA and **TREANDA** combined revenues in our United States segment in the second quarter of 2025 were $40 million, a decrease of 3% compared to the second quarter of 2024, mainly due to competition from alternative therapies, as well as from generic bendamustine products.

In April 2019, we signed an amendment to the license agreement with Eagle extending the royalty term applicable to the United States to the full period for which we sell BENDEKA and increased the royalty rate. In consideration, Eagle agreed to assume a portion of BENDEKA-related patent litigation expenses.

There are 19 patents listed in the U.S. Orange Book for BENDEKA with expiration dates in 2026 and 2031. In August 2021, the Court of Appeals for the Federal Circuit affirmed the district court's decision upholding the validity of all of the asserted patents and finding infringement by two remaining ANDA filers. Another ANDA filer did not join the appeal, and Teva also settled with two ANDA filers.

Teva also settled litigation against three 505(b)(2) applicants, Hospira, Inc. ("Hospira"), Dr. Reddy's Laboratories ("DRL") and Accord Healthcare ("Accord"). Based on these settlement agreements, Hospira, Accord and DRL can launch their products on November 17, 2027, or earlier under certain circumstances. In 2023, Teva and Eagle also filed suit against BendaRx Corp. in the U.S. District Court for the District of Delaware, following its filing of a 505(b)(2) NDA for a bendamustine product, and that litigation is still pending.

In addition to the settlement with Eagle regarding its bendamustine 505(b)(2) NDA, between 2015 and 2020, we reached final settlements with 22 ANDA filers for generic versions of the lyophilized form of TREANDA and one 505(b)(2) NDA filer for a generic version of the liquid form of TREANDA, providing for the launch of generic versions of TREANDA prior to patent expiration. Currently, there are multiple generic TREANDA products on the market.

COPAXONE revenues in our United States segment in the second quarter of 2025 were $62 million, a decrease of 23% compared to the second quarter of 2024, mainly due to market share erosion and competition.

The market for MS treatments continues to develop, particularly with the approval of generic versions of COPAXONE. Oral branded and generic treatments for MS, such as Tecfidera® (dimethyl fumarate) and Gilenya® (fingolimod) continue to present significant and increasing competition. COPAXONE also continues to face competition from existing injectable products, as well as from monoclonal antibodies, such as Ocrevus®, Kesimpta® and Tysabri®.

Anda revenues from third-party products in our United States segment in the second quarter of 2025 were $365 million, a decrease of 2%, compared to $373 million in the second quarter of 2024. This decrease was mainly due to lower volumes. Anda, our distribution business in the United States, distributes generic and innovative medicines and OTC pharmaceutical products from Teva and various third-party manufacturers to independent retail pharmacies, pharmacy retail chains, hospitals and physician offices in the United States.

Anda competes in the distribution market by maintaining a broad portfolio of products, competitive pricing and delivery throughout the United States.

Product Launches and Pipeline

In the second quarter of 2025, we launched the generic and biosimilar version of the following branded products in the United States:

Product Name	Brand Name	Launch Date	Total Annual U.S. Branded Sales at Time of Launch (U.S. $ in millions (IQVIA))*
Ticagrelor Tablets	Brilinta® tablets	May	$ 1,305
EPYSQLI (eculizumab-aagh)	Soliris®	April	$ 367
Perampanel Tablets CIII	Fycoma® CIII	May	$ 217
Phentermine and Topiramate Extended-release Capsules	Qsymia®	May	$ 63
Hydroxyzine Hydrochloride Tablets, USP**	N/A	June	$ 17

* The figures presented are for the twelve months ended in the calendar quarter immediately prior to our launch or re-launch.

** Product was re-launched.

As of June 30, 2025, our generic products pipeline in the United States includes 128 product applications awaiting FDA approval, including 69 tentative approvals. This total reflects all pending ANDAs, supplements for product line extensions and tentatively approved applications and includes some instances where more than one application was submitted for the same reference product. Excluding overlaps, the branded products underlying these pending applications had U.S. sales for the twelve months ended March 31, 2025 of approximately $128 billion, according to IQVIA. Approximately 74% of pending applications include a paragraph IV patent challenge, and we believe we are first-to-file with respect to 55 of these products, or 81 products including final approvals where launch is pending a settlement agreement or court decision. Collectively, these first-to-file opportunities represent over $80 billion in U.S. brand sales for the twelve months ended March 31, 2025, according to IQVIA.

IQVIA reported brand sales are one of the many indicators of future potential value of a launch, but equally important are the mix and timing of competition, as well as cost effectiveness. The potential advantages of being the first filer with respect to some of these products may be subject to forfeiture, shared exclusivity or competition from so-called “authorized generics,” which may ultimately affect the value derived.

In the second quarter of 2025, we received tentative approvals for generic equivalents of the products listed in the table below, excluding overlapping applications. A "tentative approval" indicates that the FDA has substantially completed its review of an application and final approval is expected once the relevant patent expires, a court decision is reached, a 30-month regulatory stay lapses or a 180-day exclusivity period awarded to another manufacturer either expires or is forfeited.

Generic Name	Brand Name	Total Annual U.S. Branded Sales at Time of Launch (U.S. $ in millions (IQVIA))*
Azacitidine Tablets, 200 mg and 300 mg	Onureg®	$ 141
Octreotide Delayed-release Capsules, 20** mg	Mycapssa®	No Data

* The figures presented are for the twelve months ended in the calendar quarter immediately prior to our launch or re-launch.

** Mycapssa® ships directly to patients, no IQVIA data is available.

For information regarding our innovative and biosimilar products pipeline, see "—Teva Consolidated Results—Research and Development (R&D) Expenses" below.

United States Gross Profit

Gross profit from our United States segment in the second quarter of 2025 was $1,250 million, an increase of 7%, compared to $1,167 million in the second quarter of 2024.

Gross profit margin for our United States segment in the second quarter of 2025 increased to 58.1%, compared to 55.3% in the second quarter of 2024. This increase was mainly due to a favorable mix of products primarily driven by higher revenues from AUSTEDO.

United States R&D Expenses

R&D expenses relating to our United States segment in the second quarter of 2025 were $152 million, a decrease of 11%, compared to $170 million in the second quarter of 2024.

For a description of our R&D expenses in the second quarter of 2025, see "—Teva Consolidated Results—Research and Development (R&D) Expenses, net" below.

United States S&M Expenses

S&M expenses relating to our United States segment in the second quarter of 2025 were $279 million, an increase of 3%, compared to $270 million in the second quarter of 2024. This increase was mainly due to promotional activities related to our key innovative products.

United States G&A Expenses

G&A expenses relating to our United States segment in the second quarter of 2025 were $113 million, an increase of 13% compared to $100 million in the second quarter of 2024.

For a description of our G&A expenses in the second quarter of 2025, see "—Teva Consolidated Results—General and Administrative (G&A) Expenses" below.

United States Profit

Profit from our United States segment consists of revenues less cost of sales, R&D expenses, S&M expenses, G&A expenses and other expenses (income) related to this segment. Segment profit does not include amortization and certain other items.

Profit from our United States segment in the second quarter of 2025 was $706 million, an increase of 12% compared to $629 million in the second quarter of 2024. This increase was mainly due to higher gross profit, as discussed above.

Europe Segment

The following table presents revenues, expenses and profit for our Europe segment for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,			
	2025		2024	
	(U.S. $ in millions / % of Segment Revenues)			
Revenues	$ 1,298	100%	$ 1,213	100%
Cost of sales	581	44.8%	536	44.2%
Gross profit	717	55.2%	677	55.8%
R&D expenses	59	4.6%	62	5.1%
S&M expenses	228	17.5%	209	17.2%
G&A expenses	66	5.1%	64	5.3%
Other	§	§	§	§
Segment profit*	$ 364	28.0%	$ 342	28.2%

* Segment profit does not include amortization and certain other items.

§ Represents an amount less than $0.5 million or 0.5%, as applicable.

Europe Revenues

Our Europe segment includes the European Union, the United Kingdom and certain other European countries.

Revenues from our Europe segment in the second quarter of 2025 were $1,298 million, an increase of 7%, or $85 million, compared to the second quarter of 2024. In local currency terms, revenues increased by 3% compared to the second quarter of 2024, mainly due to proceeds from the sale of certain product rights, higher revenues from AJOVY and higher revenues from generic products.

In the second quarter of 2025, revenues were positively impacted by exchange rate fluctuations of $46 million, net of hedging effects, compared to the second quarter of 2024. Revenues in the second quarter of 2025, included $25 million from a negative hedging impact, which is included in "Other" in the table below. Revenues in the second quarter of 2024 included $3 million from a positive hedging impact, which is included in "Other" in the table below. See note 8d to our consolidated financial statements.

Revenues by Major Products and Activities

The following table presents revenues for our Europe segment by major products and activities for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,		Percentage Change
	2025	2024	2025-2024
	(U.S. $ in millions)		
Generic products (including OTC and biosimilars)	$1,040	$ 970	7%
AJOVY	71	52	38%
COPAXONE	50	53	(6%)
Respiratory products	55	57	(3%)
Other*	81	81	1%
Total	$1,298	$1,213	7%

* Other revenues in the second quarter of 2025 include the sale of certain product rights.

Generic products revenues (including OTC and biosimilar products) in our Europe segment in the second quarter of 2025, were $1,040 million, an increase of 7% compared to the second quarter of 2024. In local currency terms, revenues increased by 1%, mainly due to OTC price increases, as well as revenues from recently launched products, partially offset by lower volumes.

AJOVY revenues in our Europe segment in the second quarter of 2025 increased by 38% to $71 million, compared to $52 million in the second quarter of 2024. In local currency terms revenues increased by 30% due to growth in volume.

For information about AJOVY patent protection, see "—United States Revenues—Revenues by Major Products and Activities" above.

COPAXONE revenues in our Europe segment in the second quarter of 2025 were $50 million, a decrease of 6% compared to the second quarter of 2024. In local currency terms revenues decreased by 11%, due to price reductions and a decline in volume resulting from the availability of alternative therapies and competing glatiramer acetate products.

In certain countries, Teva remains in litigation against generic companies regarding COPAXONE.

