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 March 31, 2025

OR

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

For the transition period from _____to_____

Commission file number 001-39695

VIATRIS INC.

(Exact name of registrant as specified in its charter)

Delaware	**83-4364296**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1000 Mylan Boulevard, Canonsburg, Pennsylvania 15317
(Address of principal executive offices)

(724) 514-1800
(Registrant's telephone number, including area code)

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

Title of Each Class:	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered:**
Common Stock, par value $0.01 per share	VTRS	The NASDAQ Stock Market

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

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

The number of shares of common stock outstanding, par value $0.01 per share, of the registrant as of May 5, 2025 was 1,173,681,964.

VIATRIS INC. AND SUBSIDIARIES

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For the Quarterly Period Ended
March 31, 2025

Glossary of Defined Terms

Unless the context requires otherwise, references to "Viatris," "the Company," "we," "us" or "our" in this Form 10-Q (defined below) refer to Viatris Inc. and its subsidiaries. We also have used several other terms in this Form 10-Q, most of which are explained or defined below. Some amounts in this Form 10-Q may not add due to rounding.

2003 LTIP	Mylan N.V. Amended and Restated 2003 Long-Term Incentive Plan
2020 Incentive Plan	Viatris Inc. 2020 Stock Incentive Plan
2024 Form 10-K	Viatris' annual report on Form 10-K for the fiscal year ended December 31, 2024, as amended
2024 Revolving Facility	The $3.5 billion revolving facility dated as of September 27, 2024, by and among Viatris, certain lenders and issuing banks from time to time party thereto and Bank of America, N.A., as administrative agent
Adjusted EBITDA	Non-GAAP financial measure that the Company believes is appropriate to provide information to investors - EBITDA (defined below) is further adjusted for share-based compensation expense, litigation settlements, and other contingencies, net, gain (loss) on divestitures of businesses, impairment of long-lived assets and goodwill, restructuring, acquisition and divestitures-related and other special items
Adjusted EPS	Adjusted net earnings per diluted share
ANDA	Abbreviated New Drug Application
AOCE	Accumulated other comprehensive earnings
API	Active pharmaceutical ingredients
ARV	Antiretroviral medicines
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Biocon	Biocon Limited
Biocon Biologics	Biocon Biologics Limited, a majority owned subsidiary of Biocon
Business Combination Agreement	Business Combination Agreement, dated as of July 29, 2019, as amended from time to time, among Viatris, Mylan, Pfizer and certain of their affiliates
CAMT	U.S. corporate alternative minimum tax
CCPS	Compulsory convertible preferred shares
Code	The U.S. Internal Revenue Code of 1986, as amended
CODM	Chief operating decision maker
Combination	Refers to Mylan combining with Pfizer's Upjohn Business in a Reverse Morris Trust transaction to form Viatris on November 16, 2020
Commercial Paper Program	The $1.65 billion unsecured commercial paper program entered into as of November 16, 2020 by Viatris, as issuer, Mylan Inc., Utah Acquisition Sub Inc. and Mylan II B.V., as guarantors, and certain dealers from time to time
Developed Markets segment	Viatris' business segment that includes our operations primarily in the following markets: North America and Europe
Distribution	Pfizer's distribution to Pfizer stockholders of all the issued and outstanding shares of Upjohn Inc.
EBITDA	Non-GAAP financial measure that the Company believes is appropriate to provide information to investors - U.S. GAAP net earnings (loss) adjusted for income tax provision (benefit), interest expense and depreciation and amortization
EDPA	U.S. District Court for the Eastern District of Pennsylvania
Emerging Markets segment	Viatris' business segment that includes, but is not limited to, our operations primarily in the following markets: Parts of Asia, the Middle East, South and Central America, Africa, and Eastern Europe
EPS	Earnings per share
EU	European Union
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FDA	U.S. Food and Drug Administration
Form 10-Q	This quarterly report on Form 10-Q for the quarterly period ended March 31, 2025

GA Depot	Long-acting glatiramer acetate depot product
Global Systemically Important Banks	Financial institutions that are considered systemically important by the Financial Stability Board
Greater China segment	Viatris' business segment that includes our operations primarily in the following markets: mainland China, Taiwan and Hong Kong
Idorsia	Idorsia Pharmaceuticals Ltd.
Idorsia Transaction	The transaction between Viatris and Idorsia pursuant to which Viatris acquired the development programs and certain personnel related to selatogrel and cenerimod from Idorsia in exchange for an upfront payment to Idorsia of $350 million, potential development and regulatory milestone payments, certain contingent payments of tiered sales milestones, as well as potential contingent tiered sales royalties
Indore Impact	The estimated negative financial impact on 2025 total revenues and (loss) earnings from operations versus the comparable 2024 periods as a result of the FDA issued warning letter and import alert related to our oral finished dose manufacturing facility in Indore, India
IPR&D	In-process research and development
IRS	U.S. Internal Revenue Service
IT	Information technology
JANZ segment	Viatris' business segment that includes our operations in the following markets: Japan, Australia and New Zealand
Mapi	Mapi Pharma Ltd.
Maximum Leverage Ratio	The maximum consolidated leverage ratio financial covenant requiring maintenance of a maximum ratio of consolidated total indebtedness as of the end of any quarter to consolidated EBITDA for the trailing four quarters as defined in the related credit agreements from time to time
MDL	Multidistrict litigation
Mylan	Mylan N.V. and its subsidiaries
Mylan Inc. U.S. Dollar Notes	The 4.550% Senior Notes due 2028, 5.400% Senior Notes due 2043 and 5.200% Senior Notes due 2048 issued by Mylan Inc., which are fully and unconditionally guaranteed on a senior unsecured basis by Mylan II B.V., Viatris Inc. and Utah Acquisition Sub Inc.
NASDAQ	The NASDAQ Stock Market
NDA	New drug application
OTC	Over-the-counter
OTC Business	Viatris' OTC business that the Company divested to Cooper Consumer Health SAS in July 2024, including two manufacturing sites located in Merignac, France, and Confienza, Italy, and an R&D site in Monza, Italy. This excludes the Company's rights for Viagra®, Dymista® (which, in certain limited markets, are sold as OTC products), and select OTC products in certain markets.
OTC Transaction	On October 1, 2023, Viatris announced it had received an offer for the divestiture of its OTC Business. In January 2024, we exercised our option to accept the offer and entered into a definitive transaction agreement with respect to such OTC Transaction. The OTC Transaction closed in July 2024.
Oyster Point	Oyster Point Pharma, Inc.
Pfizer	Pfizer Inc.
PSUs	Performance awards
R&D	Research and development
Receivables Facility	The $400 million accounts receivable facility entered into in August 2020 and expiring in May 2025
Registered Upjohn Notes	The 2.300% Senior Notes due 2027, 2.700% Senior Notes due 2030, 3.850% Senior Notes due 2040 and 4.000% Senior Notes due 2050 originally issued on October 29, 2021 registered with the SEC in exchange for the corresponding Unregistered Upjohn U.S. Dollar Notes in a similar aggregate principal amount and with terms substantially identical to the corresponding Unregistered Upjohn U.S. Dollar Notes and fully and unconditionally guaranteed by Mylan Inc., Mylan II B.V. and Utah Acquisition Sub Inc.
Respiratory Delivery Platform	Pfizer's proprietary dry powder inhaler delivery platform

Restricted Stock Awards	The Company's nonvested restricted stock and restricted stock unit awards, including PSUs
RICO	Racketeer Influenced and Corrupt Organizations Act
SARs	Stock appreciation rights
SDNY	U.S. District Court for the Southern District of New York
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Senior U.S. Dollar Notes	The Upjohn U.S. Dollar Notes, the Utah U.S. Dollar Notes and the Mylan Inc. U.S. Dollar Notes, collectively
Separation and Distribution Agreement	Separation and Distribution Agreement between Viatris and Pfizer, dated as of July 29, 2019, as amended from time to time
SG&A	Selling, general and administrative expenses
stock awards	Stock options and SARs
Teva	Teva Pharmaceutical Industries Ltd.
TSA	Transition services agreements, including related distribution services
U.K.	United Kingdom
U.S.	United States
U.S. GAAP	Accounting principles generally accepted in the U.S.
Unregistered Upjohn U.S. Dollar Notes	The 2.300% Senior Notes due 2027, 2.700% Senior Notes due 2030, 3.850% Senior Notes due 2040 and 4.000% Senior Notes due 2050 originally issued on June 22, 2020 by Upjohn Inc. (now Viatris Inc.) in a private offering exempt from the registration requirements of the Securities Act and fully and unconditionally guaranteed by Mylan Inc., Mylan II B.V. and Utah Acquisition Sub Inc.
Upjohn	Upjohn Inc., a wholly owned subsidiary of Pfizer prior to the Distribution, that combined with Mylan and was renamed Viatris Inc.
Upjohn Business	Pfizer's off-patent branded and generic established medicines business that, in connection with the Combination, was separated from Pfizer and combined with Mylan to form Viatris
Upjohn Distributor Markets	Select geographic markets that were part of the Combination that are smaller in nature and in which we had no established infrastructure prior to or following the Combination and that the Company has divested or intends to divest
Upjohn U.S. Dollar Notes	Senior unsecured notes denominated in U.S. dollars and originally issued by Upjohn Inc. or Viatris Inc. pursuant to an indenture dated June 22, 2020 and fully and unconditionally guaranteed by Mylan Inc., Mylan II B.V. and Utah Acquisition Sub Inc.
Utah Acquisition Sub	Utah Acquisition Sub Inc., a Delaware corporation and an indirect wholly owned subsidiary of Viatris
Utah U.S. Dollar Notes	The 3.950% Senior Notes due 2026 and 5.250% Senior Notes due 2046 issued by Utah Acquisition Sub Inc., which are fully and unconditionally guaranteed on a senior unsecured basis by Mylan Inc., Viatris Inc. and Mylan II B.V.
Viatris	Viatris Inc., formerly known as Upjohn Inc. prior to the completion of the Combination
YEN Term Loan Facility	The ¥40 billion term loan agreement dated as of July 1, 2021, among Viatris, the guarantors from time to time party thereto, the lenders from time to time party thereto and Mizuho Bank, Ltd., as administrative agent

PART I — FINANCIAL INFORMATION

VIATRIS INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited; in millions, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Net sales	$ 3,243.2	$ 3,653.5
Other revenues	11.1	9.9
Total revenues	3,254.3	3,663.4
Cost of sales	2,093.1	2,159.4
Gross profit	1,161.2	1,504.0
Operating expenses:		
Research and development	222.0	199.7
Acquired IPR&D	10.0	6.1
Selling, general and administrative	948.1	1,017.5
Impairment of goodwill	2,936.8	—
Litigation settlements and other contingencies, net	(73.5)	76.8
Total operating expenses	4,043.4	1,300.1
(Loss) earnings from operations	(2,882.2)	203.9
Interest expense	115.5	138.4
Other expense (income), net	99.3	(139.1)
(Loss) earnings before income taxes	(3,097.0)	204.6
Income tax (benefit) provision	(55.0)	90.7
Net (loss) earnings	$ (3,042.0)	$ 113.9
(Loss) earnings per share attributable to Viatris Inc. shareholders		
Basic	$ (2.55)	$ 0.10
Diluted	$ (2.55)	$ 0.09
Weighted average shares outstanding:		
Basic	1,192.4	1,195.2
Diluted	1,192.4	1,209.5

See Notes to Condensed Consolidated Financial Statements

VIATRIS INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited; in millions)

	Three Months Ended March 31,	
	2025	2024
Net (loss) earnings	$ (3,042.0)	$ 113.9
Other comprehensive earnings (loss), before tax:		
Foreign currency translation adjustment	498.8	(342.5)
Change in unrecognized loss and prior service cost related to defined benefit plans	(0.2)	(6.2)
Net unrecognized (loss) gain on derivatives in cash flow hedging relationships	(27.5)	28.7
Net unrecognized (loss) gain on derivatives in net investment hedging relationships	(173.7)	169.1
Net unrealized gain (loss) on available-for-sale fixed income securities	0.6	(0.3)
Other comprehensive earnings (loss), before tax	298.0	(151.2)
Income tax (benefit) provision	(44.0)	42.4
Other comprehensive earnings (loss), net of tax	342.0	(193.6)
Comprehensive loss	$ (2,700.0)	$ (79.7)

See Notes to Condensed Consolidated Financial Statements

VIATRIS INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited in millions, except share and per share amounts)

	March 31, 2025	December 31, 2024
ASSETS		
Assets		
Current assets:		
Cash and cash equivalents	$ 755.0	$ 734.8
Accounts receivable, net	3,125.7	3,221.3
Inventories	4,096.4	3,854.1
Prepaid expenses and other current assets	1,645.3	1,710.5
Total current assets	9,622.4	9,520.7
Property, plant and equipment, net	2,635.6	2,666.1
Intangible assets, net	16,662.3	17,070.9
Goodwill	6,462.1	9,133.3
Deferred income tax benefit	817.6	753.0
Other assets	2,274.9	2,356.9
Total assets	$ 38,474.9	$ 41,500.9
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities:		
Accounts payable	$ 1,988.4	$ 1,853.7
Income taxes payable	93.4	192.7
Current portion of long-term debt and other long-term obligations	8.5	8.3
Other current liabilities	3,629.8	3,724.7
Total current liabilities	5,720.1	5,779.4
Long-term debt	14,177.5	14,038.9
Deferred income tax liability	1,082.5	1,107.9
Other long-term obligations	1,844.4	1,939.2
Total liabilities	22,824.5	22,865.4
Equity		
Viatris Inc. shareholders' equity		
Common stock: $0.01 par value, 3,000,000,000 shares authorized; shares issued: 1,244,908,128 and 1,234,131,491 as of March 31, 2025 and December 31, 2024	12.4	12.3
Additional paid-in capital	18,960.8	18,921.6
Retained earnings	227.9	3,418.8
Accumulated other comprehensive loss	(2,870.9)	(3,212.9)
	16,330.2	19,139.8
Less: Treasury stock — at cost		
Common stock shares: 59,091,265 and 40,483,663 as of March 31, 2025 and December 31, 2024	679.8	504.3
Total equity	15,650.4	18,635.5
Total liabilities and equity	$ 38,474.9	$ 41,500.9

See Notes to Condensed Consolidated Financial Statements

VIATRIS INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Equity
(Unaudited; in millions, except share and per share amounts)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Equity
	Shares	Cost			Shares	Cost		
Balance at December 31, 2024	1,234,131,491	$ 12.3	$18,921.6	$ 3,418.8	40,483,663	$(504.3)	$ (3,212.9)	$18,635.5
Net loss	—	—	—	(3,042.0)	—	—	—	(3,042.0)
Other comprehensive earnings, net of tax	—	—	—	—	—	—	342.0	342.0
Issuance of restricted stock and stock options exercised, net	10,714,146	0.1	14.0	—	—	—	—	14.1
Taxes related to the net share settlement of equity awards	—	—	(30.6)	—	—	—	—	(30.6)
Share-based compensation expense	—	—	55.2	—	—	—	—	55.2
Common stock repurchase	—	—	—	—	18,607,602	(175.5)	—	(175.5)
Issuance of common stock	62,491	—	0.6	—	—	—	—	0.6
Cash dividends declared, $0.12 per common share	—	—	—	(148.9)	—	—	—	(148.9)
Balance at March 31, 2025	1,244,908,128	$ 12.4	$18,960.8	$ 227.9	59,091,265	$(679.8)	$ (2,870.9)	$15,650.4

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Loss	Total Equity
	Shares	Cost			Shares	Cost		
Balance at December 31, 2023	1,221,994,491	$ 12.2	$18,814.7	$ 4,639.7	21,239,521	$(251.8)	$ (2,747.4)	$20,467.4
Net earnings	—	—	—	113.9	—	—	—	113.9
Other comprehensive loss, net of tax	—	—	—	—	—	—	(193.6)	(193.6)
Issuance of restricted stock and stock options exercised, net	8,842,107	0.1	6.6	—	—	—	—	6.7
Taxes related to the net share settlement of equity awards	—	—	(28.8)	—	—	—	—	(28.8)
Share-based compensation expense	—	—	46.7	—	—	—	—	46.7
Common stock repurchase	—	—	—	—	19,244,142	(252.5)	—	(252.5)
Issuance of common stock	54,476	—	0.6	—	—	—	—	0.6
Cash dividends declared, $0.12 per common share	—	—	—	(146.1)	—	—	—	(146.1)
Balance at March 31, 2024	1,230,891,074	$ 12.3	$18,839.8	$ 4,607.5	40,483,663	$(504.3)	$ (2,941.0)	$20,014.3

See Notes to Condensed Consolidated Financial Statements

VIATRIS INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited; in millions)

	Three Months Ended March 31,	
	2025	**2024**
Cash flows from operating activities:		
Net (loss) earnings	$ (3,042.0)	$ 113.9
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:		
Depreciation and amortization	664.7	691.0
Share-based compensation expense	55.2	46.7
Deferred income tax benefit	(43.6)	(51.9)
Loss (gain) on disposal of business	36.9	(70.4)
Acquired IPR&D	15.0	(5.2)
Impairment of goodwill	2,936.8	—
Other non-cash items	203.8	(3.0)
Litigation settlements and other contingencies, net	(69.4)	80.3
Changes in operating assets and liabilities:		
Accounts receivable	168.0	9.8
Inventories	(193.7)	(370.4)
Accounts payable	101.6	287.9
Income taxes	(120.6)	(2.3)
Other operating assets and liabilities, net	(177.2)	(111.8)
Net cash provided by operating activities	535.5	614.6
Cash flows from investing activities:		
Cash paid for acquisitions, net of cash acquired	—	(350.0)
Capital expenditures	(42.6)	(49.8)
Purchase of marketable securities	(4.6)	(7.7)
Proceeds from the sale of marketable securities	4.6	7.7
Payments for product rights and other, net	(18.8)	(1.0)
(Purchases) refunds of IPR&D	(15.0)	5.2
Proceeds from sale of assets and subsidiaries	—	240.6
Proceeds from the sale of property, plant and equipment	11.3	0.7
Net cash used in investing activities	(65.1)	(154.3)
Cash flows from financing activities:		
Purchase of common stock	(175.4)	(250.0)
Change in short-term borrowings, net	1.4	—
Taxes paid related to net share settlement of equity awards	(29.3)	(28.7)
Contingent consideration payments	(11.4)	(10.9)
Cash dividends paid	(143.3)	(142.8)
Issuance of common stock	0.6	0.6
Other items, net	(109.6)	6.2
Net cash used in financing activities	(467.0)	(425.6)
Effect on cash of changes in exchange rates	16.8	(12.4)
Net increase in cash, cash equivalents and restricted cash	20.2	22.3
Cash, cash equivalents and restricted cash — beginning of period	736.1	993.6
Cash, cash equivalents and restricted cash — end of period	$ 756.3	$ 1,015.9

See Notes to Condensed Consolidated Financial Statements

1. General

The accompanying unaudited condensed consolidated financial statements ("interim financial statements") of Viatris Inc. and subsidiaries were prepared in accordance with U.S. GAAP and the rules and regulations of the SEC for reporting on Form 10-Q; therefore, as permitted under these rules, certain footnotes and other financial information included in audited financial statements were condensed or omitted. The interim financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the interim results of operations, comprehensive loss, financial position, equity and cash flows for the periods presented.

These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto in Viatris' 2024 Form 10-K. The December 31, 2024 condensed consolidated balance sheet was derived from audited financial statements.

The interim results of operations, comprehensive loss and cash flows for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period.

2. Revenue Recognition and Accounts Receivable

The Company recognizes revenues in accordance with ASC 606, *Revenue from Contracts with Customers*. Under ASC 606, the Company recognizes net revenue for product sales when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Revenues are recorded net of provisions for variable consideration, including discounts, rebates, governmental rebate programs, price adjustments, returns, chargebacks, promotional programs and other sales allowances. Accruals for these provisions are presented in the condensed consolidated financial statements as reductions in determining net sales and as a contra asset in accounts receivable, net (if settled via credit) and other current liabilities (if paid in cash).

Our net sales may be impacted by wholesaler and distributor inventory levels of our products, which can fluctuate throughout the year due to the seasonality of certain products, pricing, the timing of product demand, purchasing decisions and other factors. Such fluctuations may impact the comparability of our net sales between periods.

Consideration received from licenses of intellectual property is recorded as other revenues. Royalty or profit share amounts, which are based on sales of licensed products or technology, are recorded when the customer's subsequent sales or usages occur. Such consideration is included in other revenues in the condensed consolidated statements of operations.

The following table presents the Company's net sales by product category for each of our reportable segments for the three months ended March 31, 2025 and 2024, respectively:

(In millions)	Three Months Ended March 31, 2025 [a]				
Product Category	**Developed Markets**	**Greater China**	**JANZ**	**Emerging Markets**	**Total**
Brands	$ 1,019.8	$ 552.8	$ 141.8	$ 402.5	$ 2,116.9
Generics	871.9	2.7	134.3	117.4	1,126.3
Total Viatris	$ 1,891.7	$ 555.5	$ 276.1	$ 519.9	$ 3,243.2

(In millions)	Three Months Ended March 31, 2024				
Product Category	**Developed Markets**	**Greater China**	**JANZ**	**Emerging Markets**	**Total**
Brands	$ 1,178.8	$ 541.8	$ 184.1	$ 404.4	$ 2,309.1
Generics	986.6	2.1	133.7	222.0	1,344.4
Total Viatris	$ 2,165.4	$ 543.9	$ 317.8	$ 626.4	$ 3,653.5

[a] Amounts for the three months ended March 31, 2025 include the Indore Impact and the impact of foreign currency translations and divested businesses compared to the prior year period.

The following table presents net sales on a consolidated basis for select key products for the three months ended March 31, 2025 and 2024, respectively:

(In millions)	Three Months Ended March 31, 2025	2024
Select Key Global Products		
Lipitor ®	$ 388.0	$ 388.9
Norvasc ®	172.3	176.3
Lyrica ®	112.6	114.2
Viagra ®	98.5	100.7
EpiPen® Auto-Injectors	96.7	80.2
Creon ®	82.4	75.0
Celebrex ®	63.4	72.2
Zoloft ®	60.2	58.0
Effexor ®	59.3	59.4
Xalabrands	37.1	42.5
Select Key Segment Products		
Yupelri ®	$ 58.3	$ 55.2
Dymista ®	42.8	48.2
Amitiza ®	33.3	33.0
Xanax ®	32.3	34.5

(a) The Company does not disclose net sales for any products considered competitively sensitive.

