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As filed with the Securities and Exchange Commission on January 13, 2022

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Bausch + Lomb Corporation
(Exact name of registrant as specified in its charter)

Canada	3851	98-1613662
(State or other jurisdiction of incorporation)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. employer identification number)**

520 Applewood Crescent
Vaughan, Ontario, Canada L4K 4B4
(905) 695-7700
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor
New York, New York 10168
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael Kaplan Marcel Fausten Stephen Byeff Davis Polk & Wardwell LLP 450 Lexington Avenue New York, New York 10017 Tel: (212) 450-4000	John Valley François Paradis Osler, Hoskin & Harcourt LLP 100 King Street West 1 First Canadian Place Toronto, Ontario M5X 1B8 Tel: (416) 362-2111	Michael Schiavone David Ni Sidley Austin LLP 787 Seventh Avenue New York, New York 10019 Tel: (212) 839-5900

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act ☐

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Shares, no par value per share	$100,000,000	$9,270

(1) Includes shares which the underwriters have the option to purchase to cover over-allotments
(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 13, 2022

PRELIMINARY PROSPECTUS

Common Shares



Bausch + Lomb Corporation

This is an initial public offering of common shares of Bausch + Lomb Corporation. All of our common shares are currently held by 1261229 B.C. Ltd. (the "selling shareholder"), a wholly-owned subsidiary of Bausch Health Companies Inc. ("BHC"). The selling shareholder is selling all of the common shares offered hereby. We are not selling any of the common shares in this offering and will not receive any proceeds from the sale of the common shares.

Prior to this offering, there has been no public market for our common shares. The estimated initial public offering price is between $ and $ per common share.

We have applied to list our common shares on the New York Stock Exchange (the "NYSE") and the Toronto Stock Exchange (the "TSX"), in each case under the symbol "BLCO." Our common shares will trade in U.S. dollars on the NYSE and in Canadian dollars on the TSX. Listings on the NYSE and the TSX are subject to approval by the NYSE and the TSX in accordance with their respective original listing requirements. The NYSE and the TSX have not conditionally approved our listing applications and there is no assurance that the NYSE and the TSX will approve our listing applications.

After the completion of this offering, BHC will continue to indirectly own a majority of the voting power of common shares eligible to vote in the election of our directors. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of the NYSE. See "Management—Controlled Company Exception."

	Per Common Share	Total
Public offering price	$	$
Underwriting commissions(1)	$	$
Proceeds, before expenses, to the selling shareholder	$	$

(1) The selling shareholder has agreed to reimburse the underwriters for certain FINRA-related expenses. See "Underwriting."

The selling shareholder has granted the underwriters an option for a period of 30 days to purchase up to an additional common shares to cover over-allotments at the initial public offering price less underwriting commissions.

Investing in our common shares involves risks. See "Risk Factors" beginning on page 28.

None of the Securities and Exchange Commission, nor any Canadian securities regulatory authority nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common shares to purchasers on or about , 2022.

Morgan Stanley **Goldman Sachs & Co. LLC**

Citigroup **J.P. Morgan**

Barclays **BofA Securities** **Guggenheim Securities**

Jefferies **Evercore ISI** **Wells Fargo Securities** **Deutsche Bank Securities**

DNB Markets **HSBC** **Truist Securities**

The date of this prospectus is , 2022.

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We are responsible for the information contained in this prospectus and in any related free-writing prospectus we may prepare or authorize to be delivered to you. We have not, and neither BHC nor the underwriters have, authorized anyone to give you any other information, and we, BHC and the underwriters take no responsibility for any other information that others may give you. We, BHC and the underwriters are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common shares. The selling shareholder is offering to sell, and seeking offers to buy, common shares only in jurisdictions where offers and sales are permitted.

For investors outside of the United States and Canada: Neither we, BHC nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purposes is required, other than in the United States and Canada. Persons who come into possession of this prospectus and any applicable free writing prospectus in jurisdictions outside the United States and Canada are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any such free writing prospectus applicable to that jurisdiction.

Until , 2022, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

About this Prospectus

Unless the context requires otherwise, (a) references to "Bausch + Lomb," the "Company," "we," "us," "our" and the "Business" refer to Bausch + Lomb Corporation and its consolidated subsidiaries after giving effect to the transactions described under "The Separation and the Distribution," and (b) references to "BHC," and "Parent" refer to Bausch Health Companies Inc. and its consolidated subsidiaries other than Bausch + Lomb and Bausch + Lomb's subsidiaries, unless the context otherwise requires. Although the Distribution (as described under "The Separation and the Distribution") is expected to involve the distribution of equity of a direct or indirect parent of Bausch + Lomb, we refer to such transaction as involving "our equity" throughout this prospectus for readability. All references to "the selling shareholder" are to 1261229 B.C. Ltd., a limited company incorporated in British Columbia, which is a wholly-owned subsidiary of BHC.