Respiratory products revenues in our Europe segment in the second quarter of 2025 were $55 million, a decrease of 3% compared to the second quarter of 2024. In local currency terms, revenues decreased by 8%, mainly due to net price reductions and lower volumes.

Product Launches and Pipeline

As of June 30, 2025, our generic products pipeline in Europe included 273 generic approvals relating to 30 compounds in 67 formulations, with no European Medicines Agency ("EMA") approvals received. In addition, approximately 1,490 marketing authorization applications are pending approval in 37 European countries, relating to 97 compounds in 215 formulations. No applications are pending with the EMA.

For information regarding our innovative medicines and biosimilar products pipeline, see "—Teva Consolidated Results—Research and Development (R&D) Expenses" below.

Europe Gross Profit

Gross profit from our Europe segment in the second quarter of 2025 was $717 million, an increase of 6% compared to $677 million in the second quarter of 2024.

Gross profit margin for our Europe segment in the second quarter of 2025 decreased to 55.2%, compared to 55.8% in the second quarter of 2024. This decrease was mainly due to a negative impact from hedging activities and an unfavorable mix of products, partially offset by proceeds from the sale of certain product rights.

Europe R&D Expenses

R&D expenses relating to our Europe segment in the second quarter of 2025 were $59 million, a decrease of 5% compared to $62 million in the second quarter of 2024.

For a description of our R&D expenses in the second quarter of 2025, see "—Teva Consolidated Results—Research and Development (R&D) Expenses, net" below.

Europe S&M Expenses

S&M expenses relating to our Europe segment in the second quarter of 2025 were $228 million, an increase of 9% compared to $209 million in the second quarter of 2024. This increase was mainly due to exchange rate fluctuations as well as to support revenue growth of our generic and key innovative products, including new launches.

Europe G&A Expenses

G&A expenses relating to our Europe segment in the second quarter of 2025 were $66 million, an increase of 3% compared to $64 million in the second quarter of 2024.

For a description of our G&A expenses in the second quarter of 2025, see "—Teva Consolidated Results—General and Administrative (G&A) Expenses" below.

Europe Profit

Profit from our Europe segment consists of revenues less cost of sales, R&D expenses, S&M expenses, G&A expenses and other expenses (income) related to this segment. Segment profit does not include amortization and certain other items.

Profit from our Europe segment in the second quarter of 2025 was $364 million, an increase of 6%, compared to $342 million in the second quarter of 2024. This increase was mainly due to higher gross profit, partially offset by higher S&M expenses, as discussed above.

International Markets Segment

The following table presents revenues, expenses and profit for our International Markets segment for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,			
	2025		2024	
	(U.S. $ in millions / % of Segment Revenues)			
Revenues	$ 495	100%	$ 593	100%
Cost of sales	251	50.8%	307	51.7%
Gross profit	243	49.2%	286	48.3%
R&D expenses	24	4.9%	30	5.1%
S&M expenses	114	23.0%	145	24.5%
G&A expenses	32	6.6%	38	6.4%
Other	(1)	§	§	§
Segment profit*	$ 74	14.9%	$ 73	12.3%

* Segment profit does not include amortization and certain other items.
§ Represents an amount less than $0.5 million or 0.5%, as applicable.

International Markets Revenues

Our International Markets segment includes all countries in which we operate other than the United States and the countries included in our Europe segment. The International Markets segment covers a substantial portion of the global pharmaceutical industry, including more than 35 countries.

The countries in our International Markets segment include highly regulated, mainly generic markets, such as Canada and Israel, and branded generics-oriented markets, such as Russia and certain Latin America markets.

On March 31, 2025, we closed the agreement with JKI Co. Ltd., established by the fund managed and operated by private equity firm J-Will Partners Co. Ltd., to sell our Teva-Takeda business venture in Japan, which includes generic products and legacy products. See note 2 and note 17 to our consolidated financial statements.

As of the date of this Quarterly Report on Form 10-Q, sustained conflict between Russia and Ukraine and disruption in the region is ongoing. Russia and Ukraine markets are included in our International Markets segment results and we have no manufacturing or R&D facilities in these markets. During the three months ended June 30, 2025, the impact of this conflict on our International Markets segment's results of operations and financial condition was immaterial. Consistent with our foreign exchange risk management hedging programs, in the three months ended June 30, 2025 we partially hedged our exposure to currency exchange rate fluctuations with respect to our balance sheet assets, revenues and expenses. However, as of the end of the second quarter of 2025, we hedge a small part of our projected net revenues in Russian ruble for 2025. Prior to and since the escalation of the conflict, we have been taking measures to reduce our operational cash balances in Russia and Ukraine. We have been monitoring the solvency of our customers in Russia and Ukraine and have taken measures, where practicable, to mitigate our exposure to risks related to the conflict in the region. However, the duration, severity and global implications (including potential inflation and devaluation consequences) of the conflict cannot be predicted at this time and could have an effect on our business, including on our exchange rate exposure, supply chain, operational costs and commercial presence in these markets.

Revenues from our International Markets segment in the second quarter of 2025 were $495 million, a decrease of 17% compared to the second quarter of 2024. In local currency terms, revenues decreased by 16% compared to the second quarter of 2024. This decrease was mainly due to the divestment of our business venture in Japan.

In the second quarter of 2025, revenues were negatively impacted by exchange rate fluctuations of $2 million, including hedging effects, compared to the second quarter of 2024. Revenues in the second quarter of 2025 included $8 million from a negative hedging impact, compared to a negative hedging impact of $5 million in the second quarter of 2024, which are included in "Other" in the table below. See note 8d to our consolidated financial statements.

Revenues by Major Products and Activities

The following table presents revenues for our International Markets segment by major products and activities for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,		Percentage Change
	2025	2024	2025-2024
	(U.S. $ in millions)		
Generic products (including OTC and biosimilars)	$ 410	$ 486	(16%)
AJOVY	20	22	(7%)
AUSTEDO	3	12	(76%)
COPAXONE	7	14	(50%)
Other	55	59	(6%)
Total	$ 495	$ 593	(17%)

Generic products revenues (including OTC and biosimilar products) in our International Markets segment were $410 million in the second quarter of 2025, a decrease of 16% in both U.S. dollars and local currency terms, compared to the second quarter of 2024, mainly due to the divestment of our business venture in Japan.

AJOVY was launched in certain markets in our International Markets segment, including in Canada, Japan, Australia, Israel, South Korea, Brazil and others. AJOVY revenues in our International Markets segment in the second quarter of 2025 were $20 million, compared to $22 million in the second quarter of 2024, mainly due to timing of shipments.

AUSTEDO was launched in China and Israel in 2021 and in Brazil in 2022, for the treatment of chorea associated with Huntington's disease and for the treatment of tardive dyskinesia. In February 2024, we announced a strategic partnership for the marketing and distribution of AUSTEDO in China. In April 2025, AUSTEDO received marketing authorization in South Korea. We continue to pursue additional submissions in various other markets.

AUSTEDO revenues in our International Markets segment in the second quarter of 2025 were $3 million compared to $12 million in the second quarter of 2024. In local currency terms, revenues decreased by 75%, mainly due to timing of shipments.

COPAXONE revenues in our International Markets segment in the second quarter of 2025 were $7 million compared to $14 million in the second quarter of 2024.

International Markets Gross Profit

Gross profit from our International Markets segment in the second quarter of 2025 was $243 million, a decrease of 15% compared to $286 million in the second quarter of 2024.

Gross profit margin for our International Markets segment in the second quarter of 2025 increased to 49.2%, compared to 48.3% in the second quarter of 2024. This increase was mainly due to a favorable mix of products, mainly in connection with the divestment of our business venture in Japan.

International Markets R&D Expenses

R&D expenses relating to our International Markets segment in the second quarter of 2025 were $24 million, a decrease of 19% compared to the second quarter of 2024.

For a description of our R&D expenses in the second quarter of 2025, see "—Teva Consolidated Results—Research and Development (R&D) Expenses, net" below.

International Markets S&M Expenses

S&M expenses relating to our International Markets segment in the second quarter of 2025 were $114 million, a decrease of 22% compared to the second quarter of 2024, mainly due to the divestment of our business venture in Japan.

International Markets G&A Expenses

G&A expenses relating to our International Markets segment in the second quarter of 2025 were $32 million, a decrease of 15% compared to the second quarter of 2024.

International Markets Profit

Profit from our International Markets segment consists of revenues less cost of sales, R&D expenses, S&M expenses, G&A expenses and other expenses (income) related to this segment. Segment profit does not include amortization and certain other items.

Profit from our International Markets segment in the second quarter of 2025 was $74 million, an increase of 1%, compared to $73 million in the second quarter of 2024. This increase was mainly due to lower operating expenses, partially offset by a decrease in gross profit, mainly as a result of the divestment of our business venture in Japan.

Other Activities

We have other sources of revenues, primarily the sale of APIs to third parties, certain contract manufacturing services and an out-licensing platform offering a portfolio of products to other pharmaceutical companies through our affiliate Medis. Our other activities are not included in our United States, Europe or International Markets segments described above.

On January 31, 2024, we announced that we intend to divest our API business (including its R&D, manufacturing and commercial activities) through a sale. The intention to divest is in alignment with our Pivot to Growth strategy. However, there can be no assurance regarding the ultimate timing or structure of a potential divestiture or that a divestiture will be agreed or completed at all. For further information, see note 2 to our consolidated financial statements.

Our revenues from other activities in the second quarter of 2025 were $232 million, a decrease of 7% in U.S. dollars, or 9% in local currency terms, compared to the second quarter of 2024.

API sales to third parties in the second quarter of 2025 were $135 million, a decrease of 11% in both U.S. dollars and local currency terms, compared to the second quarter of 2024, mainly due to lower demand and timing of shipments.

Teva Consolidated Results

Revenues

Revenues in the second quarter of 2025 were $4,176 million, flat in U.S. dollars, or a decrease of 1% in local currency terms compared to the second quarter of 2024. This decrease was mainly due to lower revenues from generic products in our International Markets segment associated with the divestment of our business venture in Japan, as well as in our U.S. segment, and a decrease in revenues from COPAXONE, partially offset by an increase in revenues from our key innovative products AUSTEDO, AJOVY and UZEDY.