(b) Products disclosed may change in future periods, including as a result of seasonality, competition or new product launches.

(c) Amounts for the three months ended March 31, 2025 include the impact of foreign currency translations compared to the prior year period.

(d) Refer to intellectual property matters included in Note 17 *Litigation* for additional information regarding Yupelri® and Amitiza®.

Variable Consideration and Accounts Receivable

The following table presents a reconciliation of gross sales to net sales by each significant category of variable consideration during the three months ended March 31, 2025 and 2024, respectively:

(In millions)	Three Months Ended March 31, 2025 [a]	2024
Gross sales	$ 5,570.2	$ 6,174.6
Gross to net adjustments:		
Chargebacks	(1,158.0)	(1,244.2)
Rebates, promotional programs and other sales allowances	(970.6)	(1,048.3)
Returns	(54.3)	(60.3)
Governmental rebate programs	(144.1)	(168.3)
Total gross to net adjustments	$ (2,327.0)	$ (2,521.1)
Net sales	$ 3,243.2	$ 3,653.5

(a) Amounts for the three months ended March 31, 2025 include the Indore Impact and the impact of foreign currency translations and divested businesses compared to the prior year period.

No significant revisions were made to the methodology used in determining these provisions or the nature of the provisions during the three months ended March 31, 2025. Such allowances were comprised of the following at March 31, 2025 and December 31, 2024, respectively:

(In millions)	March 31, 2025	December 31, 2024
Accounts receivable, net	$ 1,502.8	$ 1,547.0
Other current liabilities	1,013.9	989.4
Total	$ 2,516.7	$ 2,536.4

Accounts receivable, net was comprised of the following at March 31, 2025 and December 31, 2024, respectively:

(In millions)	March 31, 2025	December 31, 2024
Trade receivables, net	$ 2,584.9	$ 2,675.3
Other receivables	540.8	546.0
Accounts receivable, net	$ 3,125.7	$ 3,221.3

Accounts Receivable Factoring Arrangements

We have entered into accounts receivable factoring agreements with financial institutions to sell certain of our non-U.S. accounts receivable. These transactions are accounted for as sales and result in a reduction in accounts receivable because the agreements transfer effective control over and risk related to the receivables to the buyers. Our factoring agreements do not allow for recourse in the event of uncollectibility, and we do not retain any interest in the underlying accounts receivable once sold. We derecognized $92.2 million and $68.5 million of accounts receivable as of March 31, 2025 and December 31, 2024, respectively, under these factoring arrangements. Additionally, in 2023, we entered into a similar arrangement for certain European countries. As of March 31, 2025 and December 31, 2024, we assigned and derecognized approximately $21.5 million and $29.9 million, respectively, of *Trade Receivables, Net,* which were included in *Other Receivables*.

3. Recent Accounting Pronouncements

Accounting Standards and Disclosure Rules Issued Not Yet Adopted

In March 2024, the SEC adopted final rules under SEC Release No. 34-99678 and No. 33-11275, “The Enhancement and Standardization of Climate-Related Disclosures for Investors” (the “Final Rules”), which would require registrants to provide certain climate-related information in their registration statements and annual reports. The Final Rules would require, among other things, disclosure in the notes to the audited financial statements of the effects of severe weather events and other natural conditions, subject to certain thresholds, as well as amounts related to carbon offsets and renewable energy credits or certificates in certain circumstances. The Final Rules would also require disclosure outside of the financial statements of material scope 1 and scope 2 greenhouse gas emissions, among other climate-related disclosures. In April 2024, the SEC stayed the effectiveness of the Final Rules pending completion of litigation in the U.S. Court of Appeals for the Eighth Circuit. Prior to the effectiveness of the Final Rules being stayed, the disclosure requirements of the Final Rules were scheduled to begin phasing in for the Company for fiscal year 2025. On March 27, 2025, the SEC voted to end its defense of the Final Rules and withdrew its defense of the Final Rules in the pending litigation. The Company continues to monitor the status of the Final Rules.

There were no other significant changes in new accounting standards from those disclosed in Viatris’ 2024 Form 10-K. Refer to Viatris’ 2024 Form 10-K for additional information.

4. Acquisitions and Other Transactions

Acquisition of Idorsia Products

On March 15, 2024, the Company acquired exclusive global development and commercialization rights to two Phase 3 assets from Idorsia, as well as the potential to add additional innovative assets in the future. Under the terms of the original agreements, the development programs and certain personnel for selatogrel and cenerimod were transferred to Viatris from Idorsia in exchange for an upfront payment to Idorsia of $350 million, potential contingent milestone payments (including $300 million payable upon the achievement of certain development and regulatory milestones, and $2.1 billion payable upon the achievement of certain tiered sales milestones), as well as potential contingent tiered sales royalties. Viatris and Idorsia are both contractually obligated to contribute to the development costs for both programs. Viatris has worldwide commercialization rights for both selatogrel and cenerimod (which excluded, for cenerimod only, Japan, South Korea and certain countries in the Asia-Pacific region). A joint development committee was formed to oversee the development of the ongoing Phase 3 programs through regulatory approval. The agreements also provided Viatris a right of first refusal and a right of first negotiation for certain other assets in Idorsia's pipeline. The transaction expanded our portfolio of innovative assets by adding two Phase 3 assets and combines our financial strength and worldwide operational infrastructure with Idorsia's proven, highly-productive drug development team and innovation engine.

In accordance with U.S. GAAP, the transaction has been accounted for as a business combination under the acquisition method of accounting. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at their respective estimated fair values at the acquisition date. During the three months ended March 31, 2025 and 2024, the Company incurred acquisition-related costs of approximately $2.6 million and $0.3 million, respectively, which were recorded primarily in *SG&A* in the condensed consolidated statements of operations.

The U.S. GAAP purchase price allocated to the transaction was $695 million, which consisted of $350 million of cash consideration paid and estimated contingent consideration at the date of acquisition valued at approximately $345 million. The fair value of the contingent consideration was valued using a Monte Carlo simulation model using Level 3 inputs. The fair value is sensitive to changes in the forecasts of operating metrics, probability of success, and discount rates. Refer to Note 11, *Financial Instruments and Risk Management for additional information*. The allocation of the purchase price to the assets acquired and liabilities assumed is shown below. There were no measurement period adjustments.

(In millions)		
Current assets	$	2.1
IPR&D		675.0
Goodwill		19.5
Total assets acquired	$	696.6
Current liabilities		1.6
Net assets acquired	$	695.0

The amount allocated to IPR&D represents an estimate of the fair value of purchased in-process technology for research projects that, as of the closing date of the acquisition, had not reached technological feasibility and had no alternative future use. The fair value of IPR&D of $675 million was based on the excess earnings method, which utilizes forecasts of expected cash inflows (including estimates for ongoing costs) and other contributory charges. A discount rate of 20% was utilized to discount net cash inflows to present values. IPR&D is accounted for as an indefinite-lived intangible asset and will be subject to impairment testing until completion or abandonment of the projects. Upon successful completion and launch of each product, the Company will make a determination of the estimated useful life of the individual asset. Viatris and Idorsia are both contractually obligated to contribute to the development costs for both programs, which are expected to be incurred through 2026. There are risks and uncertainties associated with the timely and successful completion of the projects included in IPR&D, including but not limited to the high cost and uncertainty of conducting clinical trials (particularly with respect to new and/or complex or innovative drugs), obtaining approval by relevant regulatory bodies and our partner's financial condition, and no assurances can be given that the underlying assumptions used to estimate the fair value of IPR&D will not change or the timely completion of each project to commercial success will occur.

On February 25, 2025, in order to preserve the ongoing continuity of the development programs for selatogrel and cenerimod considering certain capital structuring steps announced by Idorsia to secure its ongoing operations, Viatris and Idorsia entered into a letter agreement to amend certain terms of the original agreements described above. Under the terms of

the letter agreement, Viatris received additional territory rights in Japan, South Korea and certain other countries in the Asia-Pacific region for cenerimod, a $250 million reduction in contingent milestone payments, including $200 million of development milestones, and additional personnel to expedite transitioning the development programs to Viatris in exchange for Viatris assuming $100 million of Idorsia's obligation to contribute to development costs. In addition, the letter agreement provides for the replacement of the joint development committee with a transition committee to oversee the transition of both development programs to Viatris. Refer to Note 11 *Financial Instruments and Risk Management* for additional information on the fair value adjustment to the Idorsia Transaction contingent consideration liability recorded during the three months ended March 31, 2025 as a result of the February 25, 2025 letter agreement.

The goodwill of $19.5 million arising from the acquisition consisted largely of the value of the employee workforce and the expected value of products, including additional indications, to be developed in the future. All of the goodwill was assigned to the Developed Markets segment. None of the goodwill recognized in this transaction is expected to be deductible for income tax purposes. The acquisition did not have a material impact on the Company's results of operations since the acquisition date or on a pro forma basis during the three months ended March 31, 2024.

5. Divestitures

By the end of 2024, the Company had substantially completed the previously announced divestitures of its OTC Business, its women's healthcare business primarily related to oral and injectable contraceptives, its API business in India, its rights to two women's healthcare products in certain countries, and commercialization rights in the majority of the Upjohn Distributor Markets.

During the three months ended March 31, 2025, the Company recorded additional pre-tax charges of approximately $36.9 million related to the divestitures. The additional charges were recorded as a component of *Other Expense (Income), Net* in the condensed consolidated statements of operations, and were primarily due to an increase in estimated transaction related costs, including the assumption of additional contractual obligations, as well as the impact of working capital and other transaction-related adjustments.

In conjunction with these transactions, Viatris and the respective buyers entered into various agreements to provide a framework for our relationship with the respective buyers after the closing of the divestitures, including transition services agreements, manufacturing and supply agreements, and distribution agreements, some of which include various on-going financial obligations. During the three months ended March 31, 2025 and 2024, the Company recognized TSA income related to all divestitures of approximately $17.4 million and $13.4 million, respectively. TSA income is recorded as a component of *Other Expense (Income), Net*.

6. Share-Based Incentive Plan

Prior to the Distribution, Viatris adopted and Pfizer, in the capacity as Viatris' sole stockholder at such time, approved the 2020 Incentive Plan (the *Viatris Inc. 2020 Stock Incentive Plan*) which became effective as of the Distribution. In connection with the Combination, as of November 16, 2020, the Company assumed the 2003 LTIP (*Mylan N.V. Amended and Restated 2003 Long-Term Incentive Plan*), which had previously been approved by Mylan shareholders. The 2020 Incentive Plan includes 72,500,000 shares of Viatris' common stock authorized for grant pursuant to the 2020 Incentive Plan, which may include dividend payments payable in common stock on unvested shares granted under awards. No shares remain available for issuance under the 2003 LTIP, however, certain awards remain outstanding under the plan.

The Board approved an amendment to the 2020 Incentive Plan, which was approved by Viatris shareholders on December 6, 2024, to increase the maximum aggregate number of shares of Viatris common stock available for issuance under the 2020 Incentive Plan by 49,000,000.

Under the 2020 Incentive Plan, shares are reserved for issuance to key employees, consultants, independent contractors and non-employee directors of the Company through a variety of incentive awards, including: stock options, SARs, restricted stock and units, PSUs, other stock-based awards and short-term cash awards. Stock option awards are granted with an exercise price equal to the fair market value of the shares underlying the stock options at the date of the grant, generally become exercisable over periods ranging from three to four years, and generally expire in ten years.

The following table summarizes stock awards (stock options and SARs) activity:

	Number of Shares Under Stock Awards	Weighted Average Exercise Price per Share
Outstanding at December 31, 2024	3,350,786	$ 35.94
Exercised	(8,537)	6.65
Forfeited	(164,192)	45.70
Outstanding at March 31, 2025	3,178,057	$ 35.51
Vested and expected to vest at March 31, 2025	3,174,741	$ 35.54
Exercisable at March 31, 2025	3,154,876	$ 35.71

As of March 31, 2025, stock awards outstanding, stock awards vested and expected to vest, and stock awards exercisable each had average remaining contractual terms of 2.9 years. Also, at March 31, 2025, stock awards outstanding, stock awards vested and expected to vest, and stock awards exercisable each had aggregate intrinsic values of $0.1 million.

A rollforward of the changes in the Company's nonvested Restricted Stock Awards (restricted stock and restricted stock unit awards, including PSUs) from December 31, 2024 to March 31, 2025 is presented below:

	Number of Restricted Stock Awards	Weighted Average Grant-Date Fair Value Per Share
Nonvested at December 31, 2024	29,083,934	$ 11.49
Granted	18,458,587	9.59
Released	(12,577,426)	10.91
Forfeited	(650,147)	11.66
Nonvested at March 31, 2025	34,314,948	$ 10.68

As of March 31, 2025, the Company had $276.7 million of total unrecognized compensation expense, net of estimated forfeitures, related to all of its stock-based awards, which we expect to recognize over the remaining weighted average vesting period of 1.8 years. The total intrinsic value of Restricted Stock Awards released and stock options exercised during the three months ended March 31, 2025 and 2024 was $118.2 million and $129.0 million, respectively.

7. Pensions and Other Postretirement Benefits

Defined Benefit Plans

The Company sponsors various defined benefit pension plans in several countries. Benefits provided generally depend on length of service, pay grade and remuneration levels. Employees in the U.S., Puerto Rico and certain international locations are also provided retirement benefits through defined contribution plans.

The Company also sponsors other postretirement benefit plans including plans that provide for postretirement supplemental medical coverage. Benefits from these plans are provided to employees and their spouses and dependents who meet various minimum age and service requirements. In addition, the Company sponsors other plans that provide for life insurance benefits and postretirement medical coverage for certain officers and management employees.

Net Periodic Benefit Cost

Components of net periodic benefit cost for the three months ended March 31, 2025 and 2024 were as follows:

	Pension and Other Postretirement Benefits	
	Three Months Ended March 31,	
(In millions)	2025	2024
Service cost	$ 7.5	$ 7.9
Interest cost	16.2	16.6
Expected return on plan assets	(16.8)	(16.9)
Amortization of prior service costs	—	0.5
Recognized net actuarial gains	(2.9)	(4.3)
Net periodic benefit cost	$ 4.0	$ 3.8

The Company is making the minimum mandatory contributions to its defined benefit pension plans in the U.S. and Puerto Rico for the 2025 plan year. The Company expects to make total benefit payments of approximately $112.2 million from pension and other postretirement benefit plans in 2025. The Company anticipates making contributions to pension and other postretirement benefit plans of approximately $68.8 million in 2025.

8. Balance Sheet Components

Selected balance sheet components consist of the following:

Cash and restricted cash

(In millions)	March 31, 2025	December 31, 2024	March 31, 2024
Cash and cash equivalents	$ 755.0	$ 734.8	$ 1,014.6
Restricted cash, included in prepaid expenses and other current assets	1.3	1.3	1.3
Cash, cash equivalents and restricted cash	$ 756.3	$ 736.1	$ 1,015.9

Inventories

(In millions)	March 31, 2025	December 31, 2024
Raw materials	$ 1,439.3	$ 1,345.9
Work in process	493.7	527.3
Finished goods	2,163.4	1,980.9
Inventories	$ 4,096.4	$ 3,854.1

Prepaid expenses and other current assets

(In millions)	March 31, 2025	December 31, 2024
Prepaid expenses	$ 170.5	$ 140.9
Available-for-sale fixed income securities	39.0	38.0
Fair value of financial instruments	152.7	261.6
Equity securities	55.5	55.5
Deferred charge for taxes on intercompany profit	610.1	526.6
Income tax receivable	262.8	300.7
Other current assets	354.7	387.2
Prepaid expenses and other current assets	$ 1,645.3	$ 1,710.5

Prepaid expenses consist primarily of prepaid rent, insurance and other individually insignificant items.

Property, plant and equipment, net

(In millions)	March 31, 2025	December 31, 2024
Machinery and equipment	$ 2,949.6	$ 2,894.7
Buildings and improvements	1,485.2	1,464.3
Construction in progress	390.9	397.1
Land and improvements	114.0	113.2
Gross property, plant and equipment	4,939.7	4,869.3
Accumulated depreciation	2,304.1	2,203.2
Property, plant and equipment, net	$ 2,635.6	$ 2,666.1

Other assets

(In millions)	March 31, 2025	December 31, 2024
CCPS in Biocon Biologics	1,234.0	1,349.8
Operating lease right-of-use assets	265.9	253.1
Other long-term assets	775.0	754.0
Other assets	$ 2,274.9	$ 2,356.9

Accounts payable

(In millions)	March 31, 2025	December 31, 2024
Trade accounts payable	$ 1,518.2	$ 1,355.3
Other payables	470.2	498.4
Accounts payable	$ 1,988.4	$ 1,853.7

Other current liabilities

(In millions)	March 31, 2025	December 31, 2024
Accrued sales allowances	$ 1,013.9	$ 989.4
Legal and professional accruals, including litigation accruals	525.6	472.8
Payroll and employee benefit liabilities	521.4	729.3
Contingent consideration	44.7	59.5
Accrued restructuring	133.8	63.4
Accrued interest	170.0	49.9
Fair value of financial instruments	182.2	125.8
Operating lease liability	103.2	87.1
Other	935.0	1,147.5
Other current liabilities	$ 3,629.8	$ 3,724.7

Other long-term obligations

(In millions)	March 31, 2025	December 31, 2024
Employee benefit liabilities	$ 473.7	$ 467.9
Contingent consideration	367.5	496.6
Tax related items, including contingencies	350.4	341.9
Operating lease liability	177.1	179.3
Accrued restructuring	130.9	128.5
Other	344.8	325.0
Other long-term obligations	$ 1,844.4	$ 1,939.2

9. (Loss) Earnings per Share

Basic (loss) earnings per share is computed by dividing net (loss) earnings attributable to holders of Viatris Inc. common stock by the weighted average number of shares outstanding during the period. Diluted (loss) earnings per share is computed by dividing net (loss) earnings attributable to holders of Viatris Inc. common stock by the weighted average number of shares outstanding during the period increased by the number of additional shares that would have been outstanding related to potentially dilutive securities or instruments, if the impact is dilutive.

Basic and diluted (loss) earnings per share attributable to Viatris Inc. are calculated as follows:

(In millions, except per share amounts)	Three Months Ended March 31, 2025	2024
Basic (loss) earnings attributable to Viatris Inc. common shareholders (numerator):		
Net (loss) earnings attributable to Viatris Inc. common shareholders	$ (3,042.0)	$ 113.9
Shares (denominator):		
Weighted average shares outstanding	1,192.4	1,195.2
Basic (loss) earnings per share attributable to Viatris Inc. shareholders	$ (2.55)	$ 0.10
Diluted (loss) earnings attributable to Viatris Inc. common shareholders (numerator):		
Net (loss) earnings attributable to Viatris Inc. common shareholders	$ (3,042.0)	$ 113.9
Shares (denominator):		
Weighted average shares outstanding	1,192.4	1,195.2
Share-based awards	—	14.3
Total dilutive shares outstanding	1,192.4	1,209.5
Diluted (loss) earnings per share attributable to Viatris Inc. shareholders	$ (2.55)	$ 0.09

Additional stock awards and Restricted Stock Awards were outstanding during the three months ended March 31, 2025 and 2024, but were not included in the computation of diluted (loss) earnings per share for each respective period because the effect would be anti-dilutive. Excluded shares also include certain share-based compensation awards and restricted shares whose performance conditions had not been fully met. Such excluded shares and anti-dilutive awards represented 27.3 million shares and 7.9 million shares for the three months ended March 31, 2025 and 2024, respectively.

The Company paid a quarterly dividend of $0.12 per share on the Company's issued and outstanding common stock on March 18, 2025. On May 5, 2025, the Company's Board of Directors declared a quarterly cash dividend of $0.12 per share on the Company's issued and outstanding common stock, which will be payable on June 16, 2025 to shareholders of record as of the close of business on May 23, 2025. The declaration and payment of future dividends to holders of the Company's common stock will be at the discretion of the Board of Directors, and will depend upon factors, including but not limited to, the Company's financial condition, earnings, capital requirements of its businesses, legal requirements, regulatory constraints, industry practice, and other factors that the Board of Directors deems relevant.

On February 28, 2022, the Company announced that its Board of Directors had authorized a share repurchase program for the repurchase of up to $1.0 billion of the Company's shares of common stock. The Company subsequently announced that on February 26, 2024, its Board of Directors authorized a $1.0 billion increase to the Company's previously announced $1.0 billion share repurchase program. As a result, the Company's share repurchase program now authorizes the repurchase of up to $2.0 billion of the Company's shares of common stock. Such repurchases may be made from time-to-time at the Company's discretion and effected by any means, including but not limited to, open market repurchases, pursuant to plans in accordance with Rules 10b5-1 or 10b-18 under the Exchange Act, privately negotiated transactions (including accelerated stock repurchase programs) or any combination of such methods as the Company deems appropriate. The program does not have an expiration date. During the three months ended March 31, 2025 and 2024, the Company repurchased approximately 18.6 million shares of common stock at a cost of approximately $175.4 million, and approximately 19.2 million shares of common stock at a cost of approximately $250 million, respectively, under the program. As of March 31, 2025, the Company had repurchased a total of approximately 59.1 million shares of common stock at a cost of approximately $675.4 million under the program. Additionally, subsequent to March 31, 2025, the Company repurchased approximately 16.4 million shares of common stock at a cost of approximately $139.5 million, bringing the total to approximately 75.5 million shares of common stock at a cost of approximately $814.9 million under the program, in each case through and including May 7, 2025. The share repurchase program does not obligate the Company to acquire any particular amount of common stock.

10. Goodwill and Intangible Assets

Goodwill

The changes in the carrying amount of goodwill for the three months ended March 31, 2025 are as follows:

(In millions)	Developed Markets [1]	Greater China	JANZ [2]	Emerging Markets [3]	Total
Balance at December 31, 2024:	6,752.9	921.5	295.1	1,163.8	9,133.3
Impairment	(2,261.0)	—	(300.8)	(375.0)	(2,936.8)
Foreign currency translation	250.3	1.8	5.7	7.8	265.6
Balance at March 31, 2025:	$ 4,742.2	$ 923.3	$ —	$ 796.6	$ 6,462.1

(1) Balances as of March 31, 2025 and December 31, 2024 include an accumulated impairment loss of $3.19 billion and $929.0 million, respectively.
(2) Balances as of March 31, 2025 and December 31, 2024 include an accumulated impairment loss of $651.8 million and $351.0 million, respectively.
(3) Balances as of March 31, 2025 and December 31, 2024 include an accumulated impairment loss of $499.0 million and $124.0 million, respectively.