In addition, unless the context requires otherwise, statements relating to our history in this prospectus describe the history of the Bausch + Lomb segment of BHC and forward-looking statements assume the completion of all the transactions described in this prospectus, including the Separation.

Trademarks and Trade Names

The BHC name and mark, and other trademarks, trade names and service marks containing BHC appearing in this prospectus, including the Bausch + Lomb name and mark, are the property of BHC. After the completion of this offering, we will own both the BHC name and mark and the Bausch + Lomb name and mark and we will grant a license to BHC to use the BHC name and mark and certain other trademarks, trade names and service marks used by BHC that contain "Bausch" for a transitional period as summarized in "Certain Relationships and Related Party Transactions—Relationship with BHC—Intellectual Property Matters Agreement." Solely for convenience, some of the trademarks, service marks and trade names referred to in this prospectus are listed without the ® and ™ symbols, but we and BHC, as applicable, will assert, to the fullest extent under applicable law, rights to such trademarks, service marks and trade names.

Basis of Presentation

The Company has historically operated as part of BHC; therefore, standalone financial statements have not historically been prepared. The financial information contained within this prospectus has been prepared from BHC's historical accounting records and is presented on a standalone basis as if the Company's operations had

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been conducted independently from BHC. The financial information contained herein has been prepared by the Company in United States ("U.S.") dollars and in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), applied on a consistent basis. All intercompany accounts and transactions within the Company have been eliminated. The assets and liabilities of the Company have been determined to be specifically identifiable or otherwise attributable to the Company.

The financial information contained herein includes all revenues and expenses directly attributable to Bausch + Lomb, including costs for facilities, functions and services used by Bausch + Lomb. Expenses performed by centralized BHC are directly charged to Bausch + Lomb based on specific identification when possible or based on a reasonable allocation driver such as net sales, headcount, square footage usage or other allocation methods depending on the nature of the services and/or costs. The results of operations include allocations of costs for administrative functions and services performed on behalf of Bausch + Lomb by centralized groups within BHC. All charges and allocations for facilities, functions and services performed by BHC have been deemed settled in cash by Bausch + Lomb to BHC in the period in which the cost was recorded. Current and deferred income taxes have been determined based on the standalone results of Bausch + Lomb. However, because the Company filed as part of BHC's tax group in certain jurisdictions, the Company's actual tax balances may differ from those reported. The Company's portion of its domestic and certain income taxes for jurisdictions outside the United States are deemed to have been settled in the period the related tax expense was recorded.

The financial statements and related financial results included in this prospectus may not be indicative of our future performance and do not necessarily reflect what our financial position and results of operations would have been had we operated as a standalone public company during the periods presented, including changes that will occur in our operations and capital structure as a result of this offering and the Separation. See "Risk Factors—Risks Relating to the Separation—We have no recent history of operating as an independent company, and our historical and unaudited pro forma financial information is not necessarily representative of the results that we would have achieved as an independent, publicly traded company and may not be a reliable indicator of our future results."

Non-GAAP Measures

This prospectus contains certain financial measures, including Contribution, Contribution margin, Adjusted net income, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Free cash flows, Organic revenues and Organic growth rates, that are not required by, or presented in accordance with, U.S. GAAP. We refer to these measures as "non-GAAP" financial measures or information. See "Management Discussion and Analysis of Financial Condition and Results of Operations—Interim Results of Operations—Reportable Segment Revenues and Profits—Organic Revenues and Organic Growth Rates (non-GAAP)", "—Annual Results of Operations—2020 Compared with 2019—Reportable Segment Revenues and Profits—Organic Revenues and Organic Growth Rates (non-GAAP)", "Annual Results of Operations—2019 Compared with 2018—Reportable Segment Revenues and Profits—Organic Revenues and Organic Growth Rates (non-GAAP)" and "—Non-GAAP Information—Adjusted EBITDA (non-GAAP)" for our definition of these non-GAAP measures, why we present these and reconciliations to the nearest GAAP measure for the periods presented.