See "—United States Revenues," "—Europe Revenues," "—International Markets Revenues" and "—Other Activities" above.

Exchange rate movements during the second quarter of 2025, net of hedging effects, positively impacted revenues by $49 million, compared to the second quarter of 2024. See note 8d to our consolidated financial statements.

Gross Profit

Gross profit in the second quarter of 2025, was $2,102 million, an increase of 4% compared to $2,024 million in the second quarter of 2024.

Gross profit margin was 50.3% in the second quarter of 2025, compared to 48.6% in the second quarter of 2024. This increase was mainly due to a favorable mix of products, primarily driven by higher revenues from AUSTEDO, the sale of certain product rights in our Europe Segment and the divestment of our business venture in Japan, partially offset by lower revenues from COPAXONE.

Research and Development (R&D) Expenses, net

Our R&D activities for innovative medicines and biosimilar products in each of our segments include costs of discovery research, preclinical work, drug formulation, early- and late-stage clinical development and product registration costs. These expenditures are reported net of contributions received from collaboration partners. Our spending takes place throughout the development process, including (i) early-stage projects in both discovery and preclinical phases; (ii) middle-stage projects in clinical programs up to Phase 3; (iii) late-stage projects in Phase 3 programs, including where a new drug application is currently pending approval; (iv) post-approval studies for marketed products; and (v) indirect expenses, such as costs of internal administration, infrastructure and personnel.

Our R&D activities for generic products in each of our segments include both (i) direct expenses relating to product formulation, analytical method development, stability testing, management of bioequivalence and other clinical studies and regulatory filings; and (ii) indirect expenses, such as costs of internal administration, infrastructure and personnel.

In the second quarter of 2025, our R&D expenses, net related primarily to innovative product candidates and marketed products in neuroscience, immunology and immuno-oncology, and selected other areas, as well as generic products and biosimilars.

R&D expenses, net in the second quarter of 2025, were $244 million, a decrease of 9% compared to $269 million in the second quarter of 2024.

Our lower R&D expenses, net in the second quarter of 2025 compared to the second quarter of 2024, were mainly due to a decrease in non-recurring milestone payments related to certain biosimilar projects, and a decrease in our generics projects.

Our R&D expenses, net in the second quarter of 2025, were also impacted by reimbursements from the strategic partnerships we entered into in 2023 and 2024. See note 2 to our consolidated financial statements.

R&D expenses, net as a percentage of revenues were 5.8% in the second quarter of 2025, compared to 6.5% in the second quarter of 2024.

Innovative Medicines Pipeline

Below is a description of key products in our innovative medicines pipeline as of July 30, 2025:

	Phase 2	Phase 3
Neuroscience		***Olanzapine LAI (TEV-'749)*** Schizophrenia (September 2022)
Immunology	***Duvakitug (anti-TL1A)*** [(1)] ***(TEV-'574)*** Inflammatory Bowel Disease	***Dual Action Rescue Inhaler (DARI) (ICS/SABA; TEV-'248)*** [(3)] Asthma (February 2023)
	Anti-IL-15 (TEV-'408) ***Celiac*** ***Emrusolmin***[(2)] ***(TEV-'286)*** Multiple System Atropy	

(1) In collaboration with Sanofi.
(2) In collaboration with Modag.
(3) In collaboration with Launch Therapeutics.

Biosimilar Products Pipeline

We have additional biosimilar products in development internally and with our partners that are in various stages of clinical trials and regulatory review worldwide, including confirmatory clinical trials for biosimilars to Xolair® (omalizumab), to Xgeva® (denosumab), which was submitted for regulatory review in Europe, to Entyvio® (vedolizymab), which is in collaboration with Alvotech for the U.S. market, and TEV-‘333 a biosimilar in collaboration with mAbxience. Our proposed biosimilar to Prolia® (denosumab) was submitted for regulatory review in the U.S. and Europe. Our proposed biosimilars to Simponi®, Simponi Aria® (golimumab), and Eyla (aflibercept), which are in collaboration with Alvotech, were submitted for regulatory review in the U.S.

Selling and Marketing (S&M) Expenses

S&M expenses in the second quarter of 2025, were $654 million, flat compared to the second quarter of 2024. This was mainly the result of the factors discussed above under “—United States segment—S&M Expenses,” “—Europe segment— S&M Expenses” and “—International Markets segment— S&M Expenses”.

S&M expenses as a percentage of revenues were 15.7% in the second quarter of 2025, compared to 15.8% in the second quarter of 2024.

General and Administrative (G&A) Expenses

G&A expenses in the second quarter of 2025, were $305 million, an increase of 8% compared to the second quarter of 2024. This increase was mainly due to costs related to optimization activities of Teva’s global organization and operations in connection with Teva’s Transformation programs.

G&A expenses as a percentage of revenues were 7.3% in the second quarter of 2025 compared to 6.8% in the second quarter of 2024.

Intangible Asset Impairments

We recorded expenses of $42 million for identifiable intangible asset impairments in the second quarter of 2025, compared to expenses of $61 million in the second quarter of 2024. See note 5 to our consolidated financial statements.

Goodwill Impairment

No goodwill impairments were recorded in the second quarter of 2025, compared to a goodwill impairment charge of $400 million in the second quarter of 2024 related to Teva’s API reporting unit. See note 6 to our consolidated financial statements.

Other Asset Impairments, Restructuring and Other Items

We recorded expenses of $232 million for other asset impairments, restructuring and other items in the second quarter of 2025, compared to expenses of $280 million in the second quarter of 2024. See note 12 to our consolidated financial statements.

Legal Settlements and Loss Contingencies

We recorded expenses of $166 million in legal settlements and loss contingencies in the second quarter of 2025, compared to expenses of $83 million in the second quarter of 2024. See note 9 to our consolidated financial statements.

Operating Income (Loss)

Operating Income was $455 million in the second quarter of 2025, compared to an operating loss of $5 million in the second quarter of 2024. This increase was mainly due to the goodwill impairment charge recorded in the second quarter of 2024, as well as higher gross profit in the second quarter of 2025, partially offset by higher legal settlements and loss contingencies in the second quarter of 2025.

Operating income as a percentage of revenues was 10.9% in the second quarter of 2025, compared to an operating loss as a percentage of revenues of 0.1% in the second quarter of 2024.

Financial Expenses, Net

In the second quarter of 2025, financial expenses, net were $252 million, mainly comprised of net-interest expenses of $203 million. In the second quarter of 2024, financial expenses, net were $241 million, mainly comprised of net-interest expenses of $233 million.

Reconciliation Table to Consolidated Income (Loss) Before Income Taxes

The following table presents a reconciliation of our segment profits to our consolidated operating income (loss) and to consolidated income (loss) before income taxes for the three months ended June 30, 2025 and 2024:

	Three months ended	
	2025	2024
	(U.S. $ in millions)	
United States profit	$ 706	$ 629
Europe profit	364	342
International Markets profit	74	73
Total reportable segments profit	1,144	1,043
Profit of other activities	(11)	12
Total segments profit	1,133	1,056
Amounts not allocated to segments:		
Amortization	148	146
Other assets impairments, restructuring and other items	232	280
Goodwill impairment	—	400
Intangible assets impairments	42	61
Legal settlements and loss contingencies	166	83
Other unallocated amounts	91	91
Consolidated operating income (loss)	455	(5)
Financial expenses, net	252	241
Consolidated income (loss) before income taxes	$ 203	$ (246)

Income Taxes

In the second quarter of 2025, we recognized a tax benefit of $78 million, on a pre-tax income of $203 million. In the second quarter of 2024, we recognized a tax expense of $630 million, on a pre-tax loss of $246 million. See note 11 to our consolidated financial statements.

Net Income (Loss) Attributable to Teva

Net income attributable to Teva was $282 million in the second quarter of 2025, compared to a net loss of $846 million in the second quarter of 2024. This change was mainly due to higher income taxes in the second quarter of 2024, as well as higher operating income in the second quarter of 2025, as discussed above.

Diluted Shares Outstanding and Earnings (Loss) per Share

The weighted average diluted shares outstanding used for the fully diluted share calculations for the three months ended June 30, 2025 and 2024 was 1,161 million shares and 1,133 million shares, respectively.

Diluted earnings per share was $0.24 in the second quarter of 2025, compared to diluted loss per share of $0.75 in the second quarter of 2024. See note 13 to our consolidated financial statements.

Share Count for Market Capitalization

We calculate share amounts using the outstanding number of shares (i.e., excluding treasury shares) plus shares that would be outstanding upon the exercise of options and vesting of RSUs and PSUs, and the conversion of our convertible senior debentures, in each case, at period end.

As of June 30, 2025 and 2024, the fully diluted share count for purposes of calculating our market capitalization was approximately 1,179 million shares and 1,167 million shares, respectively.

Impact of Currency Fluctuations on Results of Operations

In the second quarter of 2025, approximately 45% of our revenues were denominated in currencies other than the U.S. dollar. Since our results are reported in U.S. dollars, we are subject to significant foreign currency risks. Accordingly, changes in the rate of exchange between the U.S. dollar and local currencies in the markets in which we operate (primarily the euro, British pound, Russian ruble, Swiss franc, Canadian dollar, new Israeli shekel, Polish złoty and Swedish krona) impacted our results.

During the second quarter of 2025, the following main currencies relevant to our operations increased in value against the U.S. dollar (each compared on a quarterly average basis): Russian ruble by 12%, Swedish krona by 11%, Swiss franc by 9%, Polish złoty by 6%, British pound by 6%, euro by 5% and new Israeli shekel by 4%. The following currencies relevant to our operations decreased in value against the U.S. dollar: Argentine peso by 23%, Mexican peso by 12% and Brazilian real by 8%.

As a result, exchange rate movements during the second quarter of 2025, net of hedging effects, positively impacted revenues by $49 million and had a negligible impact on operating income, compared to the second quarter of 2024.

In the second quarter of 2025, a negative hedging impact of $32 million was recognized under revenues, and a positive hedging impact of $4 million was recognized under cost of sales. In the second quarter of 2024, a negative hedging impact of $2 million was recognized under revenues and a negative hedging impact of $3 million was recognized under cost of sales.