The Company reviews goodwill for impairment annually on April 1st or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. Since the end of February 2025, the Company has experienced a sharp and sustained decline in its share price and significantly increased uncertainty and volatility in the geopolitical and economic environments in which the Company operates. As a result of these factors, the Company determined that a triggering event had occurred for each of its reporting units and performed an interim goodwill impairment test as of March 31, 2025.

The Company performed its interim goodwill impairment test on a quantitative basis for its five reporting units, North America, Europe, Emerging Markets, JANZ, and Greater China. In estimating each reporting unit's fair value, the Company performed an extensive valuation analysis, utilizing a discounted cash flow approach. The determination of the fair value of the reporting units requires the Company to make significant estimates and assumptions that affect the reporting unit's expected future cash flows. These estimates and assumptions, utilizing Level 3 inputs, primarily include, but are not limited to, the discount rate, terminal growth rates, operating income before depreciation and amortization, capital expenditures forecasts and control premiums.

When compared to the prior year annual goodwill impairment test completed on April 1, 2024, the recent significantly increased uncertainty and volatility in the geopolitical and economic environments in which the Company operates has increased the Company's business risks, including, but not limited to, the potential for continued or additional drug pricing reduction pressures, general uncertainty related to timing of responses and approvals from the FDA resulting from evolving regulatory priorities and associated changes to the operations of the agency, and the potential for adverse impacts from future tariffs and trade restrictions. The negative impact of any or all of these factors could be material. The recent significant increase in business risks and uncertainty have led to an increase in discount rate assumptions impacting all reporting units as compared to the April 1, 2024 annual goodwill impairment test.

As of March 31, 2025 (prior to the impairment charges noted below), the allocation of the Company's total goodwill was as follows: North America $3.09 billion, Europe $3.92 billion, Emerging Markets $1.17 billion, JANZ $0.30 billion and Greater China $0.92 billion.

In conjunction with its March 31, 2025 interim goodwill impairment test, the Company recorded the following impairment charges:

(In millions)	North America	Europe	JANZ	Emerging Markets	Total
Impairment charge	$ 707.0	$ 1,554.0	$ 300.8	$ 375.0	$ 2,936.8

For the North America reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 3.1%. A terminal year value was calculated with a negative 3.0% revenue growth rate applied. The discount rate utilized was 12.5% and the estimated tax rate was 24.8%.

For the Europe reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 3.3%. A terminal year value was calculated with a 2.0% revenue growth rate applied. The discount rate utilized was 12.0% and the estimated tax rate was 15.8%.

For the Emerging Markets reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 3.5%. A terminal year value was calculated with a 2.0% revenue growth rate applied. The discount rate utilized was 14.5% and the estimated tax rate was 16.7%.

For the JANZ reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately negative 0.9%. A terminal year value was calculated with a 1.0% revenue growth rate applied. The discount rate utilized was 8.5% and the estimated tax rate was 30.2%. After the goodwill impairment charge recorded during the first quarter of 2025, there is no remaining goodwill allocated to the JANZ reporting unit.

Following the goodwill impairment charges recorded in these reporting units, since the carrying value of the reporting units is equal to their estimated fair value as of March 31, 2025, if market conditions or the projected results were to negatively change, it may be necessary to record further impairment charges to one or more of these reporting units in future periods. Any such future charges could be material.

For the Greater China reporting unit, the estimated fair value exceeded its carrying value by approximately $322.0 million or 5.8% for the March 31, 2025 interim goodwill impairment test. As it relates to the discounted cash flow approach for the Greater China reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 1.6%. A terminal year value was calculated with a negative 1.5% revenue growth rate applied. The discount rate utilized was 15.0% and the estimated tax rate was 24.7%. If all other assumptions are held constant, a reduction in the terminal value growth rate by 3.5% or an increase in discount rate by 1.0% would result in an impairment charge for the Greater China reporting unit.

Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. In addition, changes in underlying assumptions, especially as they relate to the key assumptions detailed, could have a significant impact on the fair value of the reporting units.

Intangible Assets, Net

Intangible assets consist of the following components at March 31, 2025 and December 31, 2024:

(In millions)	Weighted Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
March 31, 2025				
Product rights, licenses and other [1]	13	$ 33,905.0	$ 18,047.1	$ 15,857.9
In-process research and development		804.4	—	804.4
		$ 34,709.4	$ 18,047.1	$ 16,662.3
December 31, 2024				
Product rights, licenses and other [1]	13	$ 33,348.5	$ 17,091.8	$ 16,256.7
In-process research and development		814.2	—	814.2
		$ 34,162.7	$ 17,091.8	$ 17,070.9

[1] Represents amortizable intangible assets. Other intangible assets consist principally of customer lists and contractual rights.

Amortization expense, intangible asset disposal & impairment charges and IPR&D intangible asset impairment charges (which are included as a component of amortization expense) are classified primarily within *Cost of Sales* in the condensed consolidated statements of operations and were as follows for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
(In millions)	**2025**	**2024**
Intangible asset amortization expense	$ 571.2	$ 601.0
Total intangible asset amortization expense (including disposal & impairment charges)	$ 571.2	$ 601.0

Intangible asset amortization expense over the remainder of 2025 and for the years ending December 31, 2026 through 2029 is estimated to be as follows:

(In millions)	
2025	$ 1,726
2026	2,251
2027	2,034
2028	1,793
2029	1,233

11. Financial Instruments and Risk Management

The Company is exposed to certain financial risks relating to its ongoing business operations. The primary financial risks that are managed by using derivative instruments are foreign currency risk and interest rate risk.

Foreign Currency Risk Management

In order to manage certain foreign currency risks, the Company enters into foreign exchange forward contracts to mitigate risk associated with changes in spot exchange rates of mainly non-functional currency denominated assets or liabilities. The foreign exchange forward contracts are measured at fair value and reported as current assets or current liabilities in the condensed consolidated balance sheets. Any gains or losses on the foreign exchange forward contracts are recognized in earnings in the period incurred in the condensed consolidated statements of operations.

The Company has also entered into forward contracts to hedge forecasted foreign currency denominated sales from certain international subsidiaries and a portion of forecasted intercompany inventory sales denominated in Euro, Japanese Yen, and Chinese Renminbi for up to eighteen months. These contracts are designated as cash flow hedges to manage foreign currency transaction risk and are measured at fair value and reported as current assets or current liabilities in the condensed consolidated balance sheets. Any changes in the fair value of designated cash flow hedges are deferred in AOCE and are reclassified into earnings when the hedged item impacts earnings.

Net Investment Hedges

The Company may hedge the foreign currency risk associated with certain net investment positions in foreign subsidiaries by either borrowing directly in foreign currencies and designating all or a portion of the foreign currency debt as a hedge of the applicable net investment position or entering into foreign currency swaps that are designated as hedges of net investments.

The Company has designated certain Euro and Yen borrowings as a hedge of its investment in certain Euro-functional and Yen-functional currency subsidiaries in order to manage foreign currency translation risk. Borrowings designated as net investment hedges are marked-to-market using the current spot exchange rate as of the end of the period, with gains and losses included in the foreign currency translation component of AOCE until the sale or substantial liquidation of the underlying net investments. In addition, the Company manages the related foreign exchange risk of the Euro and Yen borrowings not designated as net investment hedges through certain Euro and Yen denominated financial assets and forward currency swaps.

The following table summarizes the principal amounts of the Company's outstanding Euro and Yen borrowings and the notional amounts of the Euro and Yen borrowings designated as net investment hedges:

(In millions)	Principal Amount	Notional Amount Designated as a Net Investment Hedge	
		March 31, 2025	December 31, 2024
1.362% Euro Senior Notes due 2027	€ 850.0	€ 850.0	€ 850.0
3.125% Euro Senior Notes due 2028	750.0	750.0	750.0
1.908% Euro Senior Notes due 2032	1,250.0	1,250.0	1,250.0
Euro Total	€ 2,850.0	€ 2,850.0	€ 2,850.0
Yen			
YEN Term Loan	¥ 40,000.0	¥ 40,000.0	¥ 40,000.0
Yen Total	¥ 40,000.0	¥ 40,000.0	¥ 40,000.0

At March 31, 2025, the principal amount of the Company's outstanding Yen borrowings and the notional amount of the Yen borrowings designated as net investment hedges was $266.7 million.

During the third quarter of 2023, the Company executed fixed-rate cross-currency interest rate swaps with notional amounts totaling Japanese Yen 14.6 billion with settlement dates through 2026. During the second quarter of 2024, the Company executed fixed-rate cross-currency interest rate swaps with notional amounts totaling €500 million with settlement dates through 2026. The transactions hedge a portion of the Company's net investment in certain Yen- and Euro-functional currency subsidiaries. All changes in the fair value of these derivative instruments, which are designated as net investment hedges, are marked-to-market using the current spot exchange rate as of the end of the period. The portion of these changes related to the excluded component will be amortized in interest expense over the life of the derivative while the remainder will be recorded in AOCE until the sale or substantial liquidation of the underlying net investments. The semiannual net interest payment received related to the fixed-rate component of the cross-currency interest rate swaps will be reflected in operating cash flows.

During the fourth quarter of 2023, the Company executed foreign currency forward contracts with notional amounts totaling €500 million. During the second quarter of 2024, the Company executed additional foreign currency forward contracts with notional amounts totaling €600 million. The transactions hedged a portion of the Company's net investment in certain Euro functional currency subsidiaries. The contracts were designated as a net investment hedge and matured in July 2024.

In April 2025, the Company executed foreign currency forward contracts with notional amounts totaling Chinese Renminbi 1.42 billion (approximately $200 million) maturing in December 2026 and Chinese Renminbi 695 million (approximately $100 million) maturing in December 2027. The transactions hedge a portion of the Company's net investment in certain Chinese Renminbi functional currency subsidiaries. The contracts were designated as net investment hedges.

Interest Rate Risk Management

The Company enters into interest rate swaps from time to time in order to manage interest rate risk associated with the Company's fixed-rate and floating-rate debt. Interest rate swaps that meet specific accounting criteria are accounted for as fair value or cash flow hedges. All derivative instruments used to manage interest rate risk are measured at fair value and reported as current assets or current liabilities in the condensed consolidated balance sheets. For fair value hedges, the changes in the fair value of both the hedging instrument and the underlying debt obligations are included in interest expense. For cash flow hedges, the change in fair value of the hedging instrument is deferred through AOCE and is reclassified into earnings when the hedged item impacts earnings.

Cash Flow Hedging Relationships

The Company's interest rate swaps designated as cash flow hedges fix the interest rate on a portion of the Company's variable-rate debt or hedge part of the Company's interest rate exposure associated with the variability in the future cash flows attributable to changes in interest rates. Any changes in fair value are included in earnings or deferred through AOCE, depending on the nature and effectiveness of the offset. Any ineffectiveness in a cash flow hedging relationship is recognized immediately in earnings in the condensed consolidated statements of operations.

Credit Risk Management

The Company regularly reviews the creditworthiness of its financial counterparties and does not expect to incur a significant loss from the failure of any counterparties to perform under any agreements. The Company is not subject to any obligations to post collateral under derivative instrument contracts. Certain derivative instrument contracts entered into by the Company are governed by master agreements, which contain credit-risk-related contingent features that would allow the counterparties to terminate the contracts early and request immediate payment should the Company trigger an event of default on other specified borrowings. The Company records all derivative instruments on a gross basis in the condensed consolidated balance sheets. Accordingly, there are no offsetting amounts that net assets against liabilities.

The following table summarizes the classification and fair values of derivative instruments in our condensed consolidated balance sheets:

	Asset Derivatives			Liability Derivatives		
(In millions)	Balance Sheet Location	March 31, 2025 Fair Value	December 31, 2024 Fair Value	Balance Sheet Location	March 31, 2025 Fair Value	December 31, 2024 Fair Value
Derivatives designated as hedges:						
Cross-currency interest rate swaps	Prepaid expenses & other current assets	$ 4.2	$ 24.1	Other current liabilities	$ 5.4	$ —
Foreign currency forward contracts	Prepaid expenses & other current assets	14.0	39.2	Other current liabilities	3.4	—
Total derivatives designated as hedges		18.2	63.3		8.8	—
Derivatives not designated as hedges:						
Foreign currency forward contracts	Prepaid expenses & other current assets	134.5	198.3	Other current liabilities	173.4	125.8
Total derivatives not designated as hedges		134.5	198.3		173.4	125.8
Total derivatives		$ 152.7	$ 261.6		$ 182.2	$ 125.8

The following table summarizes information about the gains/(losses) incurred to hedge or offset operational foreign exchange or interest rate risk:

		Amount of Gains/(Losses) Recognized in Earnings		Amount of Gains/(Losses) Recognized in AOCE (Net of Tax) on Derivatives		Amount of Gains/(Losses) Reclassified from AOCE into Earnings	
		Three months ended March 31,					
(In millions)	Location of Gain/(Loss)	2025	2024	2025	2024	2025	2024
Derivative Financial Instruments in Cash Flow Hedging Relationships [1]:							
Foreign currency forward contracts	Net sales [3]	$ —	$ —	$ (13.2)	$ 24.8	$ 9.9	$ 6.6
Interest rate swaps	Interest expense [3]	—	—	(0.9)	(1.2)	(1.2)	(1.6)
Derivative Financial Instruments in Net Investment Hedging Relationships:							
Cross-currency interest rate swaps	Interest expense [2]	3.4	1.2	(19.8)	4.9	—	—
Foreign currency forward contracts		—	—	—	10.7	—	—
Non-derivative Financial Instruments in Net Investment Hedging Relationships:							
Foreign currency borrowings		—	—	(116.4)	117.0	—	—
Derivative Financial Instruments Not Designated as Hedging Instruments:							
Foreign currency option and forward contracts	Other income, net [2]	(109.9)	(22.8)	—	—	—	—
Total		$ (106.5)	$ (21.6)	$ (150.3)	$ 156.2	$ 8.7	$ 5.0

(1) At March 31, 2025, the Company expects that approximately $4.0 million of pre-tax net losses on cash flow hedges will be reclassified from AOCE into earnings during the next twelve months.

(2) Represents the location of the gain/(loss) recognized in earnings on derivatives.

(3) Represents the location of the gain/(loss) reclassified from AOCE into earnings.

Fair Value Measurement

Fair value is based on the price that would be received from the sale of an identical asset or paid to transfer an identical liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy has been established that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- *Level 1:* Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- *Level 2:* Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities.
- *Level 3:* Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

Financial assets and liabilities carried at fair value are classified in the tables below in one of the three categories described above:

	March 31, 2025			December 31, 2024		
(In millions)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Recurring fair value measurements						
Financial Assets						
Cash equivalents:						
Money market funds	$ 409.5	$ —	$ —	$ 387.7	$ —	$ —
Total cash equivalents	409.5	—	—	387.7	—	—
Equity securities:						
Exchange traded funds	54.6	—	—	54.8	—	—
Marketable securities	0.9	—	—	0.7	—	—
Total equity securities	55.5	—	—	55.5	—	—
CCPS in Biocon Biologics	—	—	1,234.0	—	—	1,349.8
Available-for-sale fixed income investments:						
Corporate bonds	—	13.0	—	—	12.9	—
U.S. Treasuries	—	18.5	—	—	17.2	—
Agency mortgage-backed securities	—	2.9	—	—	3.2	—
Asset backed securities	—	4.3	—	—	4.4	—
Other	—	0.3	—	—	0.3	—
Total available-for-sale fixed income investments	—	39.0	—	—	38.0	—
Foreign exchange derivative assets	—	148.5	—	—	237.5	—
Interest rate swap derivative assets	—	4.2	—	—	24.1	—
Total assets at recurring fair value measurement	$ 465.0	$ 191.7	$ 1,234.0	$ 443.2	$ 299.6	$ 1,349.8
Financial Liabilities						
Foreign exchange derivative liabilities	$ —	$ 176.8	$ —	$ —	$ 125.8	$ —
Interest rate swap derivative liabilities	—	5.4	—	—	—	—
Contingent consideration	—	—	412.2	—	—	556.1
Total liabilities at recurring fair value measurement	$ —	$ 182.2	$ 412.2	$ —	$ 125.8	$ 556.1

For financial assets and liabilities that utilize Level 2 inputs, the Company utilizes both direct and indirect observable price quotes, including interest rate yield curves, foreign exchange forward prices and bank price quotes. Below is a summary of valuation techniques for the Company's financial assets and liabilities:

- *Cash equivalents* — valued at observable net asset value prices.
- *Equity securities, exchange traded funds* — valued at the active quoted market prices from broker or dealer quotations or transparent pricing sources at the reporting date. Unrealized gains and losses attributable to changes in fair value are included in *Other Expense (Income), Net* in the condensed consolidated statements of operations.
- *Equity securities, marketable securities* — valued using quoted stock prices from public exchanges at the reporting date. Unrealized gains and losses attributable to changes in fair value are included in *Other Expense (Income), Net* in the condensed consolidated statements of operations.
- *CCPS in Biocon Biologics* — valued using a Monte Carlo simulation model using Level 3 inputs. The fair value of the CCPS is sensitive to changes in the forecasts of operating metrics, changes in volatility and discount rates, and share dilution. The Company elected the fair value option for the CCPS under *ASC 825.* The fair value is reassessed quarterly and any change in the fair value estimate is recorded in *Other Expense (Income), Net* in the condensed consolidated statements of operations for that period. During the three months ended March 31, 2025 and 2024, the Company recorded a loss (gain) of $115.8 million and $(46.9) million, respectively, as a result of remeasuring the CCPS in Biocon Biologics to fair value. The current year loss is primarily related to changes in

certain market factors. The Company's CCPS in Biocon Biologics are classified as equity securities and are included in *Other Assets* in the condensed consolidated balance sheets.

- *Available-for-sale fixed income investments* — valued at the quoted market prices from broker or dealer quotations or transparent pricing sources at the reporting date. Unrealized gains and losses attributable to changes in fair value, net of income taxes, are included in accumulated other comprehensive loss as a component of shareholders' equity.
- *Foreign exchange derivative assets and liabilities* — valued using quoted forward foreign exchange prices and spot rates at the reporting date. Counterparties to these contracts are highly rated financial institutions.

Contingent Consideration

As of March 31, 2025 and December 31, 2024, the Company had a contingent consideration liability of $270.0 million and $378.0 million, respectively, related to the Idorsia Transaction. Refer to Note 4 *Acquisitions and Other Transactions* for additional information. During the three months ended March 31, 2025, the Company recorded a fair value adjustment gain related to the Idorsia Transaction contingent consideration liability, primarily as a result of the February 25, 2025 letter agreement entered into that amended certain terms of the original development agreement for selatogrel and cenerimod.

As of March 31, 2025 and December 31, 2024, the Company had a contingent consideration liability of $140.5 million and $176.3 million, respectively, related to the Respiratory Delivery Platform. The measurement of these contingent consideration liabilities is calculated using unobservable Level 3 inputs based on the Company's own assumptions primarily related to the probability and timing of future events and payments which are discounted using a market rate of return. At March 31, 2025, discount rates ranging from 9.0% to 18.0%, and at December 31, 2024, discount rates ranging from 9.0% and 19.0% were utilized in the valuations. Significant changes in unobservable inputs could result in material changes to the contingent consideration liabilities.

A rollforward of the activity in the Company's fair value of contingent consideration from December 31, 2024 to March 31, 2025 is as follows:

(In millions)	Current Portion [1]	Long-Term Portion [2]	Total Contingent Consideration
Balance at December 31, 2024	$ 59.5	$ 496.6	$ 556.1
Payments	(11.4)	—	(11.4)
Reclassifications	(3.4)	3.4	—
Accretion	—	1.2	1.2
Fair value gain [3]	—	(133.7)	(133.7)
Balance at March 31, 2025	$ 44.7	$ 367.5	$ 412.2

[1] Included in other current liabilities in the condensed consolidated balance sheets.

[2] Included in other long-term obligations in the condensed consolidated balance sheets.

[3] Included in litigation settlements and other contingencies, net in the condensed consolidated statements of operations.

Although the Company has not elected the fair value option for financial assets and liabilities other than the CCPS, any future transacted financial asset or liability will be evaluated for the fair value election.

12. Debt

For additional information, see Note 10 *Debt* in Viatris' 2024 Form 10-K.

Receivables Facility and Note Securitization Facility

The Company has a $400 million Receivables Facility which now expires in May 2025 and currently expects to enter into a similar facility prior to expiration. Under the terms of the Receivables Facility, certain of our accounts receivable secure the amounts borrowed and cannot be used to pay our other debts or liabilities. The amount that we may borrow at a given point in time is determined based on the amount of qualifying accounts receivable that are present at such point in time. Amounts outstanding under the Receivables Facility are included as a component of short-term borrowings, while the accounts receivable securing these obligations remain as a component of accounts receivable, net, in our condensed consolidated balance sheets.

Long-Term Debt

A summary of long-term debt is as follows:

($ in millions)	Interest Rate as of March 31, 2025	March 31, 2025	December 31, 2024
Current portion of long-term debt:			
Other		$ 0.7	$ 0.6
Current portion of long-term debt		$ 0.7	$ 0.6
Non-current portion of long-term debt:			
2026 Senior Notes **	3.950 %	$ 1,673.2	$ 1,672.8
2027 Euro Senior Notes ****	1.362 %	937.5	899.4
2027 Senior Notes ***	2.300 %	762.8	764.2
2028 Euro Senior Notes **	3.125 %	808.4	773.7
2028 Senior Notes *	4.550 %	749.3	749.3
2030 Senior Notes ***	2.700 %	1,494.9	1,497.0
2032 Euro Senior Notes ****	1.908 %	1,434.9	1,376.2
2040 Senior Notes ***	3.850 %	1,635.4	1,637.1
2043 Senior Notes *	5.400 %	497.6	497.5
2046 Senior Notes **	5.250 %	999.9	999.9
2048 Senior Notes *	5.200 %	747.9	747.9
2050 Senior Notes ***	4.000 %	2,190.4	2,191.6
YEN Term Loan Facility	Variable	266.7	254.4
Other		2.2	2.2
Deferred financing fees		(23.6)	(24.3)
Long-term debt		$ 14,177.5	$ 14,038.9

* Instrument was issued by Mylan Inc.