Hedging transactions against future projected revenues and expenses are recognized on the balance sheet at their fair value on a quarterly basis, while the foreign exchange impact on the underlying revenues and expenses may occur in subsequent quarters. See note 8d to our consolidated financial statements.

Commencing in the third quarter of 2018, the cumulative inflation in Argentina exceeded 100% or more over a three-year period. Although this triggered highly inflationary accounting treatment, it did not have a material impact on our results of operations.

Commencing in the second quarter of 2022, the cumulative inflation in Turkey exceeded 100% or more over a three-year period. Although this triggered highly inflationary accounting treatment, it did not have a material impact on our results of operations.

Comparison of six Months Ended June 30, 2025 to six Months Ended June 30, 2024

Unless specified otherwise, the factors used to explain quarterly changes on a year-over-year basis are also relevant for the comparison of the results for the six months ended June 30, 2025 and 2024. Where there are different factors affecting the six months comparison, we have described them below.

Segment Information

United States Segment

The following table presents revenues, expenses and profit for our United States segment for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,			
	2025		2024	
	(U.S. $ in millions / % of Segment Revenues)			
Revenues	$ 4,060	100%	$ 3,835	100%
Cost of sales	1,752	43.1%	1,809	47.2%
Gross profit	2,308	56.9%	2,025	52.8%
R&D expenses	306	7.5%	324	8.4%
S&M expenses	552	13.6%	530	13.8%
G&A expenses	208	5.1%	193	5.0%
Other loss (income)	3	§	(1)	§
Segment profit*	$ 1,239	30.5%	$ 979	25.5%

* Segment profit does not include amortization and certain other items.

§ Represents an amount less than 0.5%.

United States Revenues

Revenues from our United States segment in the first six months of 2025 were $4,060 million, an increase of 6% compared to $3,835 million in the first six months of 2024.

Revenues by Major Products and Activities

The following table presents revenues for our United States segment by major products and activities for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,		Percentage Change
	2025	2024	2025-2024
	(U.S. $ in millions)		
Generic products (including biosimilars)	$ 1,809	$ 1,831	(1%)
AJOVY	117	87	34%
AUSTEDO	891	689	29%
BENDEKA and TREANDA	76	87	(12%)
COPAXONE	116	111	5%
UZEDY	93	40	134%
Anda	738	754	(2%)
Other	220	237	(7%)
Total	$ 4,060	$ 3,835	6%

COPAXONE revenues in our United States segment in the first six months of 2025 were $116 million, an increase of 5% compared to $111 million in the first six months of 2024, mainly due to an increase in sales allowance due to a non-recurring item in the first six months of 2024, partially offset by market share erosion and competition.

United States Gross Profit

Gross profit from our United States segment in the first six months of 2025 was $2,308 million, an increase of 14%, compared to $2,025 million in the first six months of 2024.

Gross profit margin for our United States segment in the first six months of 2025 increased to 56.9% compared to 52.8% in the first six months of 2024.

United States R&D Expenses

R&D expenses relating to our United States segment in the first six months of 2025 were $306 million, a decrease of 5%, compared to $324 million in the first six months of 2024.

For a description of our R&D expenses in the first six months of 2025, see "—Teva Consolidated Results—Research and Development (R&D) Expenses" below.

United States S&M Expenses

S&M expenses relating to our United States segment in the first six months of 2025 were $552 million, an increase of 4%, compared to $530 million in the first six months of 2024.

United States G&A Expenses

G&A expenses relating to our United States segment in the first six months of 2025 were $208 million, an increase of 8%, compared to $193 million in the first six months of 2024.

United States Profit

Profit from our United States segment in the first six months of 2025 was $1,239 million, an increase of 27%, compared to $979 million in the first six months of 2024.

Europe Segment

The following table presents revenues, expenses and profit for our Europe segment for the six months ended June 30, 2025 and 2024:

	Six months ended June 30, 2025		2024	
	(U.S. $ in millions / % of Segment Revenues)			
Revenues	$2,492	100.0%	$2,485	100.0%
Cost of sales	1,117	44.8%	1,070	43.1%
Gross profit	1,374	55.2%	1,415	56.9%
R&D expenses	120	4.8%	118	4.7%
S&M expenses	427	17.1%	403	16.2%
G&A expenses	135	5.4%	130	5.2%
Other loss (income)	§	§	§	§
Segment profit*	$ 693	27.8%	$ 764	30.8%

* Segment profit does not include amortization and certain other items.
§ Represents an amount less than $0.5 million or 0.5%, as applicable.

Europe Revenues

Our Europe segment includes the European Union, the United Kingdom, and certain other European countries.

Revenues from our Europe segment in the first six months of 2025 were $2,492 million, an increase of $7 million, compared to the first six months of 2024. In local currency terms, revenues increased by 1% compared to the first six months of 2024.

Revenues by Major Products and Activities

The following table presents revenues for our Europe segment by major products and activities for the six months ended June 30, 2025 and 2024:

	Six months ended June 30, 2025	2024	Percentage Change 2025-2024
	(U.S. $ in millions)		
Generic products (including OTC and biosimilars)	$ 2,029	$ 1,974	3%
AJOVY	129	102	26%
COPAXONE	92	110	(17%)
Respiratory products	110	123	(11%)
Other*	132	175	(25%)
Total	$ 2,492	$ 2,485	§

* Other revenues in the first six months of 2025 include the sale of certain product rights.
§ Represents an amount less than 0.5%.

Europe Gross Profit

Gross profit from our Europe segment in the first six months of 2025 was $1,374 million, a decrease of 3% compared to $1,415 million in the first six months of 2024.

Gross profit margin for our Europe segment in the first six months of 2025 decreased to 55.2% compared to 56.9% in the first six months of 2024.

Europe R&D Expenses

R&D expenses relating to our Europe segment in the first six months of 2025 were $120 million, an increase of 2% compared to $118 million in the first six months of 2024.

Europe S&M Expenses

S&M expenses relating to our Europe segment in the first six months of 2025 were $427 million, an increase of 6% compared to $403 million in the first six months of 2024.

Europe G&A Expenses

G&A expenses relating to our Europe segment in the first six months of 2025 were $135 million, an increase of 4% compared to the first six months of 2024.

Europe Profit

Profit from our Europe segment in the first six months of 2025 was $693 million, a decrease of 9% compared to $764 million in the first six months of 2024.

International Markets Segment

The following table presents revenues, expenses and profit for our International Markets segment for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,			
	2025		2024	
	(U.S. $ in millions / % of Segment Revenues)			
Revenues	$ 1,077	100%	$ 1,190	100%
Cost of sales	556	51.6%	607	51.0%
Gross profit	521	48.4%	583	49.0%
R&D expenses	49	4.6%	58	4.9%
S&M expenses	232	21.5%	263	22.1%
G&A expenses	72	6.7%	73	6.1%
Other loss (income)	(2)	§	(1)	§
Segment profit*	$ 171	15.9%	$ 190	15.9%

* Segment profit does not include amortization and certain other items.

§ Represents an amount less than 0.5%.

International Markets Revenues

Our International Markets segment includes all countries in which we operate other than the United States and the countries included in our Europe segment.

Revenues from our International Markets segment in the first six months of 2025 were $1,077 million, a decrease of $113 million, or 9%, compared to the first six months of 2024. In local currency terms, revenues decreased by 6% compared to the first six months of 2024.

In the first six months of 2025, revenues were negatively impacted by exchange rate fluctuations of $47 million including hedging effects, compared to the first six months of 2024. Revenues in the first six months of 2025 included a negative hedging impact of $23 million compared to a negative hedging impact of $1 million in the first six months of 2024, which are included in “Other” in the table below. See note 8d to our consolidated financial statements.

Revenues by Major Products and Activities

The following table presents revenues for our International Markets segment by major products and activities for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,		Percentage Change
	2025	2024	2025-2024
	(U.S. $ in millions)		
Generic products (including OTC and biosimilars)	$ 878	$ 963	(9%)
AJOVY	48	39	25%
AUSTEDO	18	26	(33%)
COPAXONE	17	25	(32%)
Other*	116	136	(15%)
Total	$1,077	$1,190	(9%)

* Other revenues in the first six months of 2025 include the sale of certain product rights.

AJOVY revenues in our International Markets segment in the first six months of 2025 were $48 million, compared to $39 million in the first six months of 2024. This increase was mainly due to growth in existing markets in which AJOVY was launched.

International Markets Gross Profit

Gross profit from our International Markets segment in the first six months of 2025 was $521 million, compared to $583 million in the first six months of 2024. This decrease was mainly due to a negative hedging impact, as well as regulatory price reductions and generic competition to off-patented products in Japan.

Gross profit margin for our International Markets segment in the first six months of 2025 was 48.4%, compared to 49.0% in the first six months of 2024.

International Markets R&D Expenses

R&D expenses relating to our International Markets segment in the first six months of 2025 were $49 million, a decrease of 15% compared to $58 million in the first six months of 2024.

International Markets S&M Expenses

S&M expenses relating to our International Markets segment in the first six months of 2025 were $232 million, a decrease of 12% compared to $263 million in the first six months of 2024.

International Markets G&A Expenses

G&A expenses relating to our International Markets segment in the first six months of 2025 were $72 million, a decrease of 1% compared to $73 million in the first six months of 2024.

International Markets Profit

Profit from our International Markets segment in the first six months of 2025 was $171 million, a decrease of 10%, compared to $190 million in the first six months of 2024.

Other Activities

We have other sources of revenues, primarily the sale of APIs to third parties, certain contract manufacturing services and an out-licensing platform offering a portfolio of products to other pharmaceutical companies through our affiliate Medis. Our other activities are not included in our United States, Europe or International Markets segments described above.

On January 31, 2024, we announced that we intend to divest our API business (including its R&D, manufacturing and commercial activities) through a sale. The intention to divest is in alignment with our Pivot to Growth strategy. However, there can be no assurance regarding the ultimate timing or structure of a potential divestiture or that a divestiture will be agreed or completed at all. For further information, see note 2 to our consolidated financial statements.

Our revenues from other activities in the first six months of 2025 were $438 million, a decrease of 8% in both U.S. dollars and local currency terms, compared to the first six months of 2024.

API sales to third parties in the first six months of 2025 were $265 million, a decrease of 5% in both U.S. dollars and local currency terms compared to the first six months of 2024.