** Instrument was originally issued by Mylan N.V.; now held by Utah Acquisition Sub Inc.

*** Instrument was issued by Viatris Inc.

**** Instrument was issued by Upjohn Finance B.V.

Fair Value

At March 31, 2025 and December 31, 2024, the aggregate fair value of the Company's outstanding notes was approximately $11.41 billion and $11.53 billion, respectively. The fair values of the outstanding notes were valued at quoted market prices from broker or dealer quotations and were classified as Level 2 in the fair value hierarchy.

Mandatory minimum repayments remaining on the notional amount of outstanding long-term debt at March 31, 2025 were as follows for each of the periods ending December 31:

(In millions)	Total
2025	$ —
2026	1,942
2027	1,669
2028	1,561
2029	—
Thereafter	8,552
Total	$ 13,724

13. Comprehensive Loss

Accumulated other comprehensive loss, as reflected in the condensed consolidated balance sheets, is comprised of the following:

(In millions)	March 31, 2025	December 31, 2024
Accumulated other comprehensive loss:		
Net unrealized loss on available-for-sale fixed income securities, net of tax	$ (0.8)	$ (1.2)
Net unrecognized gain and prior service cost related to defined benefit plans, net of tax	253.8	254.2
Net unrecognized loss on derivatives in cash flow hedging relationships, net of tax	9.0	32.3
Net unrecognized gain on derivatives in net investment hedging relationships, net of tax	359.1	492.6
Foreign currency translation adjustment	(3,492.0)	(3,990.8)
	$ (2,870.9)	$ (3,212.9)

Components of accumulated other comprehensive loss, before tax, consist of the following, for the three months ended March 31, 2025 and 2024:

VIATRIS INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

	Three Months Ended March 31, 2025							
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Net Investment Hedges	Gains and Losses on Available-for-Sale Fixed Income Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
(In millions)	Foreign Currency Forward Contracts	Interest Rate Swaps	Total					
Balance at December 31, 2024, net of tax			$ 32.3	$ 492.6	$ (1.2)	$ 254.2	$ (3,990.8)	$ (3,212.9)
Other comprehensive (loss) earnings before reclassifications, before tax			(18.8)	(173.7)	0.6	2.7	498.8	309.6
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:								
Gain on foreign exchange forward contracts classified as cash flow hedges, included in net sales	(9.9)		(9.9)					(9.9)
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		1.2	1.2					1.2
Amortization of actuarial gain included in SG&A						(2.9)		(2.9)
Net other comprehensive (loss) earnings, before tax			(27.5)	(173.7)	0.6	(0.2)	498.8	298.0
Income tax (benefit) provision			(4.2)	(40.2)	0.2	0.2	—	(44.0)
Balance at March 31, 2025, net of tax			$ 9.0	$ 359.1	$ (0.8)	$ 253.8	$ (3,492.0)	$ (2,870.9)

	Three Months Ended March 31, 2024							
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Net Investment Hedges	Gains and Losses on Available-for-Sale Fixed Income Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
(In millions)	Foreign Currency Forward Contracts	Interest Rate Swaps	Total					
Balance at December 31, 2023, net of tax			$ (8.0)	$ 237.1	$ (1.2)	$ 271.4	$ (3,246.7)	$ (2,747.4)
Other comprehensive earnings (loss) before reclassifications, before tax			33.7	169.1	(0.3)	(2.4)	(342.5)	(142.4)
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:								
Gain on foreign exchange forward contracts classified as cash flow hedges, included in net sales	(6.6)		(6.6)					(6.6)
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		1.6	1.6					1.6
Amortization of prior service costs included in SG&A						0.5		0.5
Amortization of actuarial gain included in SG&A						(4.3)		(4.3)
Net other comprehensive earnings (loss), before tax			28.7	169.1	(0.3)	(6.2)	(342.5)	(151.2)
Income tax provision (benefit)			7.1	36.6	(0.1)	(1.2)	—	42.4
Balance at March 31, 2024, net of tax			$ 13.6	$ 369.6	$ (1.4)	$ 266.4	$ (3,589.2)	$ (2,941.0)

14. Segment Information

Viatris has four reportable segments: Developed Markets, Greater China, JANZ, and Emerging Markets. The Company reports segment information on the basis of markets and geography, which reflects its focus on bringing its large and diversified portfolio of branded and generic products, including complex products, to people in markets everywhere. Our Developed Markets segment comprises our operations primarily in North America and Europe. Our Greater China segment includes our operations in mainland China, Taiwan and Hong Kong. Our JANZ segment consists of our operations in Japan, Australia and New Zealand. Our Emerging Markets segment encompasses our presence in more than 125 countries with developing markets and emerging economies including in Asia, Africa, Eastern Europe, Latin America and the Middle East as well as the Company's ARV franchise.

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer, who evaluates the performance of its segments and allocates resources based on total revenues and our measure of segment profit or loss, segment profitability. These financial metrics are used to review operating trends, perform comparisons between periods, and monitor budget and forecast-to-actual variances on a regular basis. Net sales of our business segments exclude intersegment sales as these activities are not regularly reviewed by the CODM and are eliminated in consolidation.

Certain costs and gains are not included in the measurement of segment profitability, or in segment cost of sales, and segment SG&A, as management excludes these costs in assessing segment financial performance. Such costs and gains include:

- Intangible asset amortization expense;
- Asset impairments (including of goodwill, intangible assets (including IPR&D), and long-lived assets);

- R&D and Acquired IPR&D expense;
- Net charges or net gains for litigation settlements and other contingencies;
- Certain costs related to transactions and events such as: (i) purchase accounting adjustments, where we incur expenses associated with the amortization of fair value adjustments to inventory and property, plant and equipment; (ii) share-based compensation expense; (iii) acquisition-related costs, where we incur costs for executing the transaction, integrating the acquired operations and restructuring the combined company; and (iv) other significant items, which are substantive and/or unusual, and in some cases recurring, items (such as restructuring, including costs associated with facilities to be closed or divested, employee separation costs, impairment charges, accelerated depreciation, incremental manufacturing variances, equipment relocation costs, decommissioning and other restructuring related costs) that are evaluated on an individual basis by management and that either as a result of their nature or size, would not be expected to occur as part of our normal business on a regular basis. Such special items can include, but are not limited to, non-acquisition-related restructuring costs, as well as costs incurred for asset impairments and costs, as well as gains and losses, related to disposals of assets or businesses, including those related to divestitures, and, as applicable, any associated transition activities;
- Corporate and other unallocated costs associated with global functions (such as IT, facilities, legal, finance, human resources, insurance, public affairs, compliance, and procurement), patient advocacy activities and certain compensation and other corporate costs (such as certain expenses associated with our manufacturing, including manufacturing variances associated with production) and operations that are not directly assessed to an operating segment as business unit (segment) management does not manage these costs;
- Other Expense (Income), Net (including interest and dividend income, gains and losses from investments, business divestitures, and foreign exchange); and
- Interest expense.

The Company does not report depreciation expense, total assets and capital expenditures by segment, as such information is not used by the CODM.

The accounting policies of the segments are the same as those described in Note 2 *Summary of Significant Accounting Policies* included in the 2024 Form 10-K.

Presented in the table below is segment information for the periods identified and a reconciliation of segment information to total consolidated information.

	Three Months Ended March 31, 2025				
(In millions)	Developed Markets	Greater China	JANZ	Emerging Markets	Total Reportable Segments
Net sales	$ 1,891.7	$ 555.5	$ 276.1	$ 519.9	$ 3,243.2
Other revenues	6.9	—	1.0	3.2	11.1
Total revenues	$ 1,898.6	$ 555.5	$ 277.1	$ 523.1	$ 3,254.3
Less:					
Cost of sales	926.2	60.8	176.5	212.8	1,376.3
Selling, general and administration	234.3	110.0	38.4	74.3	457.0
Segment profit	$ 738.1	$ 384.7	$ 62.2	$ 236.0	$ 1,421.0
Reconciliation of segment profit:					
Intangible asset amortization expense					(571.2)
Impairment of goodwill					(2,936.8)
Research and development					(222.0)
Acquired IPR&D					(10.0)
Litigation settlements and other contingencies, net					73.5
Transaction related and other special items					(256.5)
Corporate and other unallocated					(380.2)
Loss from operations					$ (2,882.2)

	Three Months Ended March 31, 2024				
(In millions)	Developed Markets	Greater China	JANZ	Emerging Markets	Total Reportable Segments
Net sales	$ 2,165.4	$ 543.9	$ 317.8	$ 626.4	$ 3,653.5
Other revenues	7.2	—	0.3	2.4	9.9
Total revenues	$ 2,172.6	$ 543.9	$ 318.1	$ 628.8	$ 3,663.4
Less:					
Cost of sales	976.4	61.2	189.4	265.3	1,492.3
Selling, general and administration	282.9	116.4	41.4	84.0	524.7
Segment profit	$ 913.3	$ 366.3	$ 87.3	$ 279.5	$ 1,646.4
Reconciliation of segment profit:					
Intangible asset amortization expense					(601.0)
Research and development					(199.7)
Acquired IPR&D					(6.1)
Litigation settlements and other contingencies, net					(76.8)
Transaction related and other special items					(202.3)
Corporate and other unallocated					(356.6)
Earnings from operations					$ 203.9

15. Licensing and Other Partner Agreements

We periodically enter into licensing and other partner agreements with other pharmaceutical companies for the development, manufacture, marketing and/or sale of pharmaceutical products. Our significant licensing and other partner agreements are primarily focused on the development, manufacturing, supply and commercialization of multiple complex products. Under these agreements, we have future potential milestone payments and co-development expenses payable to third parties as part of our licensing, development and co-development programs. Payments under these agreements generally become due and are payable upon the satisfaction or achievement of certain developmental, regulatory or commercial milestones or as development expenses are incurred on defined projects. Milestone payment obligations are uncertain, including the prediction of timing and the occurrence of events triggering a future obligation and are not reflected as liabilities in the condensed consolidated balance sheets, except for obligations reflected as acquisition related contingent consideration, including those related to the Idorsia Transaction. Refer to Note 11 *Financial Instruments and Risk Management* for further discussion of contingent consideration.

Our potential maximum development milestones not accrued for at March 31, 2025 totaled approximately $420 million. We estimate that the amounts that may be paid through the end of 2025 to be approximately $23 million. These agreements may also include potential sales-based milestones and call for us to pay a percentage of amounts earned from the sale of the product as a royalty or a profit share. The amounts disclosed do not include sales-based milestones or royalty or profit share obligations on future sales of product as the timing and amount of future sales levels and costs to produce products subject to these obligations is not reasonably estimable. These sales-based milestones or royalty or profit share obligations may be significant depending upon the level of commercial sales for each product.

Mapi

In 2018, the Company entered into an exclusive license and commercialization agreement with Mapi for the development and commercialization on a world-wide basis of GA Depot. Under the terms of the license and commercialization agreement, as of March 31, 2025, Mapi is eligible to receive regulatory approval and commercial launch milestone payments of up to $90.0 million. Additionally, upon commercial launch of GA Depot, Mapi is eligible to receive potential contingent payments, such as tiered royalties and tiered sales-based milestones.

During the first quarter of 2024, the Company was informed that Mapi received a Complete Response Letter (“CRL”) regarding the NDA for GA Depot 40 mg from the FDA. In December 2024, the companies met with the FDA and reviewed the content of the CRL. As a result of the meeting, Viatris and Mapi are discussing and determining the appropriate next steps for the program. In the fourth quarter of 2024, as a result of the additional uncertainty of regulatory and commercial timing and success of GA Depot and the financial condition of Mapi, the Company impaired its equity investment and prepaid assets related to advances for the initial supply of commercial product. Total charges of $184.6 million were recorded during the year ended December 31, 2024 as a component of *Other Expense (Income), Net* in the consolidated statements of operations.

In December 2023, the Company entered into a letter agreement, as amended, with Mapi for the development and commercialization of certain additional products, which is subject to finalization pending the execution of a definitive agreement. The Company made an initial upfront payment of $75.0 million which was accounted for as *Acquired IPR&D* expense in the consolidated statements of operations during 2023.

There have been no other significant changes to our licensing and other partner agreements as disclosed in our 2024 Form 10-K.

16. Income Taxes

Legislative Updates

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022 into law, which includes a new corporate alternative minimum tax (“CAMT”) and an excise tax of 1% on the fair market value of net stock repurchases. Both provisions are effective for years after December 31, 2022. The Company reflected the applicable estimated excise tax in treasury stock as part of the cost basis of the stock repurchased and recorded a corresponding liability in *Other current liabilities* in our condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024. The share repurchase and authorization amounts otherwise disclosed in this Form 10-Q exclude the excise tax. The Company does not anticipate

being subject to the 15% CAMT tax in 2025 based on enacted law and regulatory guidance; however, our CAMT status could change in the future, depending on new regulations or regulatory guidance issued by the U.S. Department of the Treasury.

In addition, many countries are actively considering or have proposed or enacted changes to their tax laws based on the Pillar Two Global Anti-Base Erosion Rules ("Pillar Two Rules") proposed by the Organisation for Economic Co-operation and Development. The Pillar Two Rules impose a global minimum tax of 15%, and under these rules, the Company may be required to pay a "top-up" tax to the extent our effective tax rate in any given country is below 15%. Several countries have enacted the Pillar Two Rules effective January 1, 2024, with many countries postponing implementation to January 1, 2025 or later, if at all. After determining which jurisdictions are not required to calculate a Pillar Two liability as a result of the existing safe harbors, the Company has determined that the impact of the Pillar Two Rules in the countries that have enacted such rules effective for tax years ending on or before December 31, 2025, is not material to our results of operations for the three months ended March 31, 2025. While the Pillar Two Rules did not have a significant impact on the tax provision or financial results for the three months ended March 31, 2025, the Company will continue to monitor and evaluate the evolving tax legislation in the jurisdictions in which we operate which could impact future tax provision and financial results.

Tax Examinations

The Company is subject to income taxes and tax audits in many jurisdictions. A certain degree of estimation is thus required in recording the assets and liabilities related to income taxes. Tax audits and examinations can involve complex issues, interpretations, and judgments and the resolution of matters that may span multiple years, particularly if subject to litigation or negotiation.

Although the Company believes that adequate provisions have been made for these uncertain tax positions, the Company's assessment of uncertain tax positions, including those arising from legal entity restructuring transactions in connection with the Combination, is based on estimates and assumptions that the Company believes are reasonable but the estimates for unrecognized tax benefits and potential tax benefits may not be representative of actual outcomes, and variations from such estimates could materially affect the Company's financial condition, results of operations or cash flows in the period of resolution, settlement or when the statutes of limitations expire.

The Company is subject to ongoing IRS examinations. The years 2020 through 2023 are open years, with 2020 and 2021 under examination.

Several international audits are currently in progress. In some cases, the tax auditors have proposed adjustments or issued assessments to our tax positions, including with respect to intercompany transactions, and we are in ongoing discussions with some of the auditors regarding the validity of their tax positions.

In instances where assessments have been issued, we disagree with these assessments and believe they are without merit and incorrect as a matter of law. As a result, we anticipate that certain of these matters may become the subject of litigation before tax courts where we intend to vigorously defend our position.

In France, the tax authorities have issued notices of assessments to the Company for the years ended December 2013 to December 2015 concerning our tax position with respect to whether income earned by a Company entity not domiciled in France should be subject to French tax. We have commenced litigation before the French tax courts where the tax authorities will seek unpaid taxes, penalties, and interest. A decision is pending.

In India, the tax authorities have issued notices of assessments to the Company seeking unpaid taxes and interest for the financial years covering 2013 to 2018 concerning our tax position with respect to certain corporate tax deductions and certain intercompany transactions. Some of these issues were resolved through the Company entering into an agreement with the tax authorities in March 2023 in respect of the pricing of its international transactions. The Company recorded tax expense of approximately $22.3 million during the year ended December 31, 2023 due to the terms of this agreement. The remaining issues are in the audit phase or are being challenged in the Indian tax courts.

In 2020, the Swedish Tax Authorities ("STA") asserted an underpayment of tax against Meda A.B. for the tax years 2014 to 2019. The claim was that profits earned by its Luxembourg subsidiary should have been attributed to Meda A.B. The Company appealed the STA's assessment to the Administrative Court of Stockholm. On September 16, 2022, the Court ruled in favor of Meda A.B. that no tax was due. The STA appealed that decision. On April 10, 2024, the Administrative Court of Appeals overturned the lower Court's ruling and issued a decision in favor of the STA upholding its original assessment. The

amount due including interest and penalties is approximately $18.2 million, which was paid during the second quarter of 2024. The Company's petition seeking review of the decision to the Supreme Administrative Court was denied and this matter is now closed.

The Company has recorded a net reserve for uncertain tax positions of $284.5 million and $277.0 million, including interest and penalties, in connection with its international audits at March 31, 2025 and December 31, 2024, respectively. In connection with our international tax audits, it is possible that we will incur material losses above the amounts reserved.

The Company's major U.S. state taxing jurisdictions remain open from fiscal year 2015 through 2023, with several state audits currently in progress. The Company's major international taxing jurisdictions remain open from 2013 through 2024.

Accounting for Uncertainty in Income Taxes

The impact of an uncertain tax position that is more likely than not of being sustained upon audit by the relevant taxing authority must be recognized at the largest amount that is more likely than not to be sustained. No portion of an uncertain tax position will be recognized if the position has less than a 50% likelihood of being sustained.

17. Litigation

The Company is involved in various disputes, governmental and/or regulatory inquiries, investigations and proceedings, and litigation matters, both in the U.S. and abroad, that arise from time to time, some of which could result in losses, including damages, fines and/or civil penalties, and/or criminal charges against the Company. These matters are often complex and have outcomes that are difficult to predict.

In addition, in connection with the Combination, the Company has generally assumed liability for, and control of, pending and threatened legal matters relating to the Upjohn Business – including certain matters initiated against Pfizer described below – and has agreed to indemnify Pfizer for liabilities arising out of such assumed legal matters. Pfizer, however, has agreed to retain various matters – including certain specified competition law matters – to the extent they arise from conduct during the pre-Distribution period and has agreed to indemnify the Company for liabilities arising out of such matters.

While the Company believes that it has meritorious defenses with respect to the claims asserted against it and the assumed legal matters referenced above, and intends to vigorously defend its position, the process of resolving these matters is inherently uncertain and may develop over a long period of time, and so it is not possible to predict the ultimate resolution of any such matter. It is possible that an unfavorable resolution of any of the ongoing matters could have a material effect on the Company's business, financial condition, results of operations, cash flows, ability to pay dividends or repurchase shares and/or stock price.

Some of these governmental inquiries, investigations, proceedings and litigation matters with which the Company is involved are described below, and unless otherwise disclosed, the Company is unable to predict the outcome of the matter or to provide an estimate of the range of reasonably possible material losses. The Company records accruals for loss contingencies to the extent we conclude it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company is also involved in other pending proceedings for which, in the opinion of the Company based upon facts and circumstances known at the time, either the likelihood of loss is remote or any reasonably possible loss associated with the resolution of such proceedings is not expected to be material to the Company's business, financial position, results of operations, cash flows, ability to pay dividends or repurchase shares and/or stock price. If and when any reasonably possible losses associated with the resolution of such other pending proceedings, in the opinion of the Company, become material, the Company will disclose such matters.

Legal costs are recorded as incurred and are classified in SG&A in the Company's condensed consolidated statements of operations.

EpiPen® Auto-Injector Litigation

On February 14, 2020, the Company, together with other non-Viatris affiliated companies, were named as defendants in a putative direct purchaser class action filed in the U.S. District Court for the District of Kansas relating to the pricing and/or marketing of the EpiPen® Auto-Injector. On September 21, 2021, Plaintiffs filed an amended complaint asserting federal antitrust claims which are based on allegations concerning a patent settlement between Pfizer and Teva and other alleged actions regarding the launch of Teva's generic epinephrine auto-injector. Plaintiffs seek monetary damages, declaratory relief, attorneys' fees and costs. In December 2024, the Company reached an agreement and paid $73.5 million to fully resolve this matter. The settlement is subject to final court approval and contains an express provision disclaiming and denying any wrongdoing by the Company.

Beginning in March 2020, the Company, together with other non-Viatris affiliated companies, were named as defendants in putative direct purchaser class actions filed in the U.S. District Court for the District of Minnesota relating to contracts with certain pharmacy benefit managers concerning EpiPen® Auto-Injector. The plaintiffs claim that the alleged conduct resulted in the exclusion or restriction of competing products and the elimination of pricing constraints in violation of RICO and federal antitrust law. Class certification was denied. The case is proceeding with Rochester Drug Company, Dakota Drug, and Morris & Dickson Company as plaintiffs and they seek monetary damages, attorneys' fees and costs.

In January 2025, the State of Indiana filed a complaint in Superior Court in Marion County, Indiana against the Company and other non-Viatris affiliated companies alleging harm under Indiana state laws, including antitrust and consumer protection laws, and unjust enrichment claims. Indiana generally seeks monetary damages, restitution, disgorgement, civil penalties, injunctive relief, and attorneys' fees and costs.

In June 2024, the Company received a civil subpoena from the Attorney General of the State of Mississippi seeking information relating to the sales and/or marketing of EpiPen® Auto-Injector. The Company is fully cooperating with this request and has communicated with certain other State Attorneys General regarding related issues.

The issues covered in the Indiana complaint, Mississippi subpoena, and communications with certain other States, generally relate to issues from litigations and/or investigations that have been previously disclosed, including the indirect purchaser class action that was resolved in 2022 and the direct purchaser litigation matters described above.

The Company has a total accrual of approximately $20.5 million related to these matters at March 31, 2025, which is included in other current liabilities in the condensed consolidated balance sheets. Although it is reasonably possible that the Company may incur additional losses from these matters, any amount cannot be reasonably estimated at this time. In addition, the Company expects to incur additional legal and other professional service expenses associated with such matters in future periods and will recognize these expenses as services are received. The Company believes that the ultimate amount paid for these services and claims could have a material effect on the Company's business, financial condition, results of operations, cash flows, ability to pay dividends or repurchase shares and/or stock price in future periods.

Drug Pricing Matters

Civil Litigation

Beginning in 2016, the Company, along with other manufacturers, has been named as a defendant in lawsuits filed in the United States and Canada generally alleging anticompetitive conduct with respect to generic drugs. The lawsuits have been filed by plaintiffs, including putative classes of direct purchasers, indirect purchasers, and indirect resellers, as well as individual direct and indirect purchasers and certain cities and counties. The lawsuits allege harm under federal laws and the United States lawsuits also allege harm under state laws, including antitrust laws, state consumer protection laws and unjust enrichment claims. Some of the United States lawsuits also name as defendants the Company’s former President, including allegations against him with respect to a single drug product, and one of the Company’s sales employees, including allegations against him with respect to certain generic drugs. The vast majority of the lawsuits have been consolidated in an MDL proceeding in the Eastern District of Pennsylvania (“EDPA”). Plaintiffs generally seek monetary damages, restitution, declaratory and injunctive relief, attorneys’ fees and costs. The EDPA Court has ordered the Clomipramine and Clobetasol direct and indirect purchaser cases to proceed as bellwethers. The Company is named only in the Clomipramine bellwether cases, wherein the EDPA Court certified both direct and indirect purchaser classes. Defendants have filed petitions for permission to appeal those class certification decisions, which are pending before the U.S. Court of Appeals for the Third Circuit and have also filed summary judgment motions, which remain pending. There is a potential for trials in the Clomipramine bellwether cases beginning as soon as August 2025. Plaintiffs are asserting damages of approximately $350 million in each of the Clomipramine bellwether cases, which are subject to trebling under federal law in the direct purchaser case or multipliers under certain state laws in the indirect purchaser case. The Company believes that it acted lawfully, is continuing to defend itself vigorously, and intends to vigorously contest all aspects of the cases, including the asserted damages.

Attorneys General Litigation

On December 21, 2015, the Company received a subpoena and interrogatories from the Connecticut Office of the Attorney General seeking information relating to the marketing, pricing and sale of certain of the Company’s generic products and communications with competitors about such products. On December 14, 2016, attorneys general of certain states filed a complaint in the United States District Court for the District of Connecticut against several generic pharmaceutical drug manufacturers, including the Company, alleging anticompetitive conduct with respect to, among other things, a single drug product. The complaint has subsequently been amended, including on June 18, 2018, to add attorneys general alleging violations of federal and state antitrust laws, as well as violations of various states’ consumer protection laws. This lawsuit was transferred to the aforementioned MDL proceeding in the EDPA. The operative complaint includes attorneys general of forty-three states, the District of Columbia and the Commonwealth of Puerto Rico. The Company is alleged to have engaged in anticompetitive conduct with respect to four generic drug products. The amended complaint also includes claims asserted by attorneys general of thirty-three states and the Commonwealth of Puerto Rico against certain individuals, including the Company’s former President, with respect to a single drug product. The operative complaint seeks declaratory and injunctive relief, disgorgement, attorneys’ fees and costs, and certain states seek monetary damages, civil penalties, restitution, and other equitable monetary relief. The states’ claim for disgorgement and restitution under federal law, and certain state law claims brought by certain states, have been dismissed.

On May 10, 2019, certain attorneys general filed a new complaint in the United States District Court for the District of Connecticut against various drug manufacturers and individuals, including the Company and one of its sales employees, alleging anticompetitive conduct with respect to additional generic drugs. The complaint has been subsequently amended, including on November 22, 2024, to add states as plaintiffs. The operative complaint is brought by attorneys general of forty-five states, certain territories and the District of Columbia. The amended complaint also includes claims asserted by attorneys general of forty-one states and certain territories against several individuals, including a Company sales employee. The operative complaint seeks declaratory and injunctive relief, disgorgement, attorneys' fees and costs, and certain states seek monetary damages, civil penalties, restitution, and other equitable monetary relief. This lawsuit was transferred to the aforementioned MDL proceeding in the EDPA.

On June 10, 2020, certain attorneys general filed a new complaint in the United States District Court for the District of Connecticut against drug manufacturers, including the Company, and individual defendants (none from the Company), alleging anticompetitive conduct with respect to additional generic drugs. On September 9, 2021, the complaint was amended, adding an additional state as a plaintiff. The operative complaint is brought by attorneys general of forty-three states, certain territories and the District of Columbia. The operative complaint seeks declaratory and injunctive relief, disgorgement, attorneys' fees and costs, and certain states seek monetary damages, civil penalties, restitution, and other equitable monetary relief. The states' claim for disgorgement and restitution under federal law, and certain state law claims brought by certain states, have been dismissed. This lawsuit was transferred to the aforementioned MDL proceeding in the EDPA and was ordered to proceed as a bellwether. The Company has filed a motion for summary judgment seeking to dismiss this case in its entirety, which remains pending.

The aforementioned complaints have now been transferred back to the U.S. District Court for the District of Connecticut.

Securities Related Litigation

On February 14, 2020, the Abu Dhabi Investment Authority ("ADIA") filed a complaint against Mylan N.V. and Mylan Inc. (collectively for purposes of this paragraph, "Mylan") in the United States District Court for the Southern District of New York ("SDNY") alleging that Mylan made false or misleading statements and omissions of purportedly material fact, in violation of federal securities laws, in connection with disclosures relating to the classification of their EpiPen® Auto-Injector as a non-innovator drug for purposes of the Medicaid Drug Rebate Program and allegedly anticompetitive conduct with respect to EpiPen® Auto-Injector and certain generic drugs ("ADIA Litigation"). ADIA seeks monetary damages as well as fees and costs. Mylan has filed a motion for summary judgment to dismiss ADIA's case in its entirety, which is pending. As previously disclosed, the allegations in ADIA's complaint were the subject of a class action lawsuit filed in the same court in the SDNY against Mylan and certain individuals. In March 2023, the SDNY dismissed the class action lawsuit in its entirety on summary judgment, which was affirmed on appeal and concluded the class action lawsuit.

On June 26, 2020, a putative class action complaint was filed by the Public Employees Retirement System of Mississippi, which was subsequently amended on November 13, 2020, against Mylan N.V., certain of Mylan N.V.'s former directors and officers, and a former officer/current director of the Company (collectively for the purposes of this paragraph, the "defendants") in the U.S. District Court for the Western District of Pennsylvania ("WDPA") on behalf of certain purchasers of securities of Mylan N.V. ("WDPA Mylan N.V. Class Action Litigation"). The amended complaint alleges that defendants made false or misleading statements and omissions of purportedly material fact, in violation of federal securities laws, in connection with disclosures relating to the Nashik and Morgantown manufacturing plants and inspections at the plants by the FDA. Plaintiff seeks certification of a class of purchasers of Mylan N.V. securities between February 16, 2016 and May 7, 2019. On May 18, 2023, the Court dismissed 45 of the 46 challenged statements. The complaint seeks monetary damages, as well as the plaintiff's fees and costs.

On February 15, 2021, a complaint was filed in the SDNY by Skandia Mutual Life Ins. Co., Lansforsakringar AB, KBC Asset Management N.V., and GIC Private Limited, against the Company, certain of Mylan N.V.'s former directors and officers, a former officer/current director of the Company, and certain former and current employees of the Company ("Skandia Litigation"). The Complaint filed in the Skandia Litigation asserts claims which are based on allegations that are similar to those in the ADIA Litigation and WDPA Mylan N.V. Class Action Litigation. Plaintiffs seek compensatory damages, costs and expenses and attorneys' fees. The parties have reached an agreement that resolves this matter.

Beginning in May 2023, putative class action complaints were filed against the Company and certain of the Company's current and former officers, directors, and employees in the WDPA on behalf of certain purchasers of securities of the Company. These actions have been consolidated and, on October 23, 2023, a consolidated amended putative class action complaint was filed in the WDPA against the Company, a director, and a former officer and director ("WDPA Viatris Class Action Litigation"). The operative complaint alleges that defendants made false or misleading statements and omissions of material fact, in violation of federal securities laws, in connection with disclosures relating to the Company's projected financial performance and biosimilars business. Plaintiffs seek certification of a class of purchasers of Company securities between March 1, 2021 and February 25, 2022. Plaintiffs seek monetary damages, reasonable costs and expenses, and certain other relief. On September 20, 2024, the Court granted Defendants' motion to dismiss all of Plaintiffs' claims. Plaintiffs have filed an appeal to the United States Court of Appeals for the Third Circuit, which remains pending.

Beginning in August 2023, stockholder derivative actions purportedly on behalf of Viatris were filed in the WDPA against certain of the Company's current and former officers, directors, and employees alleging that defendants failed to ensure that the Company was making truthful and accurate statements in connection with the disclosures alleged in the WDPA Viatris Class Action Litigation. Viatris is named as a nominal defendant in these derivative actions. Certain of the complaints also assert claims for corporate waste and unjust enrichment. Plaintiffs seek various forms of relief, including damages, disgorgement, restitution, costs and fees.

In April 2025, a putative class action complaint was filed against the Company and certain of the Company's officers, one of whom is also a director, in the WDPA on behalf of certain purchasers of the Company's securities. The complaint alleges that defendants made false or misleading statements or omissions of material fact, in violation of federal securities laws, in connection with disclosures relating to regulatory issues and actions concerning the Company's Indore manufacturing facility. Plaintiffs seek certification of a class of purchasers of Company securities between August 8, 2024 and February 26, 2025. Plaintiffs seek various forms of relief, including damages, costs and fees.

Opioids

The Company, along with other manufacturers, distributors, pharmacies, pharmacy benefit managers, and individual healthcare providers, is a defendant in more than 1,000 cases in the United States and Canada filed by various plaintiffs, including counties, cities and other local governmental entities, asserting civil claims related to sales, marketing and/or distribution practices with respect to prescription opioid products. In addition, lawsuits have been filed as putative class actions including on behalf of children with Neonatal Abstinence Syndrome due to alleged exposure to opioids.

The lawsuits generally seek equitable relief and monetary damages (including punitive and/or exemplary damages) based on a variety of legal theories, including various statutory and/or common law claims, such as negligence, public nuisance and unjust enrichment. The vast majority of these lawsuits have been consolidated in an MDL in the U.S. District Court for the Northern District Court of Ohio.

In April 2025, the Company has reached a nationwide settlement framework to resolve opioid-related claims by States, local governments, and Native American tribes against the Company and certain of its subsidiaries. Under the agreed upon framework, which will be initiated by a process to determine the level of participation in the settlement, the Company would pay up to a maximum of $335 million, consisting of annual payments over a nine-year period of between approximately $27.5 and $40 million each, to help support state and local efforts to address opioid-related issues. The settlement framework is not an admission of wrongdoing or liability.

On January 13, 2023, the Company received a civil subpoena from the Attorney General of the State of New York seeking information relating to opioids manufactured, marketed, or sold by the Company and related subject matter. Beginning in January 2024, the Company has received similar subpoenas from the Attorneys General of Alaska, Oregon, Utah, Maryland, and Louisiana. The Company is fully cooperating with these subpoena requests. Each of these States will have the option to participate in the settlement framework identified above.

The Company has accrued approximately $335 million in connection with the possible resolution of certain of these matters at March 31, 2025, which is included in other current liabilities in the condensed consolidated balance sheets. Although it is reasonably possible that the Company may incur additional losses from these matters, any amount cannot be reasonably estimated at this time. In addition, the Company expects to incur additional legal and other professional service expenses associated with such matters in future periods and will recognize these expenses as services are received. The Company believes that the ultimate amount paid for these services and claims could have a material effect on the Company's business,

financial condition, results of operations, cash flows, ability to pay dividends or repurchase shares and/or stock price in future periods.

Citalopram

In 2013, the European Commission issued a decision finding that Lundbeck and several generic companies, including Generics [U.K.] Limited ("GUK"), had violated EU competition rules relating to various settlement agreements entered into in 2002 for citalopram. After various appeals, the European Commission's decision was upheld in March 2021. On March 28, 2023, bodies of the national health authorities in England & Wales filed a case in the U.K. Competition Appeals Tribunal against parties to the citalopram investigation, including GUK, seeking monetary damages, plus interest, purportedly arising from the settlement agreements. GUK, beginning in approximately 2018, has received notices from other health service authorities and insurers asserting an intention to file similar claims. Pursuant to an indemnification agreement, Merck KGaA and GUK have agreed to equally share any damages claimed against Merck KGaA and/or GUK alleged to have been caused by the conduct which is the subject of the European Commission decision.

The Company has accrued approximately €12.1 million as of March 31, 2025 related to this matter. It is reasonably possible that we will incur additional losses above the amount accrued but we cannot estimate a range of such reasonably possible losses at this time. There are no assurances, however, that settlements reached and/or adverse judgments received, if any, will not exceed amounts accrued.

Perindopril

In 2014, the European Commission issued a decision finding that Servier SAS, and certain of its subsidiaries ("Servier"), along with several generic companies, including the Company, had violated EU competition rules relating to various settlement agreements for perindopril. The settlement agreement involving the Company is a 2005 agreement entered into between Servier and Matrix Laboratories Ltd., which the Company acquired in 2007. After various appeals, the European Commission's decision was upheld in June 2024. The Company satisfied its monetary obligation in 2014.

Bodies of national health authorities in England, Wales, Scotland, and Northern Ireland filed a case in the English High Court against Servier, seeking monetary damages, plus interest, purportedly arising from the settlement agreements. Servier has joined the generic companies, including the Company, as defendants in this litigation.

In December 2024, health insurance funds located in the EU filed a case in the Amsterdam District Court against Servier and the generic companies, including the Company, seeking monetary damages, plus interest, purportedly arising from the settlement agreements.

Product Liability

Like other pharmaceutical companies, the Company is involved in a number of product liability lawsuits related to alleged personal injuries arising out of certain products manufactured/or distributed by the Company, including but not limited to those discussed below. Plaintiffs in these cases generally seek damages and other relief on various grounds for alleged personal injury and economic loss.

The Company has accrued approximately $66.8 million as of March 31, 2025 for its product liability matters. It is reasonably possible that we will incur additional losses and fees above the amount accrued but we cannot estimate a range of such reasonably possible losses or legal fees related to these claims at this time. There are no assurances, however, that settlements reached and/or adverse judgments received, if any, will not exceed amounts accrued.

Nitrosamines

The Company, along with numerous other manufacturers, retailers, and others, are parties to litigation relating to alleged trace amounts of nitrosamine impurities in certain products, including valsartan and ranitidine. The vast majority of these lawsuits naming the Company in the United States are pending in two MDLs, namely an MDL pending in the United States District Court for the District of New Jersey concerning valsartan and an MDL pending in the United States District Court for the Southern District of Florida concerning ranitidine. The lawsuits against the Company in the MDLs include putative and certified classes seeking the refund of the purchase price and other economic and punitive damages allegedly sustained by consumers and end payors as well as individuals seeking compensatory and punitive damages for personal injuries

allegedly caused by ingestion of the medications. A similar lawsuit pertaining to valsartan is pending in Israel. Third party payor, consumer and medical monitoring classes were certified in the valsartan MDL. The Company has also received requests to indemnify purchasers of the Company's API and/or finished dose forms of these products. The original master complaints concerning ranitidine were dismissed on December 31, 2020. The end-payor plaintiff immediately appealed to the U.S. Court of Appeals for the Eleventh Circuit, which affirmed the dismissal. The personal injury and consumer putative class plaintiffs filed amended master complaints. The Company was not named as a defendant in the amended master complaints, though it was still named in certain short form complaints filed by personal injury plaintiffs. The trial court has dismissed all remaining claims against the generic defendants. Certain of the personal injury plaintiffs appealed this dismissal, which remains pending.

Lipitor

A number of individual and multi-plaintiff lawsuits have been filed against Pfizer in various federal and state courts alleging that the plaintiffs developed type 2 diabetes purportedly as a result of the ingestion of Lipitor. Plaintiffs seek compensatory and punitive damages. In February 2014, the federal actions were transferred for consolidated pre-trial proceedings to an MDL in the U.S. District Court for the District of South Carolina. The District Court granted Pfizer's motion for summary judgment and dismissed all of the federal cases in 2017, which was subsequently affirmed on appeal. Since 2016, certain cases in the MDL were remanded to certain state courts. State court proceedings remain pending in Missouri and New York.

Depo-Provera

Beginning in October 2024, the Company (including Greenstone LLC), Pfizer and certain entities related to Pfizer, and Prasco Labs have been named in a number of lawsuits filed in federal and state courts related to claims pertaining to Depo-Provera. Certain of these lawsuits include allegations that individual plaintiffs developed meningiomas purportedly as a result of the ingestion of Depo-Provera or its authorized generic equivalent and seek compensatory and punitive damages. Putative class complaints seeking relief in the form of medical monitoring for individuals from certain states who have taken Depo-Provera or its authorized generic equivalent, but have not developed meningiomas, have also been filed. In February 2025, the federal lawsuits were transferred for consolidated pre-trial proceedings to an MDL in the U.S. District Court for the Northern District of Florida. Pfizer is the new drug application holder of Depo-Provera and markets and sells the branded version of the product. Greenstone LLC was a subsidiary of Pfizer until the closing of the Combination and sold the authorized generic of Depo-Provera until the closing of the Combination. Concurrently with the closing of the Combination, Pfizer divested the authorized generic of Depo-Provera to Prasco Labs. The Company has sought to tender its defense and is seeking indemnification for these claims from Pfizer pursuant to the Separation and Distribution Agreement and Pfizer is seeking cross-indemnification from the Company pursuant to the Separation and Distribution Agreement with respect to the authorized generic product previously sold by Greenstone LLC.

Intellectual Property

The Company is involved in a number of patent litigation lawsuits involving the validity and/or infringement of patents held by branded pharmaceutical manufacturers. The Company uses its business judgment to decide to market and sell certain products, in each case based on its belief that the applicable patents are invalid and/or that its products do not infringe, notwithstanding the fact that allegations of patent infringement(s) or other potential third party rights have not been finally resolved by the courts. The risk involved in doing so can be substantial because the remedies available to the owner of a patent for infringement may include a reasonable royalty on sales or damages measured by the profits lost by the patent owner. If there is a finding of willful infringement, damages may be increased up to three times. Moreover, because of the discount pricing typically involved with bioequivalent products, patented branded products generally realize a substantially higher profit margin than generic and biosimilar products. The Company also faces challenges to its patents, including suits in various jurisdictions pursuant to which generic drug manufacturers, payers, governments, or other parties are seeking damages for allegedly causing delay of generic entry. An adverse decision in any of these matters could have an adverse effect that is material to our business, financial condition, results of operations, cash flows, ability to pay dividends or repurchase shares and/or stock price.

The Company has approximately $0.7 million accrued related to its intellectual property matters at March 31, 2025. It is reasonably possible that we may incur additional losses and fees but we cannot estimate a range of such reasonably possible losses or legal fees related to these claims at this time.

Yupelri

Beginning in January 2023, certain generic companies notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of Yupelri® with associated Paragraph IV certifications. The companies assert the invalidity and/or non-infringement of polymorph patents expiring in 2030 and 2031, and method of use patents expiring in 2039. The companies have not filed Paragraph IV certifications to our compound patents, one of which is subject to a patent term extension to October 2028. Beginning in February 2023, we brought patent infringement actions against the generic filers in federal district courts, including the U.S. District Court for the District of New Jersey, the U.S. District Court for the District of Delaware, the U.S. District Court for the Middle District of North Carolina, and the U.S. District Court for the Eastern District of Pennsylvania asserting infringement of the patents by the generic companies. The actions filed in Delaware, North Carolina and Pennsylvania have been dismissed and the remaining actions will proceed in New Jersey. The Company has entered into settlement agreements with Teva, Accord, Orbicular, Lupin, and Qilu granting licenses to commercialize their generic versions of Yupelri® in April 2039 or earlier depending on certain circumstances. Three ANDA filers remain in the litigation.

Tyrvaya

In June 2023, a generic company notified Oyster Point that it had filed an ANDA with the FDA seeking approval to market a generic version of Tyrvaya® with associated Paragraph IV certifications. The generic company asserts the invalidity and/or non-infringement of six Orange Book listed patents that all have expiration dates in October 2035. In July 2023, Oyster Point brought a patent infringement action against the generic filer in the U.S. District Court of the District of New Jersey. In March 2024, Oyster Point filed an amended complaint asserting infringement with respect to four additional patents that were recently listed in the Orange Book for Tyrvaya® and also have expiration dates in October 2035. This lawsuit automatically stays FDA approval of the generic company's ANDA until December 6, 2025, or until an adverse court decision, if any, whichever may occur earlier. The parties are awaiting the scheduling of a trial.

Amitiza

In September 2023, Sawai Pharmaceutical Co. ("Sawai") filed challenges with the Japanese Patent Office ("JPO") asserting invalidity of patent term extensions for the JPP '4332353 patent (the '353 patent) relevant to Amitiza®, which the Company commercializes in Japan as a licensee of the relevant patents, including the '353 patent. Towa Pharmaceutical Co. Ltd. also filed a challenge to the '353 patent term extension in January 2024. Separately, in December 2023, Sawai filed an invalidity action with the JPO against the '353 patent itself. With the granted extensions, the '353 patent has expiration dates for the Company's 24µg and 12µg strengths of April 2025 and April 2027, respectively. In April 2025, the JPO upheld the validity of the '353 patent. The challenges to the '353 patent term extension remain pending.

Beginning in April 2024, Sawai filed challenges with the JPO with respect to the 12µg strength, asserting invalidity of patent term extensions of five additional patents expiring in October 2025, September 2026, August 2027, November 2027, and December 2028, and challenged the validity of the August 2027 patent itself.

Ryzumvi

In February 2025, a generic company notified the Company that it had filed an ANDA with the FDA seeking approval to market a generic version of Ryzumvi® with associated Paragraph IV certifications. The generic company asserts the invalidity and/or non-infringement of Orange Book listed patents that have an expiration date of January 31, 2034, and October 25, 2039. In March 2025, the Company brought a patent infringement action against the generic filer in the U.S. District Court for the District of New Jersey. This lawsuit automatically stays FDA approval of the generic company's ANDA until August 3, 2027, or until an adverse court decision, if any, whichever may occur earlier.

Other Litigation

The Company is involved in various other legal proceedings including commercial, contractual, employment, or other similar matters that are considered normal to its business. The Company has approximately $7 million accrued related to these various other legal proceedings at March 31, 2025.

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

The following discussion and analysis addresses material changes in the financial condition and results of operations of Viatris Inc. and subsidiaries for the periods presented. Unless context requires otherwise, the "Company," "Viatris," "our" or "we" refer to Viatris Inc. and its subsidiaries.