Teva Consolidated Results

Revenues

Revenues in the first six months of 2025 were $8,067 million, an increase of 1% compared to the first six months of 2024. In local currency terms, revenues increased by 2%, compared to the first six months of 2024. This increase was mainly due to an increase in revenues from our key innovative products AUSTEDO, AJOVY and UZEDY, partially offset by a decrease in revenues from certain other innovative products and lower revenues from generic products in our International Markets segment associated with the divestment of our business venture in Japan, as well as in our U.S. segment.

See "—United States Revenues," "—Europe Revenues," "—International Markets Revenues" and "—Other Activities" above.

Exchange rate movements during the first six months of 2025, net of hedging effects, negatively impacted revenues by $53 million, compared to the first six months of 2024. See note 8d to our consolidated financial statements.

Gross Profit

Gross profit in the first six months of 2025 was $3,979 million, an increase of 5% compared to the first six months of 2024.

Gross profit margin was 49.3% in the first six months of 2025, compared to 47.5% in the first six months of 2024.

Research and Development (R&D) Expenses, net

R&D expenses, net in the first six months of 2025 were $490 million, a decrease of 4% compared to the first six months of 2024.

R&D expenses, net as a percentage of revenues were 6.1% in the first six months of 2025, compared to 6.4% in the first six months of 2024.

Selling and Marketing (S&M) Expenses

S&M expenses in the first six months of 2025 were $1,276 million, an increase of 1% compared to the first six months of 2024.

S&M expenses as a percentage of revenues were 15.8% in the first six months of 2025 and 2024.

General and Administrative (G&A) Expenses

G&A expenses in the first six months of 2025 were $603 million, an increase of 7% compared to the first six months of 2024.

G&A expenses as a percentage of revenues were 7.5% in the first six months of 2025, compared to 7.0% in the first six months of 2024.

Intangible Asset Impairments

We recorded expenses of $163 million for identifiable intangible asset impairments in the first six months of 2025, compared to expenses of $141 million in the first six months of 2024. See note 5 to our consolidated financial statements.

Goodwill Impairment

No goodwill impairment charges were recorded in the first six months of 2025, compared to a goodwill impairment charge of $400 million related to Teva's API reporting unit recorded in the first six months of 2024. See note 6 to our consolidated financial statements.

Other Asset Impairments, Restructuring and Other Items

We recorded expenses of $210 million for other asset impairments, restructuring and other items in the first six months of 2025, compared to expenses of $954 million in the first six months of 2024. See note 12 to our consolidated financial statements.

Legal Settlements and Loss Contingencies

We recorded expenses of $252 million in legal settlements and loss contingencies in the first six months of 2025, compared to expenses of $188 million in the first six months of 2024. See note 9 to our consolidated financial statements.

Other Income (Loss)

Other loss in the first six months of 2025 was $9 million, compared to other income of $1 million in the first six months of 2024.

Operating Income (Loss)

Operating income was $975 million in the first six months of 2025, compared to an operating loss of $223 million in the first six months of 2024.

Operating income as a percentage of revenues was 12.1% in the first six months of 2025, compared to an operating loss as a percentage of revenues of 2.8% in the first six months of 2024.

Financial Expenses, Net

In the first six months of 2025, financial expenses, net were $477 million, mainly comprised of net-interest expenses of $415 million. In the first six months of 2024, financial expenses, net were $491 million, mainly comprised of net-interest expenses of $466 million.

Reconciliation Table to Consolidated Income (Loss) Before Income Taxes

The following table presents a reconciliation of our segment profits to our consolidated operating income (loss) and to consolidated income (loss) before income taxes for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
	(U.S. $ in millions)	
United States profit	$1,239	$ 979
Europe profit	693	764
International Markets profit	171	190
Total reportable segments profit	2,102	1,933
Profit (loss) of other activities	(23)	15
Total segments profit	2,079	1,948
Amounts not allocated to segments:		
Amortization	292	298
Other assets impairments, restructuring and other items	210	954
Goodwill impairment	—	400
Intangible assets impairments	163	141
Legal settlements and loss contingencies	249	188
Other unallocated amounts	190	190
Consolidated operating income (loss)	975	(223)
Financial expenses, net	477	491
Consolidated income (loss) before income taxes	$ 497	$ (713)

Income Taxes

In the first six months of 2025, we recognized a tax benefit of $4 million, on pre-tax income of $497 million. In the first six months of 2024, we recognized a tax expense of $578 million, on pre-tax loss of $713 million. See note 11 to our consolidated financial statements.

Net Income (Loss) Attributable to non-controlling interests

Net income attributable to redeemable and non-redeemable non-controlling interests was $6 million in the first six months of 2025, compared to a net loss attributable to redeemable and non-redeemable non-controlling interests of $309 million in the first six months of 2024. The net loss in the first six months of 2024 was mainly due to higher impairments of tangible assets, largely related to the classification of our business venture in Japan as held for sale. See note 12 to our consolidated financial statements.

Net Income (Loss) Attributable to Teva

Net income attributable to Teva was $497 million in the first six months of 2025, compared to a net loss of $985 million in the first six months of 2024.

Diluted Shares Outstanding and Earnings (Loss) per Share

The weighted average diluted shares outstanding used for the fully diluted share calculations for the six months ended June 30, 2025 and 2024 was 1,159 million shares and 1,128 million shares, respectively.

Diluted earnings per share was $0.43 for the six months ended June 30, 2025, compared to diluted loss per share of $0.87 for the six months ended June 30, 2024. See note 13 to our consolidated financial statements.

Impact of Currency Fluctuations on Results of Operations

In the first six months of 2025, approximately 46% of our revenues were denominated in currencies other than the U.S. dollar. Because our results are reported in U.S. dollars, we are subject to significant foreign currency risks and, accordingly, changes in the exchange rate between the U.S. dollar and local currencies in markets in which we operate (primarily the euro, British pound, Swiss franc, Russian ruble, Canadian dollar, new Israeli shekel, Polish złoty, Japanese yen and Swedish krona) impacted our results.

During the first six months of 2025, the following main currencies relevant to our operations increased in value against the U.S. dollar: Russian ruble by 4%, Swedish krona by 3%, Swiss franc by 3%, Polish złoty by 3%, new Israeli shekel by 3%, British pound by 2% and Japanese Yen by 2% (all compared on a six-month average basis). The following main currencies relevant to our operations decreased in value against the U.S. dollar: Argentine peso by 22%, Turkish lira by 16%, Mexican peso by 14%, Brazilian real by 12%, Ukraine hryvna by 6%, Canadian dollar by 4% and Indian rupee by 3%.

As a result, exchange rate movements during the first six months of 2025, net of hedging effects, negatively impacted overall revenues by $53 million and our operating income by $51 million, compared to the first six months of 2024.

In the first six months of 2025, a negative hedging impact of $60 million was recognized under revenues, and a positive hedging impact of $3 million was recognized under cost of sales. In the first six months of 2024, a positive hedging impact of $10 million was recognized under revenues and a negative hedging impact of $6 was recognized under cost of sales.

Hedging transactions against future projected revenues and expenses are recognized on the balance sheet at their fair value on a quarterly basis, while the foreign exchange impact on the underlying revenues and expenses may occur in subsequent quarters. See note 8d to our consolidated financial statements.

2025 Aggregated Contractual Obligations

There have not been any material changes in our assessment of material contractual obligations and commitments as set forth in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

Liquidity and Capital Resources

Total balance sheet assets were $40,131 million as of June 30, 2025, compared to $39,326 million as of December 31, 2024.

Our working capital balance, which includes accounts receivables net of SR&A, inventories, prepaid expenses and other current assets, accounts payables, employee-related obligations, accrued expenses and other current liabilities, was negative $2,446 million as of June 30, 2025, compared to negative $2,837 million as of December 31, 2024. This increase was mainly due to higher inventory levels primarily due to exchange rate fluctuations, and an increase in accounts receivables, net of SR&A, as well as a decrease in employee related obligations mainly due to performance incentive payments to employees for 2024, partially offset by an increase in accounts payables and accrued expenses primarily due to exchange rate fluctuations.

Employee-related obligations, as of June 30, 2025 were $481 million, compared to $624 million as of December 31, 2024. The decrease in the first six months of 2025 was mainly due to performance incentive payments to employees for 2024, partially offset by an accrual for performance incentive payments to employees for 2025.

Cash investment in property, plant and equipment and intangible assets in the second quarter of 2025 was $96 million, compared to $97 million in the second quarter of 2024. Depreciation in the second quarter of 2025 was $103 million, compared to $113 million in the second quarter of 2024.

Cash and cash equivalents as of June 30, 2025, were $2,161 million, compared to $3,300 million as of December 31, 2024. See also the statement of cash flow to our consolidated financial statements.

In the first quarter of 2025, we paid a dividend of $340 million to redeemable non-controlling interests in our business venture in Japan.

Our cash on hand that is not used for ongoing operations is generally invested in bank deposits as well as liquid securities that bear fixed and floating rates.

Teva's principal sources of short-term liquidity are its cash on hand, existing cash investments, liquid securities and available credit facilities, primarily our $1.8 billion unsecured syndicated sustainability-linked revolving credit facility, entered into in April 2022, as amended in February 2023 and in May 2024 ("RCF"). See note 7 to our consolidated financial statements.

Debt Balance and Movements

As of June 30, 2025, our debt was $17,227 million, compared to $17,783 million as of December 31, 2024. This decrease was mainly due to repayment at maturity of $1,368 million of our senior notes (as detailed below), partially offset by $780 million of exchange rate fluctuations. Additionally, during the second quarter of 2025, we repurchased $2,290 million aggregate principal amount of notes upon consummation of a cash tender offer, and issued $2,305 million of senior notes, net of discount and issuance costs. For further information, see note 7 to our consolidated financial statements.

In January 2025, we repaid $426 million of our 6% senior notes at maturity.

In January 2025, we repaid $427 million of our 7.13% senior notes at maturity.

In March 2025, we repaid $515 million of our 4.50% senior notes at maturity.

In July 2025, we repaid $444 million of our 1% senior notes at maturity.

As of June 30, 2025, our debt was effectively denominated in the following currencies: 55% in U.S. dollars, 42% in euros and 3% in Swiss francs.

The portion of total debt classified as short-term as of June 30, 2025 was 3% compared to 10% as of December 31, 2024.

Our financial leverage, which is the ratio between our debt and the sum of our debt and equity, was 72% as of June 30, 2025, compared to 77% as of December 31, 2024. Our average debt maturity was approximately 5.95 years as of June 30, 2025, compared to 5.5 years as of December 31, 2024.

Total Equity

Total equity was $6,834 million as of June 30, 2025, compared to $5,380 as of December 31, 2024. This increase was mainly due to a positive impact from exchange rate fluctuations of $694 million and a net income attributable to Teva of $497 million.

Exchange rate fluctuations affected our balance sheet, as approximately 80% of our net assets as of June 30, 2025 (including both monetary and non-monetary assets) were in currencies other than the U.S. dollar. When compared to December 31, 2024, changes in currency rates as of June 30, 2025 had a positive impact of $694 million on our equity. The following main currencies increased in value against the U.S. dollar: Russian ruble by 29%, Polish złoty by 12%, Swiss franc by 12%, Bulgarian lev by 11%, euro by 11%, Mexican peso by 9%, British pound by 9% and Japanese yen by 8%. All comparisons are on a year-to-date basis.

Cash Flow

We continually seek to improve the efficiency of our working capital management. Periodically, as part of our cash and commercial relationship management activities, we make decisions in our commercial and supply chain activities which drive an acceleration of receivable payments from customers, or deceleration of payments to vendors. This has the effect of increasing or decreasing cash from operations during any given period. Increased cash from operations has the effect of reducing our leverage ratio, which is measured net of cash and cash equivalents, as of the end of such period. In connection with strategic continual improvement, we obtained more favorable payment terms from many of our vendors which are expected to continue in future periods. In addition, in periods in which receivable payments from customers are delayed, we have and expect we may in the future extend the time to pay certain vendors, so as to balance our liquidity position. Such decisions have had and may in the future have a material impact on our annual operating cash flow measurement, as well as on our quarterly results.

Cash flow generated from operating activities during the second quarter of 2025 was $227 million, compared to $103 million of cash flow generated from operating activities in the second quarter of 2024. The higher cash flow generated from operating activities in the second quarter of 2025 resulted mainly from higher profit in our U.S. segment, and a positive impact from accounts receivables, net of SR&A mainly due to collection timing, partially offset by higher sequential inventory levels, as well as higher tax payments.

During the second quarter of 2025, we generated free cash flow of $476 million, which we define as comprising $227 million in cash flow generated from operating activities, $336 million in beneficial interest collected in exchange for securitized accounts receivables (under our EU securitization program) and $9 million of proceeds from divestitures of businesses and other assets, partially offset by $96 million in cash used for capital investment. During the second quarter of 2024, we generated free cash flow of $324 million, which we define as comprising $103 million in cash flow generated from operating activities, $317 million in beneficial interest collected in exchange for securitized accounts receivables (under our EU securitization program) and $1 million in divestitures of businesses and other assets, partially offset by $97 million in cash used for capital investment. The increase in the second quarter of 2025 resulted mainly from higher cash flow generated from operating activities.

Dividends

We have not paid dividends on our ordinary shares or American Depositary Shares (ADSs) since December 2017.

Commitments

In addition to financing obligations under short-term debt and long-term senior notes and loans, debentures and convertible debentures, our major contractual obligations and commercial commitments include leases, royalty payments, contingent payments pursuant to acquisition agreements, collaboration agreements, development funding agreements and participation in joint ventures associated with R&D activities. For further information on our agreements with mAbxience, Launch Therapeutics and Abingworth, Biolojic Design, Royalty Pharma, Sanofi, Modag, Alvotech, Takeda and MedinCell, see note 2 to our consolidated financial statements.

We are committed to paying royalties to owners of know-how, partners in alliances and certain other arrangements, and to parties that financed R&D at a wide range of rates as a percentage of sales of certain products, as defined in the agreements. In some cases, the royalty period is not defined; in other cases, royalties will be paid over various periods not exceeding 20 years.

In connection with certain development, supply and marketing, and research and collaboration or services agreements, we are required to indemnify, in unspecified amounts, the parties to such agreements against third-party claims relating to (i) infringement or violation of intellectual property or other rights of such third party; or (ii) damages to users of the related products. Except as described in our financial statements, we are not aware of any material pending action that may result in the counterparties to these agreements claiming such indemnification.

Non-GAAP Net Income and Non-GAAP EPS Data

We present non-GAAP net income and non-GAAP earnings per share ("EPS") as management believes that such data provide useful information to investors because they are used by management and our Board of Directors, in conjunction with other performance metrics, to evaluate our operational performance, to prepare and evaluate our work plans and annual budgets and ultimately to evaluate the performance of management, including annual compensation. While other qualitative factors and judgment also affect annual compensation, the principal quantitative element in the determination of such compensation are performance targets tied to the work plan, which are based on these non-GAAP measures.

Non-GAAP financial measures have no standardized meaning and accordingly have limitations in their usefulness to investors. Investors are cautioned that, unlike financial measures prepared in accordance with U.S. GAAP, non-GAAP measures may not be comparable with the calculation of similar measures for other companies. These non-GAAP financial measures are presented solely to permit investors to more fully understand how management assesses our performance. The limitations of using non-GAAP financial measures as performance measures are that they provide a view of our results of operations without including all events during a period and may not provide a comparable view of our performance to other companies in the pharmaceutical industry. Investors should consider non-GAAP net income and non-GAAP EPS in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP.

In preparing our non-GAAP net income and non-GAAP EPS data, we exclude items that either have a non-recurring impact on our financial performance or which, in the judgment of our management, are items that, either as a result of their nature or size, could, were they not excluded, potentially cause investors to extrapolate future performance from an improper base that is not reflective of our underlying business performance. Certain of these items are also excluded because of the difficulty in predicting their timing and scope. The items excluded from our non-GAAP net income and non-GAAP EPS include:

- amortization of purchased intangible assets;
- certain legal settlements and material litigation fees and/or loss contingencies, due to the difficulty in predicting their timing and scope;
- impairments of long-lived assets, including intangibles, property, plant and equipment and goodwill;
- restructuring expenses, including severance, retention costs, contract cancellation costs and certain accelerated depreciation expenses primarily related to the rationalization of our plants or to certain other strategic activities, such as the realignment of R&D focus or other similar activities;
- acquisition- or divestment- related items, including changes in contingent consideration, integration costs, banker and other professional fees and inventory step-up;
- expenses related to our equity compensation;
- significant one-time financing costs, amortization of issuance costs and terminated derivative instruments, and marketable securities investment valuation gains/losses;
- unusual tax items;
- other awards or settlement amounts, either paid or received;
- other exceptional items that we believe are sufficiently large that their exclusion is important to facilitate an understanding of trends in our financial results, such as impacts due to significant costs for remediation of plants, or other unusual events; and
- corresponding tax effects of the foregoing items.

The following tables present our non-GAAP net income and non-GAAP EPS for the three and six months ended June 30, 2025 and 2024, as well as reconciliations of each measure to their nearest GAAP equivalents:

($ in millions except per share amounts)		Three months ended June 30, 2025	2024		Six months ended June 30, 2025	2024
Net income (Loss) attributable to Teva	($)	282	(846)	($)	497	(985)
Increase (decrease) for excluded items:						
Amortization of purchased intangible assets		148	146		292	298
Legal settlements and loss contingencies[1]		166	83		249	188
Goodwill impairment[2]		—	400		—	400
Impairment of long-lived assets[3]		99	130		177	809
Restructuring costs[4]		154	18		168	31
Equity compensation		38	32		72	60
Contingent consideration[5]		19	192		30	271
Accelerated depreciation		—	—		—	7
Financial expenses		37	12		51	24
Redeemable and non-redeemable non-controlling interests[6]		—	(33)		2	(317)
Other non-GAAP items[7]		53	59		116	106
Corresponding tax effects and unusual tax items[8]		(228)	503	($)	(283)	353
Non-GAAP net income attributable to Teva	($)	769	697		1,371	1,245
Non-GAAP tax rate[9]		16.4%	15.4%	($)	16.9%	15.2%
GAAP diluted earnings (loss) per share attributable to Teva	($)	0.24	(0.75)		0.43	(0.87)
EPS difference[10]		0.42	1.35	($)	0.75	1.96
Non-GAAP diluted EPS attributable to Teva[10]	($)	0.66	0.61		1.18	1.09
Non-GAAP average number of shares (in millions)[10]		1,161	1,151		1,159	1,146

(1) For the three and six months ended June 30, 2025, adjustments of legal settlements and loss contingencies mainly consisted of (a) an update to the estimated settlement provision for the opioid cases (mainly the effect of the passage of time on the net present value of the discounted payments) in the amount of $47 million and $97 million, respectively, and (b) an update to the estimated provision recorded for the claims brought by attorneys general representing states and territories throughout the United States in the generic drug antitrust litigation in the amount of $55 million.

(2) A goodwill impairment charge of $400 million related to our Teva's API reporting unit was recognized in the three and six months ended June 30, 2024.

(3) For the three months ended June 30, 2025, the adjustment for impairment of long-lived assets consisted of (a) impairment of long-lived assets of $42 million mainly related to products in the U.S. and Europe, and (b) $55 million related to the held for sale measurement of the API business (including its R&D, manufacturing and commercial activities), which includes a favorable impact related to the expected gain from the reclassification of currency translation adjustments. For the six months ended June 30, 2025, the adjustment for impairment of long-lived assets was mainly related to products in the U.S. and Europe. For the six months ended June 30, 2024, adjustments for impairment of long-lived assets primarily consisted of $644 million related to the classification of our business venture in Japan as held for sale.

(4) In the three and six months ended June 30, 2025, Teva recorded $154 million and $168 million, respectively, of restructuring expenses primarily related to optimization activities in connection with Teva's Transformation programs related to Teva's global organization and operations mainly through headcount reduction.

(5) In the three and six months ended June 30, 2024, adjustments for contingent consideration primarily related to a change in the estimated future royalty payments to Allergan in connection with lenalidomide capsules (the generic version of Revlimid®), of $174 million and $238 million, respectively.