This discussion and analysis should be read in conjunction with the Consolidated Financial Statements, the related Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Viatris' 2024 Form 10-K, the unaudited interim financial statements and related Notes included in Part I — Item 1 of this Form 10-Q and our other SEC filings and public disclosures. The interim results of operations and comprehensive loss for the three months ended March 31, 2025, and cash flows for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period.

This Form 10-Q contains "forward-looking statements". These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements about the goals or outlooks with respect to the Company's strategic initiatives and priorities, including but not limited to divestitures, acquisitions, strategic alliances, collaborations, or other potential transactions; the benefits and synergies of such divestitures, acquisitions, strategic alliances, collaborations, or other transactions, or restructuring programs; future opportunities for the Company and its products; and any other statements regarding the Company's future operations, financial or operating results, capital allocation, dividend policy and payments, share repurchases, debt ratio and covenants, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competitions, commitments, confidence in future results, efforts to create, enhance or otherwise unlock value, and other expectations and targets for future periods. Forward-looking statements may often be identified by the use of words such as "will", "may", "could", "should", "would", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "pipeline", "intend", "continue", "target", "seek" and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to:

- the possibility that the Company may not realize the intended benefits of, or achieve the intended goals or outlooks with respect to, its strategic initiatives and priorities (including divestitures, acquisitions, strategic alliances, collaborations, or other potential transactions) or accelerate its growth by building on the strength of its base business with an expanding portfolio of innovative, best-in-class, patent-protected assets;
- the possibility that the Company may be unable to achieve intended or expected benefits, goals, outlooks, synergies, growth opportunities and operating efficiencies in connection with divestitures, acquisitions, strategic alliances, collaborations, or other transactions, or restructuring programs, within the expected timeframes or at all;
- the ongoing risks and uncertainties associated with our recent divestitures;
- goodwill or impairment charges or other losses;
- the Company's failure to achieve expected or targeted future financial and operating performance and results;
- the potential impact of natural or man-made disasters, public health outbreaks, epidemics, pandemics or social disruption in regions where we or our partners or suppliers operate;
- actions and decisions of healthcare and pharmaceutical regulators;
- changes in relevant laws, regulations and policies and/or the application or implementation thereof, including but not limited to tax, healthcare and pharmaceutical laws, regulations and policies globally;
- the ability to attract, motivate and retain key personnel;
- the Company's liquidity, capital resources and ability to obtain financing;
- any regulatory, legal or other impediments to the Company's ability to bring new products to market, including but not limited to "at-risk launches";
- products in development that receive regulatory approval may not achieve expected levels of market acceptance, efficacy or safety;
- longer review, response and approval times as a result of evolving regulatory priorities and reductions in personnel at health agencies;
- success of clinical trials and the Company's or its partners' ability to execute on new product opportunities and develop, manufacture and commercialize products;
- any changes in or difficulties with the Company's manufacturing facilities, including with respect to inspections, remediation and restructuring activities, supply chain or inventory or the ability to meet anticipated demand;
- the scope, timing and outcome of any ongoing legal proceedings, including government inquiries or investigations, and the impact of any such proceedings on the Company;
- any significant breach of data security or data privacy or disruptions to our IT systems;
- risks associated with having significant operations globally;
- the ability to protect intellectual property and preserve intellectual property rights;

- changes in third-party relationships;
- the effect of any changes in the Company's or its partners' customer and supplier relationships and customer purchasing patterns, including customer loss and business disruption being greater than expected following an adverse regulatory action, acquisition or divestiture;
- the impacts of competition, including decreases in sales or revenues as a result of the loss of market exclusivity for certain products;
- changes in the economic and financial conditions of the Company or its partners;
- uncertainties regarding future demand, pricing and reimbursement for the Company's products;
- uncertainties and matters beyond the control of management, including but not limited to general political and economic conditions, potential for adverse impacts from future tariffs and trade restrictions, inflation rates and global exchange rates; and
- inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with U.S. GAAP and related standards or on an adjusted basis.

For more detailed information on the risks and uncertainties associated with Viatris, see the risks described in Part I, Item 1A in the 2024 Form 10-K, and our other filings with the SEC. You can access Viatris' filings with the SEC through the SEC website at www.sec.gov or through our website, and Viatris strongly encourages you to do so. Viatris routinely posts information that may be important to investors on our website at investor.viatris.com, and we use this website address as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC's Regulation Fair Disclosure (Reg FD). The contents of our website are not incorporated by reference in this Form 10-Q and shall not be deemed "filed" under the Securities Exchange Act of 1934, as amended. Viatris undertakes no obligation to update any statements herein for revisions or changes after the filing date of this Form 10-Q other than as required by law.

Company Overview

Viatris is a global healthcare company whose breadth and scale we believe make it uniquely positioned to address healthcare needs globally. With a mission to empower people worldwide to live healthier at every stage of life, Viatris supplies high-quality medicines to approximately 1 billion patients around the world each year. The Company has a global footprint, an extensive portfolio of medicines that is well-diversified across therapeutic areas, a one-of-a-kind global supply chain designed to reach more people when and where they need them, and the scientific expertise to address some of the world's most enduring health challenges.

Viatris' executive management team is focused on ensuring that the Company is optimally structured and efficiently resourced to deliver sustainable value to patients, shareholders, customers and other key stakeholders. The Company operates in more than 165 countries and territories with approximately 32,000 employees. The Company has 26 manufacturing and packaging sites worldwide, more than 1,400 approved molecules, and industry leading commercial, R&D, regulatory, manufacturing, legal and medical expertise. Viatris' portfolio consists of generics (including complex products), globally recognized iconic brands, and an expanding portfolio of innovative medicines. Viatris is headquartered in the U.S., with global centers in Pittsburgh, Pennsylvania, Shanghai, China and Hyderabad, India.

Viatris has four reportable segments: Developed Markets, Greater China, JANZ, and Emerging Markets. The Company reports segment information on the basis of markets and geography, which reflects its focus on bringing its large and diversified portfolio of branded and generic products, including complex products, to people in markets everywhere. Our Developed Markets segment comprises our operations primarily in North America and Europe. Our Greater China segment includes our operations in mainland China, Taiwan and Hong Kong. Our JANZ segment consists of our operations in Japan, Australia and New Zealand. Our Emerging Markets segment encompasses our presence in more than 125 countries with developing markets and emerging economies including in Asia, Africa, Eastern Europe, Latin America and the Middle East as well as the Company's ARV franchise.

Certain Market and Industry Factors

The global pharmaceutical industry is a highly competitive and highly regulated industry. As a result, we face a number of industry-specific factors and challenges, which can significantly impact our results. The following discussion highlights some of these key factors and market conditions.

The process of obtaining regulatory approval to manufacture and market new branded and generic pharmaceutical products is rigorous, time consuming, costly, and inherently unpredictable. Complex products are more difficult, costly and time-consuming to receive regulatory approval for and bring to market. Any delay in regulatory approval could impact the

commercial or financial success of a product. Regulatory approval, if and when obtained, may be limited in scope. Even if regulatory approvals for new products are obtained, the success of those products is dependent upon market acceptance.

Generic products, particularly in the U.S., generally contribute most significantly to revenues and gross margins at the time of their launch, and even more so in periods of market exclusivity, or in periods of limited generic competition. As such, the timing of new product introductions can have a significant impact on the Company's financial results. The entrance into the market of additional competition generally has a negative impact on the volume and pricing of the affected products. Additionally, pricing is often affected by factors outside of the Company's control. Conversely, generic products generally experience less volatility over a longer period of time in Europe as compared to the U.S., primarily due to the role of government oversight of healthcare systems in the region. In addition, U.S. governmental agencies provide funding for certain products in our Emerging Markets region. We expect that any reduction in that funding will have a negative impact on our financial condition, results of operations or cash flows.

For branded products, the majority of the product's commercial value is usually realized during the period in which the product has market exclusivity. In the U.S. and some other countries, when market exclusivity expires and generic versions of a product are approved and marketed, there can often be very substantial and rapid declines in the branded product's sales. For example, we expect generic entry for Amitiza® 24 µg to occur in Japan in December 2025 upon expiration of patent exclusivity.

Certain markets in which we do business outside of the U.S. have undergone government-imposed price reductions, and further government-imposed price reductions are expected in the future. Such measures, along with the tender systems discussed below, are likely to have a negative impact on sales and gross profit in these markets. However, government initiatives in certain markets that appear to favor generic products could help to mitigate this unfavorable effect by increasing rates of generic substitution and penetration.

Additionally, a number of markets in which we operate outside of the U.S. have implemented, or may implement, tender systems for generic pharmaceuticals in an effort to lower prices. Generally speaking, tender systems can have an unfavorable impact on sales and profitability. Under such tender systems, manufacturers submit bids that establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive priority placement for a period of time. The tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. Sales continue to be negatively affected by the impact of tender systems in certain countries.

In addition to the impact of competition, government pricing actions and other measures designed to reduce healthcare costs, our results of operations, cash flows and financial condition could also be affected by other risks of doing business internationally, including the impact of inflation, elections, geopolitical events, including the ongoing conflicts in the Middle East and between Russia and Ukraine and related trade controls, sanctions, supply chain disruptions and staffing challenges and other economic considerations, longer review, response and approval times as a result of evolving regulatory priorities and reductions in personnel at health agencies, the potential for adverse impacts from future tariffs and trade restrictions, foreign currency exchange fluctuations, public health epidemics, changes in intellectual property legal protections and other regulatory changes.

Recent Developments

Goodwill Impairment

The Company reviews goodwill for impairment annually on April 1st or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. Since the end of February 2025, the Company has experienced a sharp and sustained decline in its share price and significantly increased uncertainty and volatility in the geopolitical and economic environments in which the Company operates. As a result of these factors, the Company determined that a triggering event had occurred for each of its reporting units and performed an interim goodwill impairment test as of March 31, 2025. When compared to the prior year annual goodwill impairment test completed on April 1, 2024, the recent significantly increased uncertainty and volatility in the geopolitical and economic environments in which the Company operates has increased the Company's business risks, including, but not limited to, the potential for continued or additional drug pricing reduction pressures, general uncertainty related to timing of responses and approvals from the FDA resulting from evolving regulatory priorities and associated changes to the operations of the agency, and the potential for adverse impacts from future tariffs and trade restrictions. The negative impact of any or all of these factors could be material. The recent significant increase in business risks and uncertainty have led to an increase in discount rate assumptions impacting all reporting units as

compared to the April 1, 2024 annual goodwill impairment test. For the three months ended March 31, 2025, the Company recorded a non-cash goodwill impairment charge of $2.9 billion as a result of the interim goodwill impairment test performed as of March 31, 2025.

Indore Manufacturing Facility

Following an inspection by the FDA at our oral finished dose manufacturing facility in Indore, India in 2024, the FDA has issued a warning letter, and an import alert related to this facility. The import alert affects 11 actively distributed products that will no longer be accepted into the U.S. until the warning letter is lifted. It makes exceptions, subject to certain conditions, for four products based on shortage concerns. Following discussions with the FDA, the Company does not expect additional product exceptions to be granted by the FDA.

Following the substance of FDA's original inspection observations, the Company immediately implemented a comprehensive remediation plan at the site. The necessary corrective and preventive actions are well underway, including but not limited to related personnel actions. Additionally, we have engaged independent third-party subject matter experts to support the remediation plan.

We have been in regular communication with FDA during this process and will continue to work to ensure that the FDA is satisfied with the steps we have taken to resolve all the points raised. Our responses to the warning letter and import alert were submitted within the required time periods.

While product continues to be shipped from the Indore facility to markets outside the U.S., as expected, we have also experienced a negative impact in other markets in the three months ended March 31, 2025, including the ARV business in Emerging Markets and select generic products in Europe.

We continue to anticipate negative impacts for the remainder of the year. The estimated negative impact to first quarter 2025 total revenues was approximately $140 million versus the first quarter of 2024, and we currently estimate the negative impact to 2025 total revenues to be approximately $500 million and to 2025 earnings from operations to be approximately $385 million.

We take very seriously our continued and comprehensive oversight of our entire manufacturing network. Patient safety remains our primary and unwavering focus. We will work closely with our customers to mitigate any possible supply disruptions and meet the needs of the patients we serve.

Acquisition of Idorsia Products

On March 15, 2024, the Company acquired exclusive global development and commercialization rights to two Phase 3 assets from Idorsia, as well as the potential to add additional innovative assets in the future. Under the terms of the original agreements, the development programs and certain personnel for selatogrel and cenerimod were transferred to Viatris from Idorsia in exchange for an upfront payment to Idorsia of $350 million, potential contingent milestone payments (including $300 million payable upon the achievement of certain development and regulatory milestones, and $2.1 billion payable upon the achievement of certain tiered sales milestones), as well as potential contingent tiered sales royalties. Viatris has worldwide commercialization rights for both selatogrel and cenerimod (which excluded, for cenerimod only, Japan, South Korea and certain countries in the Asia-Pacific region). A joint development committee was formed to oversee the development of the ongoing Phase 3 programs through regulatory approval. The agreements also provided Viatris a right of first refusal and a right of first negotiation for certain other assets in Idorsia's pipeline. Viatris and Idorsia are both contractually obligated to contribute to the development costs for both programs, which are expected to be incurred through 2026.

On February 25, 2025, in order to preserve the ongoing continuity of the development programs for selatogrel and cenerimod considering certain capital structuring steps announced by Idorsia to secure its ongoing operations, Viatris and Idorsia entered into a letter agreement to amend certain terms of the original agreements described above. Under the terms of the letter agreement, Viatris received additional territory rights in Japan, South Korea and certain other countries in the Asia-Pacific region for cenerimod, a $250 million reduction in contingent milestone payments, including $200 million of development milestones, and additional personnel to expedite transitioning the development programs to Viatris in exchange for Viatris assuming $100 million of Idorsia's obligation to contribute to development costs. In addition, the letter agreement provides for the replacement of the joint development committee with a transition committee to oversee the transition of both development programs to Viatris.

There are risks and uncertainties associated with the timely and successful completion of these programs, including but not limited to the high cost and uncertainty of conducting clinical trials (particularly with respect to new and/or complex or innovative drugs), obtaining approval by relevant regulatory bodies and our partner's financial condition. Refer to Note 4 *Acquisitions and Other Transactions* included in Part I, Item 1 of this Form 10-Q for more information.

Share Repurchase Program

On February 28, 2022, the Company announced that its Board of Directors had authorized a share repurchase program for the repurchase of up to $1.0 billion of the Company's shares of common stock. The Company subsequently announced that on February 26, 2024, its Board of Directors authorized a $1.0 billion increase to the Company's previously announced $1.0 billion share repurchase program. As a result, the Company's share repurchase program now authorizes the repurchase of up to $2.0 billion of the Company's shares of common stock. Such repurchases may be made from time-to-time at the Company's discretion and effected by any means, including but not limited to, open market repurchases, pursuant to plans in accordance with Rules 10b5-1 or 10b-18 under the Exchange Act, privately negotiated transactions (including accelerated stock repurchase programs) or any combination of such methods as the Company deems appropriate. The program does not have an expiration date. During the three months ended March 31, 2025 and 2024, the Company repurchased approximately 18.6 million shares of common stock at a cost of approximately $175.4 million, and approximately 19.2 million shares of common stock at a cost of approximately $250 million, respectively, under the program. As of March 31, 2025, the Company had repurchased a total of approximately 59.1 million shares of common stock at a cost of approximately $675.4 million under the program. Additionally, subsequent to March 31, 2025, the Company repurchased approximately 16.4 million shares of common stock at a cost of approximately $139.5 million, bringing the total to approximately 75.5 million shares of common stock at a cost of approximately $814.9 million under the program, in each case through and including May 7, 2025. The share repurchase program does not obligate the Company to acquire any particular amount of common stock.

Financial Summary

The table below is a summary of the Company's financial results for the three months ended March 31, 2025 compared to the prior year period:

	Three Months Ended March 31,		
(In millions, except per share amounts)	**2025**	**2024**	**Change**
Total revenues	$ 3,254.3	$ 3,663.4	$ (409.1)
Gross profit	1,161.2	1,504.0	(342.8)
(Loss) earnings from operations	(2,882.2)	203.9	(3,086.1)
Net (loss) earnings	(3,042.0)	113.9	(3,155.9)
Diluted (loss) earnings per share	$ (2.55)	$ 0.09	$ (2.64)

A detailed discussion of the Company's financial results can be found below in the section titled "Results of Operations." As part of this discussion, we also report sales performance using the non-GAAP financial measures of "constant currency" net sales and total revenues. These measures provide information on the change in net sales and total revenues assuming that foreign currency exchange rates had not changed between the prior and current period. The comparisons presented at constant currency rates reflect comparative local currency sales at the prior year's foreign exchange rates. We routinely evaluate our net sales and total revenues performance at constant currency so that sales results can be viewed without the impact of foreign currency exchange rates, thereby facilitating a period-to-period comparison of our operational activities, and believe that this presentation also provides useful information to investors for the same reason.

More information about non-GAAP measures used by the Company as part of this discussion, including adjusted cost of sales, adjusted gross margins, adjusted EBITDA, adjusted net earnings, and adjusted EPS (all of which are defined below) can be found in "Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations - Use of Non-GAAP Financial Measures.*"

Results of Operations

Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 2024

(In millions, except %s)	Three Months Ended March 31, 2025	2024	% Change	2025 Currency Impact [1]	2025 Constant Currency Revenues	Constant Currency % Change [2]
Net sales						
Developed Markets [3]	$ 1,891.7	$ 2,165.4	(13)%	$ 33.2	$ 1,924.9	(11)%
Greater China	555.5	543.9	2 %	12.0	567.5	4 %
JANZ	276.1	317.8	(13)%	12.3	288.4	(9)%
Emerging Markets [3]	519.9	626.4	(17)%	27.6	547.5	(13)%
Total net sales	$ 3,243.2	$ 3,653.5	(11)%	$ 85.1	$ 3,328.3	(9)%
Other revenues [4]	11.1	9.9	NM	0.1	11.2	NM
Consolidated total revenues [3][5]	$ 3,254.3	$ 3,663.4	(11)%	$ 85.2	$ 3,339.5	(9)%

[1] Currency impact is shown as unfavorable (favorable).

[2] The constant currency percentage change is derived by translating net sales or revenues for the current period at prior year comparative period exchange rates, and in doing so shows the percentage change from 2025 constant currency net sales or revenues to the corresponding amount in the prior year.

[3] Reductions were driven primarily by the inclusion of net sales in the prior year period related to divestitures that closed during 2024 and the Indore Impact.

[4] For the three months ended March 31, 2025, other revenues in Developed Markets, JANZ, and Emerging Markets were approximately $6.9 million, $1.0 million, and $3.2 million, respectively.

[5] Amounts exclude intersegment revenue which eliminates on a consolidated basis.

Total Revenues

For the three months ended March 31, 2025, Viatris reported total revenues of $3.25 billion, compared to $3.66 billion for the comparable prior year period, representing a decrease of $409.1 million, or 11%. Total revenues include both net sales and other revenues from third parties. Net sales for the three months ended March 31, 2025 were $3.24 billion, compared to $3.65 billion for the comparable prior year period, representing a decrease of $410.3 million, or 11%. Other revenues for the three months ended March 31, 2025 were $11.1 million, compared to $9.9 million for the comparable prior year period.

Net sales decreased by approximately $237.4 million or 6% due to the inclusion of net sales in the prior year period related to divestitures that closed during 2024. The decrease in net sales was also partially driven by the unfavorable impact of foreign currency translation of approximately $85.1 million, or 2%, primarily reflecting changes in the U.S. Dollar as compared to the currencies of subsidiaries in the EU, Japan, China, and countries in Emerging Markets. On a constant currency basis, net sales from the remaining business decreased by approximately $87.8 million, or 2%, for the three months ended March 31, 2025 compared to the prior year period. The decrease was the result of base business erosion of approximately $154.6 million, approximately $140 million of which relates to the Indore Impact. This decrease was partially offset by new product sales of approximately $66.8 million, primarily in Developed Markets. New product sales include new products launched in 2025 and the carryover impact of new products, including business development, launched within the last twelve months.

From time to time, a limited number of our products may represent a significant portion of our net sales, gross profit and net earnings. Generally, this is due to the timing of new product introductions, seasonality, and the amount, if any, of additional competition in the market. Our top ten products in terms of net sales, in the aggregate, represented approximately 38% and 34% for the three months ended March 31, 2025 and 2024, respectively.

Net sales are derived from our four reporting segments: Developed Markets, Greater China, JANZ, and Emerging Markets.

Developed Markets Segment

Net sales from Developed Markets decreased by $273.7 million or 13% for the three months ended March 31, 2025 when compared to the prior year period. Net sales decreased by approximately $179.7 million or 8% due to the inclusion of net sales in the prior year period related to divestitures that closed during 2024. The unfavorable impact of foreign currency translation was approximately $33.2 million or 2%. Constant currency net sales from the remaining business decreased by approximately $60.8 million or 3% when compared to the prior year period, driven primarily by lower net sales of certain existing products, including lenalidomide and everolimus in the U.S., as a result of the Indore Impact of approximately $80 million, partially offset by new product sales. Net sales within North America totaled approximately $800.9 million and net sales within Europe totaled approximately $1.09 billion.

Greater China Segment

Net sales from Greater China increased by $11.6 million or 2% for the three months ended March 31, 2025 when compared to the prior year period. The unfavorable impact of foreign currency translation was approximately $12.0 million, or 2%. Constant currency net sales increased by approximately $24.1 million or 4% when compared to the prior year period, driven by strong growth across multiple channels, including e-commerce, retail, and private hospitals. Divestitures did not have a significant impact on the net sales for the current year period.

JANZ Segment

Net sales from JANZ decreased by $41.7 million or 13% for the three months ended March 31, 2025 when compared to the prior year period. This decrease was partially driven by the unfavorable impact of foreign currency translation of approximately $12.3 million, or 4%. In addition, net sales decreased by approximately $9.7 million, or 3%, due to the inclusion of net sales in the prior year period related to divestitures that closed during 2024. Constant currency net sales from the remaining business decreased by approximately $19.7 million, or 6%, when compared to the prior year period, driven primarily by lower net sales of existing products in Japan as a result of government price reductions and additional competition, and by the Indore Impact of approximately $3.0 million.