(6) For the six months ended June 30, 2024, the adjustment is related to non-controlling interests portion of long-lived assets impairment of $644 million related to the classification of our business venture in Japan as held for sale.

(7) Other non-GAAP items include other exceptional items that we believe are sufficiently large that their exclusion is important to facilitate an understanding of trends in our financial results, primarily related to the rationalization of our plants, accelerated depreciation, certain inventory write-offs, material litigation fees and other unusual events.

(8) Adjustments for corresponding tax effects and unusual tax items exclusively consisted of the tax impact directly attributable to the pre-tax items that are excluded from non-GAAP net income included in the other adjustments to this table. For the three months ended June 30, 2024, adjustments of $503 million mainly related to the settlement agreement with the ITA to settle certain litigation with respect to taxes payable for the Company's taxable years 2008 through 2020, in an amount of $495 million.

(9) Non-GAAP tax rate is tax expenses (benefit) excluding the impact of non-GAAP tax adjustments presented above as a percentage of income (loss) before income taxes excluding the impact of non-GAAP adjustments presented above.

(10) EPS difference and diluted non-GAAP EPS are calculated by dividing our non-GAAP net income attributable to Teva by our non-GAAP diluted weighted average number of shares.

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet arrangements, except for: (i) surety underwritten guarantees Teva has provided the European Commission in an amount of euro 462.2 million, together with specified post-decision interest, which remain in force for three years, and which includes substantially similar covenants as our RCF, as disclosed in note 10 to our consolidated financial statements, and (ii) securitization transactions, which are disclosed in note 10f to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Critical Accounting Policies

For a summary of our significant accounting policies, see note 1 to our consolidated financial statements and "Critical Accounting Policies" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Recently Issued Accounting Pronouncements

See note 1 to our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has not been any material change in our assessment of market risk as set forth in Item 7A to our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Teva maintains "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to provide reasonable assurance that information required to be disclosed in Teva's reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Teva's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective.

After evaluating the effectiveness of our disclosure controls and procedures as of June 30, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, Teva's disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2025, there were no changes in internal control over financial reporting that materially affected or are reasonably likely to materially affect Teva's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to various litigation and other legal proceedings. For a discussion on our Commitments and Contingencies see note 10 to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. In addition, on January 15, 2025, Teva filed a complaint against CMS and HHS in the U.S. District Court for the District of Columbia, challenging the processes and guidance that the U.S. Government is using to implement the Inflation Reduction Act (the IRA), seeking injunctive relief against implementation of the Drug Price Negotiation Program. The lawsuit alleges that CMS's implementation of the Drug Price Negotiation Program portion of the IRA is arbitrary and contrary to the plain meaning of the statute, in violation of the Administrative Procedure Act ("APA"), and is therefore unconstitutional.

ITEM 1A. RISK FACTORS

There are no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

There were no sales of unregistered equity securities during the three months ended June 30, 2025.

Repurchase of Shares

We did not repurchase any of our shares during the three months ended June 30, 2025 and currently cannot conduct share repurchases or pay dividends due to our accumulated deficit.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Director and Officer Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2025, the following officer adopted a "non-Rule 10b5-1 trading arrangement" (as such term is defined in Item 408 of Regulation S-K).

Name and Title	Date	Action	Expiration Date	Maximum Shares Subject to Plan [1]
Placid Jover, Executive Vice President, Chief Human Resources Officer	June 9, 2025	Adopted	August 5, 2025	12,827

[1] The plan includes shares to be sold solely to cover tax withholding obligations.

ITEM 6. EXHIBITS

4.1	Fifth Supplemental Senior Indenture, dated as of May 28, 2025, among Teva Pharmaceutical Finance Netherlands II B.V., Teva Pharmaceutical Industries Limited, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon, London Branch, as paying agent (incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed with the SEC on May 28, 2025).
4.2	Form of 2031 Euro Notes (included in Exhibit 4.1)
4.3	Fifth Supplemental Senior Indenture, dated as of May 28, 2025, among Teva Pharmaceutical Finance Netherlands III B.V., Teva Pharmaceutical Industries Limited and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.5 to Current Report on Form 8-K filed with the SEC on May 28, 2025).
4.4	Form of 2032 USD Notes (included in Exhibit 4.3)
4.5	Senior Indenture, dated as of May 28, 2025, among Teva Pharmaceutical Finance Netherlands IV B.V., Teva Pharmaceutical Industries Limited and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.7 to Current Report on Form 8-K filed with the SEC on May 28, 2025).
10.1	Amendment No. 1, dated as of June 5, 2025, to the Employment Agreement between Teva Pharmaceutical Industries Limited and Richard D. Francis *
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	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
101.INS	Inline XBRL Taxonomy Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

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

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

Date: July 30, 2025

By: /s/ Eli Kalif
Name: **Eli Kalif**
Title: **Executive Vice President,**
Chief Financial Officer
(Duly Authorized Officer)

Exhibit 10.1

Execution Version

Amendment No. 1 to Employment Agreement

This Amendment to the Employment Agreement (the "**Amendment**") is entered into on this 5 day of June 2025 (the "**Effective Amendment Date**") and is made by and between **TEVA PHARMACEUTICAL INDUSTRIES LTD**., an Israeli corporation located at 124 Dvora HaNevi'a Street, Tel Aviv, Israel, Company No. 52-001395-4 (the "**Company**" or "**Teva**"), and Richard Francis ("**Executive**").

WHEREAS, the Company and the Executive are parties to that certain Employment Agreement dated November 21, 2022 (the "**Agreement**") which details the terms of the Executive's employment with the Company; and

WHEREAS, the Company and the Executive now wish to amend certain provisions of the Agreement and desire to memorialize such amendment to the Agreement in this Amendment;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties have agreed as follows:

1. Capitalized Terms. Capitalized terms used in this Amendment and not otherwise defined herein, shall bear the meaning ascribed to them in the Agreement.

Amendments to the Agreement.

2. Section 1.1 to the Agreement is hereby replaced in its entirely to read as follows:

   "*The Company agrees to employ Executive, and Executive agrees to serve the Company and its affiliates, subject to the terms and conditions of this Agreement, for the period commencing on January 1, 2023 (the date Executive's service to the Company commenced, "**Effective Date**") and ending on the date that Executive's employment lawfully terminates, in accordance with the provisions of Section 9 of this Agreement (the "**Term**").*"

3. Section 1.7 to the Agreement is hereby replaced in its entirely to read as follows:

   "*This Agreement, as amended, and all compensation and benefits payable hereunder are subject to the Company's compensation policies applicable to senior officers in effect on the Effective Date and the terms and conditions of this Agreement, including the Company's Compensation Policy for Executive Officers and Directors brought to shareholder approval at the 2025 annual general meeting of shareholders (collectively, the "Compensation Policy")*".

4. Section 2.1 of the Agreement is hereby amended by adding the following paragraph immediately following the end of Section 2.1:

   "*Notwithstanding the forgoing, commencing on January 1, 2025, the Annual Salary shall be increased to $1,700,000. Notwithstanding the above, the Compensation Committee and the Board may, without the need for further action or approval of the shareholders, increase the gross annual base salary of the Executive by up to 7.5% each calendar year. Executive shall begin to be paid this increased salary immediately following the date of the 2025 Annual General Meeting and be paid the prorated amount for the term commencing on January 1, 2025 and ending on the date of the 2025 Annual General Meeting, in a single lump sum no later than the second regularly scheduled payroll immediately following the 2025 annual shareholders meeting.*"

5. Section 3.2 is hereby amended by:

   5.1 adding the following sentence immediately after the sentence ending with "*performance measures established by the Compensation Committee and the Board":*

   "*Notwithstanding the forgoing, effective for the fiscal year commencing on January 1, 2025 and for each of the subsequent fiscal years during the Term, the maximum Annual Bonus opportunity shall be 200% of Target Bonus if performance goals are achieved according to the Bonus plan of the relevant year the actual amount of which shall be determined in good faith by the Compensation Committee and the Board, based on their determination of the attainment of performance measures established by the Compensation Committee and the Board.*"

   5.2 deleting the words "*and except in the case of non renewal of this Agreement pursuant to Section 1.1,*".

6. Section 4.2 of the Agreement is hereby amended by adding the following paragraph immediately following the end of Section 4.2:

"*Notwithstanding the foregoing, for the fiscal year commencing on January 1, 2025 and for each of the subsequent fiscal years during the Term, Executive shall be granted equity awards with a grant date monetary value, defined as the greater of grant date fair value or target value, of no less than $10,000,000 (ten Million United States Dollars) and no more than $16,000,000 (sixteen Million United States Dollars) per year, the exact amount to be determined each year in good faith by the Compensation Committee and the Board, without the need for further action or approval of the shareholders, with 70% of each such award to be granted as PSUs and 30% of each such award to be granted as RSUs. For the fiscal year commencing on January 1, 2025, the Executive shall be granted equity awards in the amount of $12,000,000, of which $9,000,000 was granted in March 2025 and the remainder, in an amount of $3,000,000 (the "Additional 2025 Annual Award", which once granted shall be deemed part of the 2025 Annual Grant), will be granted on the date of the 2025 annual shareholders meeting (or if such date occurs during a trading blackout period, then on the date that is seven days following end of such blackout period) (the date of such grant, the "Additional Grant Date") and subject to the terms of this section. The Additional 2025 Annual Award shall consist of 30% RSUs and 70% PSUs. The performance goals and related vesting criteria for such Additional 2025 Annual Award shall be identical to those applicable to the RSUs and PSUs granted to Executive in March 2025, provided that the grant date for the purpose of the vesting of the Additional 2025 Annual Award will be the Additional Grant Date. For the avoidance of doubt, all annual equity awards granted to Executive in fiscal year 2026 and later will be granted not later than the end of the first quarter of the applicable fiscal year to which the awards relate, in each case subject to the terms of the 2020 Plan (or any successor thereto), and all such awards shall, except as otherwise specified in this clause 4.2, be subject to the same vesting terms as the corresponding Share awards granted to other senior executives of the Company generally.*"

7. Section 5.2 shall be replaced in its entirely to read as follows:

"*Commencing on the 2025 annual shareholders meeting and during the Term, Executive shall be entitled to an annual cash allowance of $200,000 (USD).The annual allowance will* ***not*** *be considered for the calculation of all social benefits (or their equivalent) paid to Executive pursuant to this Agreement (including any payments or contributions related to the Severance Contribution and Pension Benefit) and for any other purpose or benefit plan for which such payments are calculated based on a percentage of Executive's salary. For 2025, the amount shall be prorated for the portion of the year following the 2025 annual shareholders meeting, while the original provisions of this section shall apply for the period prior to the 2025 annual shareholders meeting. In addition, the Executive shall be entitled to reimbursement of air travel to and from Israel and related accommodation expenses in Israel for the Executive's travel for business purposes. In addition, the Executive and his family members will be eligible for global health insurance as provided by the Company. The above benefits under this section 5.2 will not be grossed up for tax purposes. In addition to the above, if determined necessary by the HR and Compensation Committee acting in good faith, security services will be provided to Executive and/or his family when Executive travels for business or personal purposes at the Company's cost, such amounts to be grossed up for tax purposes and social security contributions in accordance with Company policy on such reimbursements."*

8. Section 6.2 of the Agreement is hereby amended by deleting the words "*and a car benefit suitable for the chief executive officer of a company of the size and nature of the Company*,"

9. Section 6.3 shall be deleted in its entirely, provided however that the original provisions of this section shall apply for the Term until the 2025 annual shareholders meeting.

10. Section 9.4.2 of the Agreement is hereby amended by deleting the words "*, which shall be paid in a lump sum on the thirtieth (30th) day after the Date of Termination, other than those components of the Severance Payment required by Law to be paid earlier, which components shall be paid in accordance with the requirements of applicable Law*".

11. Section 9.4.6 shall be deleted and shall be marked as "*[reserved]*".

12. Section 9.4.7 of the Agreement shall be replaced in its entirely to read as follows:

"If such termination occurs within one (1) year following the date of a "Change in Control" (as described in the Compensation Policy), then, in addition to the payments and benefits set forth in Sections 9.4.1 through 9.4.6, (i) Executive shall be entitled to be paid the Merger Amount (as defined below), which shall be paid in a lump sum on the thirtieth (30th) day after the Date of Termination, and (ii) all equity awards granted to Executive by the Company will be subject to accelerated vesting as provided for in the 2020 Plan (or any successor thereto), and PSUs granted shall be earned based on the greater of target or actual performance."

13. The following sentence will be added to the end of Section 9.5:

"In addition, in the event of a termination of employment by Executive without Good Reason that constitutes an Early Retirement or Qualified Retirement, the Executive shall be entitled to the applicable Equity Benefits."

14. Section 9.6 (*termination upon non-renewal*) shall be deleted and shall be marked as "*[reserved]*".

15. Section 9.9.5(c) is hereby replaced in its entirely to read as follows:

"**Annual Equity Awards**:

i. In the event of termination of employment hereunder by reason of death or Disability, any equity awards granted pursuant to Section 4.2 will be subject to accelerated vesting as provided for in the 2020 Plan (or any successor thereto).

ii. In the event of (i) termination by the Company without Cause or (ii) in the event of termination by Executive with Good Reason or (iii) in the event of termination of employment by Executive without Good Reason that constitutes an Early Retirement, any then outstanding equity awards granted pursuant to Section 4.2 (*Annual Equity Awards*) (excluding, in the case of an Early Retirement, any equity awards for which the grant date is at least six (6) months prior to the date of the Early Retirement) will be subject to prorated vesting based on the number of full months elapsed between the grant date and the date of termination of employment out of the total number of months in the vesting period, less any shares that have already vested, with such prorated vested portion delivered on the next vesting date with respect to time-vested RSUs and on the original vesting schedule of the award for PSUs (without acceleration) (PSUs will based on actual performance). For the avoidance of doubt, in the case of an Early Retirement, any equity awards granted pursuant to Section 4.2 (*Annual Equity Awards*) for which the grant date is not at least six (6) months prior to the date of the Early Retirement shall be forfeited in their entirety upon the Early Retirement.

iii. In the event of (i) termination of employment by the Company without cause, (ii) termination by Executive with Good Reason, or (iii) termination by Executive without Good Reason if any of (i), (ii) or (iii) constitutes a Qualified Retirement, any then outstanding equity awards granted pursuant to Section 4.2 (*Annual Equity Awards*) (excluding any equity awards for which the grant date is at least six (6) months prior to the date of the Qualified Retirement) will be subject to full continued vesting with delivery according to the original vesting schedule of the award (without acceleration) (PSUs will be based on actual performance). For the avoidance of doubt, any equity awards granted pursuant to Section 4.2 (*Annual Equity Awards*) for which the grant date is not at least six (6) months prior to the date of the Qualified Retirement shall be forfeited in their entirety upon the Qualified Retirement."

16. Section 9.9 of the Agreement is hereby amended by adding the following:

17. 9.9.4A "***Early Retirement***" shall mean the termination of employment by the Executive with or without Good Reason or Termination by the Company without Cause, if, in all of these terminations, as of the date of termination of employment, he has attained sixty (60) years of age and five (5) full years of service with the Company.

18. 9.9.9A "***Qualified Retirement***" shall mean the termination of employment by the Executive with or without Good Reason or Termination by the Company without Cause, if, in all these terminations, as of the date of termination of employment, he has attained sixty (65) years of age and ten (10) full years of service with the Company.

19. In Section 9.9.8, the definition of "Merger Amount" is hereby amended to read as follows:

"**Merger Amount**" *means an amount equal to the total of (i) the Annual Salary in effect immediately prior to the Date of Termination (without taking into account any reduction in Annual Salary that gives rise to, or could have given rise to, a claim for Good Reason), and (ii) the Target Bonus calculated based on such Annual Salary.*"

20. In Section 9.9.11, the definition of "Severance Payment" is hereby amended to read as follows:

"**Severance Payment**" *means an amount equal to: one and a half (1.5) times the sum of (i) the Annual Salary in effect immediately prior to the Date of Termination (without taking into account any reduction in Annual Salary that gives rise to, or could have given rise to, a claim for Good Reason), and (ii) the Target Bonus calculated based on such Annual Salary; to be paid as follows: (x) those components of the Severance Payment required by Law shall be paid in accordance with the requirements of applicable Law; (y) an amount equal to the Annual Salary to be paid in twelve (12) equal monthly installments (without taking into account any reduction in Annual Salary that gives rise to, or could have given rise to, a claim for Good Reason), first installment to be paid seven days after the Date of Termination; and (z) the remainder amount to be paid in one lump sum payment on the thirtieth (30th) day after the Date of Termination. Such Severance Payment will be subject to continued compliance with the restrictive covenants under Sections 11, 12, 13 and 14, which includes the non-compete obligation. Under these scenarios, no additional non-compete payment will be provided."*

21. Section 12 is hereby amended by deleting the words "*For the avoidance of doubt, this Section 12 shall apply to Executive following a termination of employment that occurs on the expiration of the Fixed Term or any Extension Period."*

22. Section 13 is hereby amended by deleting the words "*For the avoidance of doubt, this Section 13 shall apply to Executive following a termination of employment that occurs on the expiration of the Fixed Term or any Extension Period,*"

23. Section 15 is hereby amended as follows:

23.1 The first paragraph of section 15 is hereby replaced in its entirely to read as follows:

"*The Severance Payment or the Non-Compete Payment is in consideration for Executive's undertaking set forth in Sections 11, 12, 13 and 14 and subject to compliance therewith. The term "Non-Compete Payment" shall mean an amount equal to twelve (12) times the Monthly Salary (without taking into account any reduction in Monthly Salary that gives rise to, or could have given rise to, a claim for Good Reason), to be paid in twelve (12) equal monthly installments commencing seven days after the Date of Termination. The Non-Compete Payment shall not be subject to offset by any income Executive derives from noncompetitive employment or self-employment*."

23.2 The second paragraph of section 15 is hereby amended by adding the words "*or the Severance Payment*" after the first appearance of the words "*the Non- Compete Payment*".

24. Section 18 is hereby amended to delete any reference of the word "*car*".

25. This Amendment shall come into effect following receipt of all required approvals under applicable law, including approval of this amendment by Teva's shareholders.

26. Ratification and Confirmation. Except as specifically amended by this Amendment, the Agreement is hereby ratified and confirmed in all respects and remains valid and in full force and effect. Whenever the Agreement is referred to in this Amendment or in any other agreement, document or instrument, such reference shall be deemed to be to the Agreement, as amended by this Amendment, whether or not specific reference is made to this Amendment.

27. Controlling Document. In case of conflict between the terms and conditions of this Amendment and the Agreement, the terms and conditions of this Amendment shall prevail.

28. Entire Agreement. The Agreement and this Amendment constitute the entire understanding and agreement of the parties hereto regarding the employment of the Executive and supersede all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties relating to the subject matter hereof.

29. Governing Law. This Amendment shall be governed by and construed and enforced in accordance with the laws of Israel without giving effect to the choice of law or conflict of laws provisions thereof.

30. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. The execution of this Amendment may be by actual signature or by signature delivered.

IN WITNESS WHEREOF, the parties have executed this Amendment in one or more counterparts as of the Effective Amendment Date.

TEVA PHARMACEUTICAL INDUSTRIES LTD.

By: /s/ Sol J.Barer
Name: Sol J. Barer
Title: Chairman of the Board

EXECUTIVE

By: /s/ Richard Francis
Name: Richard Francis
Title: President and CEO

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Richard D. Francis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Teva Pharmaceutical Industries Limited;

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 registrant'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: July 30, 2025

/s/ Richard D. Francis
Richard D. Francis
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Eli Kalif, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Teva Pharmaceutical Industries Limited;

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 registrant'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: July 30, 2025

/s/ Eli Kalif

Eli Kalif

Executive Vice President, Chief Financial Officer

Exhibit 32

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Teva Pharmaceutical Industries Limited (the "Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Richard D. Francis, President and Chief Executive Officer of the Company, and Eli Kalif, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 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.

Dated: July 30, 2025

/s/ Richard D. Francis
Richard D. Francis
President and Chief Executive Officer

/s/ Eli Kalif
Eli Kalif
Executive Vice President, Chief Financial Officer