Emerging Markets Segment

Net sales from Emerging Markets decreased by $106.5 million or 17% for the three months ended March 31, 2025 when compared to the prior year period. Net sales decreased by approximately $47.5 million, or 8%, due to the inclusion of net sales in the prior year period related to divestitures that closed during 2024. The decrease in net sales was also partially driven by the unfavorable impact of foreign currency translation of approximately $27.6 million, or 4%. Constant currency net sales from the remaining business decreased by $31.4 million, or 5% when compared to the prior year period, primarily driven by lower volumes in our ARV business, mainly as a result of the Indore Impact of approximately $57.0 million. These decreases were partially offset by new product sales in certain Latin American countries.

Cost of Sales and Gross Profit

Cost of sales decreased from $2.16 billion for the three months ended March 31, 2024 to $2.09 billion for the three months ended March 31, 2025. The decrease in cost of sales was largely driven by the impact of the decrease in net sales, including as a result of the divestitures that closed during 2024 and the Indore Impact.

Gross profit for the three months ended March 31, 2025 was $1.16 billion and gross margins were 36%. For the three months ended March 31, 2024, gross profit was $1.50 billion and gross margins were 41%. The changes in gross profit and gross margins are primarily related to the impact of the divestitures and the Indore Impact. Adjusted gross margins were approximately 56% for the three months ended March 31, 2025, compared to approximately 59% for the three months ended March 31, 2024.

A reconciliation between cost of sales, as reported under U.S. GAAP, and adjusted cost of sales and adjusted gross margin for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 is as follows:

	Three Months Ended March 31,	
(In millions, except %s)	2025	2024
U.S. GAAP cost of sales	$ 2,093.1	$ 2,159.4
Deduct:		
Purchase accounting amortization and other related items	(583.5)	(611.5)
Acquisition and divestiture-related costs	(12.2)	(6.3)
Restructuring related costs	(19.8)	(4.0)
Share-based compensation expense	(1.3)	(0.8)
Other special items	(41.6)	(28.2)
Adjusted cost of sales	$ 1,434.7	$ 1,508.6
Adjusted gross profit [(a)]	$ 1,819.6	$ 2,154.8
Adjusted gross margin [(a)]	56 %	59 %

[(a)] Adjusted gross profit is calculated as total revenues less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues.

Operating Expenses

Research and Development Expense

R&D expense for the three months ended March 31, 2025 was $222.0 million, compared to $199.7 million for the comparable prior year period, an increase of $22.3 million. This increase was primarily the result of higher expenses for the selatogrel and cenerimod development programs.

Acquired IPR&D

Acquired IPR&D expense for the three months ended March 31, 2025 was $10.0 million, compared to $6.1 million for the comparable prior year period, an increase of $3.9 million. The current period expense is related to an upfront licensing payment for rights to cenerimod in Japan, South Korea and certain countries in the Asia-Pacific region.

Selling, General and Administrative Expense

SG&A expense for the three months ended March 31, 2025 was $948.1 million, compared to $1.02 billion for the comparable prior year period, a decrease of $69.4 million. The decrease was primarily due to the impact of the divestitures, and lower acquisition and divestiture-related costs of approximately $48.7 million. These decreases were partially offset by higher restructuring-related costs of approximately $56.7 million.

Impairment of Goodwill

The Company performed an interim goodwill impairment test as of March 31, 2025, and in conjunction with the interim goodwill impairment test, the Company recorded a goodwill impairment charge of $2.94 billion during the first quarter of 2025. Refer to Note 10 *Goodwill and Intangible Assets* in Part I, Item 1 of this Form 10-Q for more information.

Litigation Settlements and Other Contingencies, Net

The following table includes the (gains)/losses recognized in litigation settlements and other contingencies, net during the three months ended March 31, 2025 and 2024, respectively:

	Three Months Ended March 31,	
(In millions)	2025	2024
Contingent consideration adjustment	$ (133.7)	$ 4.8
Litigation settlements, net	60.2	72.0
Total litigation settlements and other contingencies, net	$ (73.5)	$ 76.8

Refer to Note 4 *Acquisitions and Other Transactions* and Note 11 *Financial Instruments and Risk Management* included in Part I, Item 1 of this Form 10-Q for more information with respect to the contingent consideration adjustment.

Also refer to Note 17 *Litigation* included in Part I, Item 1 of this Form 10-Q for more information on litigation settlements, net.

Interest Expense

Interest expense for the three months ended March 31, 2025 totaled $115.5 million, compared to $138.4 million for the three months ended March 31, 2024, a decrease of $22.9 million. The decrease was primarily due to the impact of 2024 debt repayments.

Other Expense (Income), Net

Other expense (income), net includes gains and losses from divestitures of businesses, changes in the fair value of equity securities, extinguishment of debt, foreign exchange, expense (income) related to post-employment benefit plans, TSA income, and interest and dividend income. Other expense (income), net for the three months ended March 31, 2025 totaled $99.3 million of expense, compared to $139.1 million of income for the three months ended March 31, 2024, a decrease of $238.4 million.

The decrease in other income, net was primarily driven by: (1) a loss of $115.8 million recorded in the current year period as a result of changes in the fair value of the CCPS in Biocon Biologics, compared to a gain of $46.9 million in the prior year period; (2) loss on divestitures of $36.9 million recorded in the current year period primarily due to an increase in estimated transaction related costs, including the assumption of additional contractual obligations, as well as the impact of working capital and other transaction-related adjustments, compared to a net gain of $70.4 million recorded in the prior year period primarily related to the divestiture of the women's healthcare business which closed in March 2024; and (3) lower interest income of $11.7 million.

Income Tax Provision

For the three months ended March 31, 2025, the Company recognized an income tax benefit of $55.0 million, compared to an income tax provision of $90.7 million for the comparable prior year period, a change of $145.7 million. The benefit in the current year period is primarily driven by the loss before income taxes, partially offset by the negative impact of the goodwill impairment charge, for which minimal tax benefit was realized, and a $17.7 million accrual related to the resolution of the previously disclosed Swedish tax matter. The current year and prior year provisions were also impacted by the levels of income and the changing mix at which it is earned in jurisdictions with differing tax rates.

Use of Non-GAAP Financial Measures

Whenever the Company uses non-GAAP financial measures, we provide a reconciliation of the non-GAAP financial measures to their most directly comparable U.S. GAAP financial measure. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliation of non-GAAP measures to their most directly comparable U.S. GAAP measure and should consider non-GAAP measures only as a supplement to, not as a substitute for or as a superior measure to, measures of financial performance prepared in accordance with U.S. GAAP. Additionally, since these are not measures determined in accordance with U.S. GAAP, non-GAAP financial measures have no standardized meaning across companies, or as prescribed by U.S. GAAP and, therefore, may not be comparable to the calculation of similar measures or measures with the same title used by other companies.

Management uses these measures internally for forecasting, budgeting, measuring its operating performance, and incentive-based awards. Primarily due to acquisitions, divestitures and other significant events which may impact comparability of our periodic operating results, we believe that an evaluation of our ongoing operations (and comparisons of our current operations with historical and future operations) would be difficult if the disclosure of our financial results was limited to financial measures prepared only in accordance with U.S. GAAP. We believe that non-GAAP financial measures are useful supplemental information for our investors and when considered together with our U.S. GAAP financial measures and the reconciliation to the most directly comparable U.S. GAAP financial measure, provide a more complete understanding of the factors and trends affecting our operations. The financial performance of the Company is measured by senior management, in part, using adjusted metrics as described below, along with other performance metrics. The Company's use of such non-GAAP measures is governed by an adjusted reporting policy maintained by the Company and such non-GAAP measures are reviewed in detail with the Audit Committee of the Board of Directors.

Adjusted Cost of Sales and Adjusted Gross Margin

We use the non-GAAP financial measure "adjusted cost of sales" and the corresponding non-GAAP financial measure "adjusted gross margin." The principal items excluded from adjusted cost of sales include restructuring, acquisition and divestiture-related costs, and other special items, purchase accounting amortization and other related items, and share-based compensation expense, which are described in greater detail below.

Adjusted Net Earnings and Adjusted EPS

Adjusted net earnings and adjusted net earnings per diluted share ("adjusted EPS") are non-GAAP financial measures and provide an alternative view of performance used by management. Management believes that, primarily due to acquisitions, divestitures and other significant events, an evaluation of the Company's ongoing operations (and comparisons of its current operations with historical and future operations) would be difficult if the disclosure of its financial results were limited to financial measures prepared only in accordance with U.S. GAAP. Management believes that adjusted net earnings and adjusted EPS are important internal financial metrics related to the ongoing operating performance of the Company, and are therefore useful to investors and that their understanding of our performance is enhanced by these measures. Actual internal and forecasted operating results and annual budgets used by management include adjusted net earnings and adjusted EPS.

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are non-GAAP financial measures that the Company believes are appropriate to provide additional information to investors to demonstrate the Company's ability to comply with financial debt covenants and assess the Company's ability to incur additional indebtedness. The Company also believes that adjusted EBITDA better focuses management on the Company's underlying operational results and true business performance and is used, in part, for management's incentive compensation. We calculate EBITDA as U.S. GAAP net earnings (loss) adjusted for income tax provision (benefit), interest expense and depreciation and amortization. EBITDA is further adjusted for share-based compensation expense, litigation settlements and other contingencies, net, gain (loss) on divestitures of businesses, impairment of long-lived assets and goodwill, restructuring, acquisition and divestiture-related and other special items to determine adjusted EBITDA. These adjustments are generally permitted under our credit agreement in calculating adjusted EBITDA for determining compliance with our debt covenants.

The significant items excluded from adjusted cost of sales, adjusted EBITDA, adjusted net earnings, and adjusted EPS include:

Purchase Accounting Amortization and Other Related Items

The ongoing impact of certain amounts recorded in connection with acquisitions of both businesses and assets is excluded from adjusted cost of sales, adjusted EBITDA, adjusted net earnings, and adjusted EPS. These amounts include the amortization of intangible assets, inventory step-up, property, plant and equipment step-up, intangible asset impairment charges, including for IPR&D, and impairment of goodwill. For the acquisition of businesses accounted for under the provisions of *ASC 805, Business Combinations*, these purchase accounting impacts are excluded regardless of the financing method used for the acquisitions, including the use of cash, long-term debt, the issuance of common stock, contingent consideration or any combination thereof.

Fair Value Adjustments, Including Contingent Consideration

The impact of changes to the fair value of assets and liabilities, including contingent and deferred consideration and non-marketable equity investments, and the related accretion income or expense are excluded from adjusted EBITDA, adjusted net earnings, and adjusted EPS because they are not indicative of the Company's ongoing operations due to the variability of the amounts and the lack of predictability as to the occurrence and/or timing and management believes their exclusion is helpful to understanding the underlying, ongoing operational performance of the business.

Share-based Compensation Expense

Share-based compensation expense is excluded from adjusted cost of sales, adjusted EBITDA, adjusted net earnings, and adjusted EPS. Our share-based compensation programs have become increasingly weighted toward performance-based compensation, which leads to variability and to a lack of predictability as to the occurrence and/or timing of amounts incurred. As such, management believes the exclusion of such amounts on an ongoing basis is helpful to understanding the underlying operational performance of the business.

Restructuring, Acquisition and Divestiture-Related Costs and Other Special Items

Costs related to restructuring, acquisition and divestiture-related activities and other actions are excluded from adjusted cost of sales, adjusted EBITDA, adjusted net earnings, and adjusted EPS, as applicable. These amounts include items such as:

- Costs related to formal restructuring programs and actions, including costs associated with facilities to be closed or divested, employee separation costs, impairment charges, accelerated depreciation, incremental manufacturing variances, equipment relocation costs, decommissioning and other restructuring related costs;
- Certain acquisition and divestiture costs, including costs relating to integration and planning, advisory and legal fees, certain financing related costs, certain reimbursements related to the Company's obligation to reimburse Pfizer for certain financing and transaction related costs under the Business Combination Agreement and Separation and Distribution Agreement, certain other TSA related set-up and exit costs, and other business transformation and/or optimization initiatives, which are not part of a formal restructuring program, including employee separation and post-employment costs;
- Other costs, incurred from time to time, related to certain special events or activities that lead to gains or losses, including, but not limited to, incremental manufacturing variances, asset write-downs, including other-than-temporary impairments of investments in equity or debt instruments, or liability adjustments;
- Certain costs to further develop and optimize our global enterprise resource planning systems, operations and supply chain;
- Gains or losses from divestitures, including impairments of held for sale assets; and
- The impact of changes related to uncertain tax positions are excluded from adjusted net earnings and adjusted EPS. In addition, tax adjustments to adjusted earnings are recorded to present items on an after-tax basis consistent with the presentation of adjusted net earnings and adjusted EPS.

The Company has undertaken restructurings and other optimization initiatives of differing types, scope and amount during the covered periods and, therefore, these charges should not be considered non-recurring; however, management excludes these amounts from adjusted cost of sales, adjusted EBITDA, adjusted net earnings, and adjusted EPS because it believes it is helpful to understanding the underlying, ongoing operational performance of the business.

Litigation Settlements, Net

Charges and gains related to legal matters, such as those discussed in Note 17 *Litigation* included in Part I, Item 1 of this Form 10-Q are generally excluded from adjusted EBITDA, adjusted net earnings, and adjusted EPS. Normal, ongoing defense costs of the Company made in the normal course of our business are not excluded.

Reconciliation of U.S. GAAP Net (Loss) Earnings to Adjusted Net Earnings and U.S. GAAP EPS to Adjusted EPS

A reconciliation between net (loss) earnings and diluted EPS as reported under U.S. GAAP, and adjusted net earnings and adjusted EPS for the periods shown follows:

	Three Months Ended March 31,			
(In millions, except per share amounts)	2025		2024	
U.S. GAAP net (loss) earnings and U.S. GAAP diluted (loss) earnings per share	$ (3,042.0)	$ (2.55)	$ 113.9	$ 0.09
Purchase accounting amortization (primarily included in cost of sales)	583.5		611.7	
Impairment of goodwill [(a)]	2,936.8		—	
Litigation settlements and other contingencies, net	(73.5)		76.8	
Interest expense (primarily amortization of premiums and discounts on long term debt)	(9.2)		(11.2)	
Loss (gain) on divestitures of businesses (included in other expense (income), net) [(b)]	36.9		(70.4)	
Acquisition and divestiture-related costs (primarily included in SG&A) [(c)]	40.7		87.5	
Restructuring-related costs [(d)]	92.9		19.6	
Share-based compensation expense	55.2		46.7	
Other special items included in:				
Cost of sales [(e)]	41.6		28.2	
Research and development expense	0.7		2.4	
Selling, general and administrative expense	17.6		16.1	
Other expense (income), net [(f)]	101.4		(44.5)	
Tax effect of the above items and other income tax related items [(g)]	(182.3)		(64.1)	
Adjusted net earnings and adjusted EPS	$ 600.3	$ 0.50	$ 812.7	$ 0.67
Weighted average diluted shares outstanding	1,203.0		1,209.5	

Significant items include the following:

(a) For the three months ended March 31, 2025, includes a goodwill impairment charge of $2.94 billion as a result of the interim goodwill impairment test performed as of March 31, 2025.

(b) For the three months ended March 31, 2025, consists of pre-tax charges related to the divestitures primarily due to an increase in estimated transaction related costs, including the assumption of additional contractual obligations, as well as the impact of working capital and other transaction-related adjustments.

(c) Acquisition and divestiture-related costs consist primarily of transaction costs including legal and consulting fees and integration activities.

(d) For the three months ended March 31, 2025, charges include approximately $19.8 million in cost of sales, approximately $0.8 million in R&D, and approximately $72.3 million in SG&A.

(e) For the three months ended March 31, 2025, charges include incremental manufacturing variances at plants slated for sale or closure or undergoing remediation activities of approximately $31.7 million.

(f) For the three months ended March 31, 2025, includes a loss of approximately $115.8 million as a result of remeasuring the CCPS in Biocon Biologics to fair value.

(g) Adjusted for changes for uncertain tax positions.

Reconciliation of U.S. GAAP Net (Loss) Earnings to EBITDA and Adjusted EBITDA

Below is a reconciliation of U.S. GAAP net (loss) earnings to EBITDA and adjusted EBITDA for the three months ended March 31, 2025 compared to the prior year period:

	Three months ended March 31,	
(In millions)	**2025**	**2024**
U.S. GAAP net (loss) earnings	$ (3,042.0)	$ 113.9
Add / (deduct) adjustments:		
Income tax (benefit) provision	(55.0)	90.7
Interest expense [(a)]	115.5	138.4
Depreciation and amortization [(b)]	664.7	691.0
EBITDA	$ (2,316.8)	$ 1,034.0
Add / (deduct) adjustments:		
Share-based compensation expense	55.2	46.7
Litigation settlements and other contingencies, net	(73.5)	76.8
Loss (gain) on divestitures of businesses	36.9	(70.4)
Impairment of goodwill	2,936.8	—
Restructuring, acquisition and divestiture-related and other special items [(c)]	284.9	106.3
Adjusted EBITDA	$ 923.5	$ 1,193.4

[(a)] Includes amortization of premiums and discounts on long-term debt.

[(b)] Includes purchase accounting related amortization.

[(c)] See items detailed in the Reconciliation of U.S. GAAP Net (Loss) Earnings to Adjusted Net Earnings.

Liquidity and Capital Resources

Our primary source of liquidity is net cash provided by operating activities, which was $535.5 million for the three months ended March 31, 2025. We believe that net cash provided by operating activities and available liquidity will continue to allow us to meet our needs for working capital, capital expenditures, interest and principal payments on debt obligations, dividend payments, and share repurchases. Nevertheless, our ability to satisfy our working capital requirements and debt service obligations, and fund planned capital expenditures, share repurchases, or dividend payments, will substantially depend upon our future operating performance (which will be affected by prevailing economic conditions), and financial, business and other factors, some of which are beyond our control.

Operating Activities

Net cash provided by operating activities decreased by $79.1 million to $535.5 million for the three months ended March 31, 2025, as compared to net cash provided by operating activities of $614.6 million for the three months ended March 31, 2024. Net cash provided by operating activities is derived from net (loss) earnings adjusted for non-cash operating items, gains and losses attributed to investing and financing activities and changes in operating assets and liabilities resulting from timing differences between the receipts and payments of cash, including changes in cash primarily reflecting the timing of cash collections from customers, payments to vendors and employees and tax payments in the ordinary course of business.

The decrease in net cash provided by operating activities was principally due to lower operating earnings, including as a result of divestitures that closed in 2024, and the timing of cash payments and collections.

Investing Activities

Net cash used in investing activities was $65.1 million for the three months ended March 31, 2025, as compared to $154.3 million for the three months ended March 31, 2024, a decrease of $89.2 million.

In 2025, significant items in investing activities included the following:

- capital expenditures, primarily for equipment and facilities, totaling approximately $42.6 million. While there can be no assurance that current expectations will be realized, capital expenditures for the 2025 calendar year are expected to be approximately $300 million to $400 million.

In 2024, significant items in investing activities included the following:

- proceeds from the sale of assets and businesses of $240.6 million related to the divestiture of the women's healthcare business;
- cash paid for acquisitions, net of cash acquired, of $350.0 million; and
- capital expenditures, primarily for equipment and facilities, totaling approximately $49.8 million.

Financing Activities

Net cash used in financing activities was $467.0 million for the three months ended March 31, 2025, as compared to $425.6 million for the three months ended March 31, 2024, an increase of $41.4 million.

In 2025, significant items in financing activities included the following:

- share repurchases of $175.4 million;
- cash dividends paid of $143.3 million; and
- net cash of $108.7 million paid on behalf of other partners, which is included in Other items, net.

In 2024, significant items in financing activities included the following:

- share repurchases of $250.0 million;
- cash dividends paid of $142.8 million; and
- net cash of $6.3 million collected on behalf of other partners, including Biocon Biologics, which is included in Other items, net.

Capital Resources

Our cash and cash equivalents totaled $755.0 million at March 31, 2025. The majority of our cash is invested in U.S. government money market funds and in bank deposits. In order to support our global operations, we maintain significant cash and cash equivalents within the banking system with the majority of this at Global Systemically Important Banks. We monitor the third-party depository institutions that hold our cash and cash equivalents on a regular basis. Our primary emphasis is on the safety of the principal. Where possible, we diversify our cash and cash equivalents among counterparties to minimize exposure to any one counterparty. The Company anticipates having sufficient liquidity, including existing borrowing capacity under the 2024 Revolving Facility, Commercial Paper Program, and Receivables Facility combined with cash to be generated from operations, to fund foreseeable cash needs without requiring the repatriation of non-U.S. cash. Should we determine the need to repatriate or convert cash held in countries that have significant restrictions or controls in place, including in China, we may be unable to repatriate or convert such cash, or be unable to do so without incurring substantial costs.

The Company has access to $3.5 billion under the 2024 Revolving Facility which matures in September 2029. Up to $1.65 billion of the 2024 Revolving Facility may be used to support borrowings under our Commercial Paper Program. As of March 31, 2025, the Company did not have any borrowings outstanding under the Commercial Paper Program or the 2024 Revolving Facility.

The Company has a $400 million Receivables Facility which now expires in May 2025 and currently expects to enter into a similar facility prior to expiration. As of March 31, 2025, the Company did not have any borrowings outstanding under the Receivables Facility.

Under the terms of the Receivables Facility, certain of our accounts receivable secure the amounts borrowed and cannot be used to pay our other debts or liabilities. The amount that we may borrow at a given point in time is determined based on the amount of qualifying accounts receivable that are present at such point in time. Borrowings outstanding under the

Receivables Facility bear interest at the applicable base rate plus 0.775% and are included as a component of short-term borrowings, while the accounts receivable securing these obligations remain as a component of accounts receivable, net, in our condensed consolidated balance sheets. In addition, the agreement governing the Receivables Facility contains various customary affirmative and negative covenants, and customary default and termination provisions.

We have entered into accounts receivable factoring agreements with financial institutions to sell certain of our non-U.S. accounts receivable. These transactions are accounted for as sales and result in a reduction in accounts receivable because the agreements transfer effective control over and risk related to the receivables to the buyers. Our factoring agreements do not allow for recourse in the event of uncollectibility, and we do not retain any interest in the underlying accounts receivable once sold. We derecognized $92.2 million and $68.5 million of accounts receivable as of March 31, 2025 and December 31, 2024, respectively, under these factoring arrangements. Additionally, in 2023, we entered into a similar arrangement for certain European countries. As of March 31, 2025 and December 31, 2024, we assigned and derecognized approximately $21.5 million and $29.9 million, respectively, of *Trade Receivables, Net*, which were included in *Other Receivables*.

We are continuously evaluating the potential acquisition of products, as well as companies, as a strategic part of our future growth. Consequently, we may utilize current cash reserves or incur additional indebtedness to finance any such acquisitions, which could impact future liquidity. Also, on an ongoing basis, we review our operations, including the evaluation of potential divestitures of products and businesses, as part of our future strategy. Any divestitures could impact future liquidity. In addition, we plan to continue to explore various other ways to unlock the value of the Company's unique global platform in order to create shareholder value.

For information regarding our dividends paid and declared and share repurchase program, refer to Note 9 *(Loss) Earnings per Share* included in Part I, Item 1 of this Form 10-Q.

Long-term Debt Maturity

For information regarding our debt agreements and mandatory minimum repayments remaining on the outstanding notional amount of long-term debt at March 31, 2025, refer to Note 12 *Debt* included in Part I, Item 1 of this Form 10-Q.

The YEN Term Loan Facility and the 2024 Revolving Facility contain customary affirmative covenants for facilities of this type, including among others, covenants pertaining to the delivery of financial statements, notices of default and certain material events, maintenance of corporate existence and rights, property, and insurance and compliance with laws, as well as customary negative covenants for facilities of this type, including a financial covenant, which set the Maximum Leverage Ratio as of the end of any quarter at 3.75 to 1.00, except in circumstances as defined in the related credit agreement, and other limitations on the incurrence of subsidiary indebtedness, liens, mergers and certain other fundamental changes, investments and loans, acquisitions, transactions with affiliates, payments of dividends and other restricted payments and changes in our lines of business.

The Company is in compliance with its covenants at March 31, 2025 and expects to remain in compliance for the next twelve months.

We and our subsidiaries and affiliates may from time to time, in our sole discretion, purchase, repay, redeem or retire any of our outstanding debt securities (including any publicly-issued debt securities) in privately negotiated or open market transactions, by tender offer or otherwise, or extend or refinance any of our outstanding indebtedness. Refer to Note 12 *Debt* included in Part I, Item 1 of this Form 10-Q for more information.

Supplemental Guarantor Financial Information

Viatris Inc. is the issuer of the Registered Upjohn Notes, which are fully and unconditionally guaranteed on a senior unsecured basis by Mylan Inc., Mylan II B.V. and Utah Acquisition Sub Inc.

Following the Combination, Utah Acquisition Sub Inc. is the issuer of the Utah U.S. Dollar Notes, which are fully and unconditionally guaranteed on a senior unsecured basis by Mylan Inc., Viatris Inc. and Mylan II B.V.

Mylan Inc. is the issuer of the Mylan Inc. U.S. Dollar Notes, which are fully and unconditionally guaranteed on a senior unsecured basis by Mylan II B.V., Viatris Inc. and Utah Acquisition Sub Inc.

The respective obligations of Viatris Inc., Mylan Inc., Utah Acquisition Sub Inc., and Mylan II B.V. as guarantors of the applicable series of Senior U.S. Dollar Notes are senior unsecured obligations of the applicable guarantor and rank *pari passu* in right of payment with all of such guarantor's existing and future senior unsecured obligations that are not expressly subordinated to such guarantor's guarantee of the applicable series of Senior U.S. Dollar Notes, rank senior in right of payment to any future obligations of such guarantor that are expressly subordinated to such guarantor's guarantee of the applicable series of Senior U.S. Dollar Notes, and are effectively subordinated to such guarantor's existing and future secured obligations to the extent of the value of the collateral securing such obligations. Such obligations are structurally subordinated to all of the existing and future liabilities, including trade payables, of the existing and future subsidiaries of such guarantor that do not guarantee the applicable series of Senior U.S. Dollar Notes.

The guarantees by Mylan Inc., Mylan II B.V. and Utah Acquisition Sub Inc. under the applicable series of Senior U.S. Dollar Notes will terminate under certain customary circumstances, each as described in the applicable indenture, including: (1) a sale or disposition of the applicable guarantor in a transaction that complies with the applicable indenture such that such guarantor ceases to be a subsidiary of the issuer of the applicable series of Senior U.S. Dollar Notes; (2) legal defeasance or covenant defeasance or if the issuer's obligations under the applicable indenture are discharged; (3) with respect to the Utah U.S. Dollar Notes, the earlier to occur of (i) with respect to the guarantee provided by Mylan Inc., (x) the release of Utah Acquisition Sub Inc.'s guarantee under all applicable Mylan Inc. Debt (as defined in the applicable indenture) and (y) Mylan Inc. no longer having any obligations in respect of any Mylan Inc. Debt and (ii) with respect to the guarantee provided by Mylan II B.V., (x) the release of Mylan II B.V.'s guarantee under all applicable Triggering Indebtedness (as defined in the applicable indenture) and (y) the issuer and/or borrower of the applicable Triggering Indebtedness no longer having any obligations with respect to such Triggering Indebtedness; (4) with respect to the guarantees provided by Utah Acquisition Sub Inc. and Mylan II B.V. of the Mylan Inc. U.S. Dollar Notes, subject to certain exceptions set forth in the applicable indenture, such guarantor ceasing to be a guarantor or obligor in respect of any Triggering Indebtedness; and (5) with respect to the Registered Upjohn Notes, (a) upon the applicable guarantor no longer being an issuer or guarantor in respect of (i) Mylan Notes (as defined in the indenture governing the Registered Upjohn Notes) that have an aggregate principal amount in excess of $500.0 million or (ii) any Triggering Indebtedness; in each case, other than in respect of indebtedness or guarantees, as applicable, that are being concurrently released; or (b) upon receipt of the consent of holders of a majority of the aggregate principal amount of the outstanding notes of such series in accordance with the indenture governing the Registered Upjohn Notes.

The guarantee obligations of Viatris Inc., Mylan Inc., Utah Acquisition Sub Inc., and Mylan II B.V. under the Senior U.S. Dollar Notes are subject to certain limitations and terms similar to those applicable to other guarantees of similar instruments, including that (i) the guarantees are subject to fraudulent transfer and conveyance laws and (ii) each guarantee is limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable guarantor without rendering the guarantee, as it relates to such guarantor, voidable under applicable fraudulent transfer and conveyance laws or similar laws affecting the rights of creditors generally.

The following table presents unaudited summarized financial information of Viatris Inc., Mylan Inc., Utah Acquisition Sub Inc., and Mylan II B.V. on a combined basis as of and for the three months ended March 31, 2025 and as of and for the year ended December 31, 2024. All intercompany balances have been eliminated in consolidation. This unaudited combined summarized financial information is presented utilizing the equity method of accounting.

	Combined Summarized Balance Sheet Information of Viatris Inc., Mylan Inc., Utah Acquisition Sub Inc. and Mylan II B.V.	
(In millions)	**March 31, 2025**	**December 31, 2024**
ASSETS		
Current assets	$ 455.5	$ 786.7
Non-current assets	58,304.4	61,424.7
LIABILITIES AND EQUITY		
Current liabilities	30,319.7	30,796.9
Non-current liabilities	12,789.8	12,779.0

(In millions)	Combined Summarized Income Statement Information of Viatris Inc., Mylan Inc., Utah Acquisition Sub Inc. and Mylan II B.V.	
	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Revenues	$ —	$ —
Gross profit	—	—
Loss from operations	(268.4)	(1,206.6)
Net loss	(3,042.0)	(634.2)

Other Commitments

The Company is involved in various disputes, governmental and/or regulatory inquiries, investigations and proceedings, tax proceedings and litigation matters, both in the U.S. and abroad, that arise from time to time, some of which could result in losses, including damages, fines and/or civil penalties, and/or criminal charges against the Company. These matters are often complex and have outcomes that are difficult to predict. We have approximately $443.2 million accrued for legal contingencies at March 31, 2025.

While the Company believes that it has meritorious defenses with respect to the claims asserted against it and the assumed legal matters referenced above, and intends to vigorously defend its position, the process of resolving these matters is inherently uncertain and may develop over a long period of time, and so it is not possible to predict the ultimate resolution of any such matter. It is possible that an unfavorable resolution of any of the ongoing matters could have a material effect on the Company's business, financial condition, results of operations, cash flows, ability to pay dividends or repurchase shares, and/or stock price.

In connection with the divestitures, Viatris and the respective buyers entered into transition services and/or manufacturing and supply agreements pursuant to which the Company is providing services to the respective purchasers, substantially the same as we previously provided to the related businesses, generally for a period of up to 12 months for transition services and for periods between one to 10 years for manufacturing and supply agreements, depending on the geographic market and the products subject to such agreement, subject to potential extensions in certain circumstances. In addition, in connection with the OTC Transaction and the divestiture of our women's healthcare business, we entered into distribution agreements for certain markets for a limited period of time. In connection with the API business divestiture, we entered into a manufacturing and supply agreement pursuant to which we are purchasing a significant amount of API from the purchaser in that transaction. Some of these agreements include various ongoing financial obligations.

Application of Critical Accounting Policies

The Company reviews goodwill for impairment annually on April 1st or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. Since the end of February 2025, the Company has experienced a sharp and sustained decline in its share price and significantly increased uncertainty and volatility in the geopolitical and economic environments in which the Company operates. As a result of these factors, the Company determined that a triggering event had occurred for each of its reporting units and performed an interim goodwill impairment test as of March 31, 2025.

The Company performed its interim goodwill impairment test on a quantitative basis for its five reporting units, North America, Europe, Emerging Markets, JANZ, and Greater China. In estimating each reporting unit's fair value, the Company performed an extensive valuation analysis, utilizing a discounted cash flow approach. The determination of the fair value of the reporting units requires the Company to make significant estimates and assumptions that affect the reporting unit's expected future cash flows. These estimates and assumptions, utilizing Level 3 inputs, primarily include, but are not limited to, the discount rate, terminal growth rates, operating income before depreciation and amortization, capital expenditures forecasts and control premiums.

When compared to the prior year annual goodwill impairment test completed on April 1, 2024, the recent significantly increased uncertainty and volatility in the geopolitical and economic environments in which the Company operates has increased the Company's business risks, including, but not limited to, the potential for continued or additional drug pricing reduction pressures, general uncertainty related to timing of responses and approvals from the FDA resulting from evolving regulatory priorities and associated changes to the operations of the agency, and the potential for adverse impacts from future tariffs and trade restrictions. The negative impact of any or all of these factors could be material. The recent significant increase in business risks and uncertainty have led to an increase in discount rate assumptions impacting all reporting units as compared to the April 1, 2024 annual goodwill impairment test.

As of March 31, 2025 (prior to the impairment charges noted below), the allocation of the Company's total goodwill was as follows: North America $3.09 billion, Europe $3.92 billion, Emerging Markets $1.17 billion, JANZ $0.30 billion and Greater China $0.92 billion.

In conjunction with its March 31, 2025 interim goodwill impairment test, the Company recorded the following impairment charges:

(In millions)	North America	Europe	JANZ	Emerging Markets	Total
Impairment charge	$ 707.0	$ 1,554.0	$ 300.8	$ 375.0	$ 2,936.8

For the North America reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 3.1%. A terminal year value was calculated with a negative 3.0% revenue growth rate applied. The discount rate utilized was 12.5% and the estimated tax rate was 24.8%.

For the Europe reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 3.3%. A terminal year value was calculated with a 2.0% revenue growth rate applied. The discount rate utilized was 12.0% and the estimated tax rate was 15.8%.

For the Emerging Markets reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 3.5%. A terminal year value was calculated with a 2.0% revenue growth rate applied. The discount rate utilized was 14.5% and the estimated tax rate was 16.7%.

For the JANZ reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately negative 0.9%. A terminal year value was calculated with a 1.0% revenue growth rate applied. The discount rate utilized was 8.5% and the estimated tax rate was 30.2%. After the goodwill impairment charge recorded during the first quarter of 2025, there is no remaining goodwill allocated to the JANZ reporting unit.

Following the goodwill impairment charges recorded in these reporting units, since the carrying value of the reporting units is equal to their estimated fair value as of March 31, 2025, if market conditions or the projected results were to negatively change, it may be necessary to record further impairment charges to one or more of these reporting units in future periods. Any such future charges could be material.

For the Greater China reporting unit, the estimated fair value exceeded its carrying value by approximately $322.0 million or 5.8% for the March 31, 2025 interim goodwill impairment test. As it relates to the discounted cash flow approach for the Greater China reporting unit at March 31, 2025, the Company forecasted cash flows for the next 10 years. During the forecast period, the revenue compound annual growth rate was approximately 1.6%. A terminal year value was calculated with a negative 1.5% revenue growth rate applied. The discount rate utilized was 15.0% and the estimated tax rate was 24.7%. If all other assumptions are held constant, a reduction in the terminal value growth rate by 3.5% or an increase in discount rate by 1.0% would result in an impairment charge for the Greater China reporting unit.

Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. In addition, changes in underlying assumptions, especially as they relate to the key assumptions detailed, could have a significant impact on the fair value of the reporting units.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

For a discussion of the Company's market risk, see "Item 7A. Quantitative and Qualitative Disclosures about Market Risk" in Viatris' 2024 Form 10-K.

ITEM 4. *CONTROLS AND PROCEDURES*

An evaluation was performed under the supervision and with the participation of the Company's management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2025. Based upon that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Management has not identified any changes in the Company's internal control over financial reporting ("ICFR") that occurred during the first quarter of 2025 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

PART II — OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

For information regarding legal proceedings, refer to Note 17 *Litigation*, in the accompanying Notes to interim financial statements in this Form 10-Q.

ITEM 1A. *RISK FACTORS*

Except as set forth below, there have been no material changes in the Company's risk factors from those disclosed in Viatris' 2024 Form 10-K.

The imposition of tariffs on, or other trade restrictions or domestic sourcing requirements in, the territories and countries where we, our partners, suppliers, or customers do business, as well as any retaliatory actions with respect to such actions, could have a material adverse effect on our business, financial condition, results of operations, cash flows, ability to pay dividends or repurchase shares, and/or stock price.

The U.S. has recently imposed significant tariffs on imports from other countries, which have prompted retaliatory measures from several countries, which may further escalate, and impact our cost of doing business. While pharmaceutical products are currently excluded from the baseline and "reciprocal" tariffs imposed by the U.S., the current U.S. administration has expressed an intent to impose tariffs on pharmaceutical imports in the near future.

The imposition of adopted, new or proposed tariffs, trade restrictions or domestic sourcing requirements on pharmaceutical imports, including but not limited to products, ingredients, and inputs (such as API), could result in increased costs of goods and prices, disruptions to our supply chain, manufacturing delays, supply shortages, and adverse impacts to clinical trials. These measures could also result in decreased profit margins on certain of our products, particularly within our generics portfolio. Decreased or negative profit margins have in the past, and could in the future, make the production of certain of our products unsustainable, thereby reducing our net sales as well as access for patients. In addition, we may be restricted in our ability to adapt to these impacts and challenges due to, among other things, the terms of our current customer, supply or distribution agreements, or the need to obtain regulatory approval prior to making any changes to our manufacturing locations, processes or suppliers. Future tariffs, trade agreements, or domestic sourcing requirements, as well as potential exemptions, could also provide our competitors with an advantage.

The impact of any adopted, new or proposed tariffs, trade restrictions or domestic sourcing requirements on our business is subject to a number of factors that we cannot predict, including, but not limited to, the scope, nature, amount, effective date and duration of any such measures. Furthermore, general uncertainty related to adopted, new or potential tariffs, trade restrictions and domestic sourcing requirements has in the past reduced and could in the future further reduce global economic activity, thereby resulting in additional adverse impacts to us.

Any of the risks described above could have a material adverse effect on our business, financial condition, results of operations, cash flows, ability to pay dividends or repurchase shares, and/or stock price.

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

Viatris Inc.
Issuer purchases of equity securities

Period	Total Number of Shares Purchased [a] [b]	Average Price Paid per Share [c]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [a] [b]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [a]
January 1 - January 31, 2025	—	$ —	—	$ —
February 1 - February 28, 2025	—	—	—	—
March 1 - March 31, 2025	18,607,602	9.43	18,607,602	1,324,630,514
Total	18,607,602	$ —	18,607,602	$ 1,324,630,514

[a] Refer to Part I, Item 2. *Management's Discussion and Analysis of Financial Condition - Results of Operations – Recent Developments* of this Form 10-Q for additional information regarding the Company's authorized share repurchase program. During the three months ended March 31, 2025, the Company repurchased approximately 18.6 million shares of common stock at a cost of approximately $175.4 million under this program.

[b] The number of shares purchased is based on the purchase date and not the settlement date.

[c] Average price per share includes commissions.

ITEM 5. *OTHER INFORMATION*

Trading Arrangements

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

ITEM 6. *EXHIBITS*

10.1	Offer Letter with Corinne Le Goff, dated February 16, 2024.*
22	List of subsidiary guarantors and issuers of guaranteed securities, filed by Viatris Inc. as Exhibit 22 to Form 10-K for the fiscal year ended December 31, 2024, and incorporated herein by reference.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

*Denotes management contract or compensatory plan or arrangement.

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.

Viatris Inc.

By: /s/ SCOTT A. SMITH

Scott A. Smith
Chief Executive Officer
(Principal Executive Officer)

May 8, 2025

/s/ THEODORA MISTRAS

Theodora Mistras
Chief Financial Officer
(Principal Financial Officer)

May 8, 2025

Exhibit 10.1

[Viatris Letterhead]

February 16, 2024

Dear Corinne:

On behalf of Viatris Inc. (the "Company "), I am pleased to confirm the terms of employment offered by the Company in connection with your role as Chief Commercial Officer of the Company effective as of March 1, 2024, (the "Effective Date ").

1. Position. Your position shall be Chief Commercial Officer, and you shall devote your full business time and attention to such position. You shall report to the Chief Executive Officer (the "CEO") and you shall perform such duties as requested by the CEO.

2. Work Location. Your working time will be spent at Company offices in New York, Pittsburgh and other locations. You will also be required to travel as dictated by business needs.

3. Base Salary. Your annual base salary shall be $875,000 ("Base Salary"), payable on the Company's standard payroll dates and subject to deductions and withholdings as required by applicable law.

4. Annual Incentive Bonus. Your target bonus opportunity shall be 100% of Base Salary and shall be prorated for 2024 to reflect a partial year of service (based on days). The terms and conditions of the annual incentive plan applicable to the Company' s officers, including the applicable performance goals, will be subject to the determination of the Board (or its applicable designee) each year.

5. Long-Term Incentive Awards. During your employment with the Company, you shall be eligible to receive annual grants of long-term incentive awards as determined by the Board (or its applicable designee). It is intended that the grant date value of such awards shall equal for 400% of Base Salary. The terms and conditions of the long-term incentive plan applicable to the Company's officers, including the applicable performance goals, the mix of long-term incentive vehicles and the timing of applicable grants, will be subject to the determination of the Board (or its applicable designee) each year.

6. Special Sign on One-Time Long-Term Incentive Award. At the time of hire, you shall be eligible to receive a one-time grant of restricted stock units (RSUs). It is intended that the grant date value of such award on hire date shall equal 100% of your Base Salary. The award will have a graded vesting schedule of 50% on the first anniversary of the award grant date and the remaining balance on the second anniversary of the award grant date.

7. Severance. In the event you are terminated by the Company without Cause following the commencement of your employment, you will be entitled to receive a severance payment equal to (i) the Severance Multiple multiplied by (ii) the sum of your Base Salary and target annual bonus in effect at the time of such termination. For purposes of this offer letter, the Severance Multiple means (x) one-half (0.5) in the event of a termination on or prior to March l, 2025 and one (1) thereafter. For the avoidance of doubt, you acknowledge and agree that upon any termination of your employment with the Company, you will be deemed to have immediately resigned from the Board and the board of directors (or equivalent) of any of the Company's affiliates or subsidiaries and from any officer positions with the Company and its affiliates or

subsidiaries. The severance hereunder, if applicable, will be paid to you in the form of installments over a period of months corresponding to the severance period, on the Company's normal payroll dates, beginning no later than 60 days after your termination date, subject to your execution and non-revocation of the customary Company release of claims agreement signed by similarly situated senior executive officers.

8. Benefits. During your employment with the Company, you shall be eligible to participate in all of the various employee benefit plans and programs which are made available to similarly situated officers of the Company, in accordance with the eligibility provisions and other terms and conditions of such plans and programs.

9. Miscellaneous. The Company may deduct and withhold from any amount payable under this offer letter such Federal, state, local, foreign or other taxes as are required to be withheld. The validity, interpretation, construction and performance of this offer letter will be governed by the laws of the Commonwealth of Pennsylvania (without giving effect to its conflicts of law).

This offer is also contingent upon execution by you of any applicable agreements relating to your employment with the Company (or an affiliate of the Company) (including any applicable confidentiality and/or restrictive covenant agreement), in each case, in a form consistent with such agreement to be entered into with similarly situated Company officers, which may be provided to you at a later date.

To confirm your acceptance of this offer, please sign and return the original to me.

Your passion and commitment give us every reason to believe that together we will set new standards in healthcare and provide access to high quality medicine for the world's 7 billion people.

Sincerely,

/s/ Andrew Enrietti
Andrew Enrietti
Chief Human Relations Officer

Accepted:
Signature: /s/ Corinne Le Goff
Date: February 19, 2024

Exhibit 31.1

Certification of Principal Executive Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Scott A. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viatris Inc.;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant'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 registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

/s/ SCOTT A. SMITH

Scott A. Smith
Chief Executive Officer
(Principal Executive Officer)

Date: May 8, 2025

Exhibit 31.2

Certification of Principal Financial Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Theodora Mistras, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viatris Inc.;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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 registrant 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant'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 registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

/s/ THEODORA MISTRAS

Theodora Mistras
Chief Financial Officer
(Principal Financial Officer)

Date: May 8, 2025

Exhibit 32

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Viatris Inc. (the "Company") for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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.

/s/ SCOTT A. SMITH

Scott A. Smith
Chief Executive Officer
(Principal Executive Officer)

/s/ THEODORA MISTRAS

Theodora Mistras
Chief Financial Officer
(Principal Financial Officer)

Date: May 8, 2025

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

The foregoing certification is being furnished in accordance with Securities and Exchange Commission Release No. 34-47551 and shall not be considered filed as part of the Form 10-Q.