Market and Industry Data and Forecasts

Certain market and industry data included in this prospectus has been obtained from third-party sources that we believe to be reliable. Market estimates are calculated by using independent industry publications, government publications and third-party forecasts in conjunction with our assumptions about our markets. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings "Cautionary Statements Concerning Forward-Looking Statements" and "Risk Factors" in this prospectus.

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Eligibility for Investment

Provided that the common shares are listed on a "designated stock exchange" for the purposes of the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder (which currently includes the NYSE and the TSX), the common shares will, on the date of issue, be qualified investments under the Tax Act for trusts governed by a "registered retirement savings plan" ("RRSP"), a "registered retirement income fund" ("RRIF"), a "registered disability savings plan" ("RDSP"), a "deferred profit sharing plan," a "tax-free savings account" ("TFSA") and a "registered education savings plan" ("RESP"), each as defined in the Tax Act.

Notwithstanding that the common shares may be qualified investments for a trust governed by a RRSP, RRIF, RDSP, TFSA or RESP, an annuitant under a RRSP or RRIF, a holder of a TFSA or RDSP or a subscriber of a RESP, as the case may be, will be subject to a penalty tax under the Tax Act if the common shares held by the RRSP, RRIF, RDSP, TFSA or RESP are "prohibited investments" for purposes of the Tax Act. A common share will not be a prohibited investment if the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act, and does not have a "significant interest" (as defined in the Tax Act) in the Company for purposes of the Tax Act. In addition, a common share will not be a prohibited investment if the common shares are "excluded property," as defined in the Tax Act, for trusts governed by a RRSP, RRIF, RDSP, TFSA or RESP. Prospective investors who intend to hold common shares in a RRSP, RRIF, RDSP, TFSA or RESP should consult their own tax advisors with respect to whether the common shares would be "prohibited investments" in their particular circumstances.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It may not contain all the information that may be important to you. You should read the entire prospectus carefully, including the section entitled "Risk Factors," our financial statements and the related notes included elsewhere in this prospectus and the pro forma financial statements and the notes to those statements included elsewhere in this prospectus, before making an investment decision to purchase our common shares. Unless the context otherwise requires, the information included in this prospectus about Bausch + Lomb, including the combined financial statements, assumes the completion of all of the transactions referred to in this prospectus in connection with the Separation (as defined below). Unless the context otherwise requires, or when otherwise specified, references in this prospectus to "Bausch + Lomb," "we," "us," "our" and "the Company" refer to Bausch + Lomb Corporation, a company incorporated under the Canada Business Corporations Act ("CBCA"), and its consolidated subsidiaries after giving effect to the transactions described under "The Separation and the Distribution." Unless the context otherwise requires, references in this prospectus to "BHC" refer to Bausch Health Companies Inc., a company continued under the British Columbia Business Corporations Act, and its consolidated subsidiaries, other than the Bausch + Lomb Business, unless the context otherwise requires.

Unless the context otherwise requires, or when otherwise specified, references in this prospectus to our historical assets, liabilities, products, businesses or activities of our businesses are generally intended to refer to the historical assets, liabilities, products, businesses or activities of the Bausch + Lomb Business of BHC as it was conducted as part of BHC prior to the Separation (as defined below). Our historical financial results as part of BHC contained in this prospectus may not reflect our financial results in the future as a standalone company or what our financial results would have been had we been a standalone company during the periods presented.

Overview

Bausch + Lomb is a leading global eye health company dedicated to protecting and enhancing the gift of sight for millions of people around the world—from the moment of birth through every phase of life. Our mission is simple, yet powerful: helping you see better, to live better.

Our comprehensive portfolio of over 400 products is fully integrated and built to serve our customers across the full spectrum of their eye health needs throughout their lives. Our iconic brand is built on the deep trust and loyalty of our customers established over our nearly 170-year history. We have a significant global research, development, manufacturing and commercial footprint of approximately 12,500 employees and a presence in approximately 100 countries, extending our reach to billions of potential customers across the globe. We have long been associated with many of the most significant advances in eye health, and we believe we are well positioned to continue leading the advancement of eye health in the future.

Our iconic and enduring brands are among the most recognized and most trusted in the industry. Since our beginnings in 1853 as an optical goods shop in Rochester, New York, we have remained focused on advancing eye health for people all over the world. Among our many innovations over the years, we introduced the first optical glass in the United States, the lenses used on cameras to take the first satellite picture of the moon, and the first mass-produced soft contact lens in 1971. As part of our longstanding commitment to eye care professionals and the patients they serve, we invest in physician training, patient and customer education, disease prevention and other initiatives through both traditional and digital platforms to continue to advance eye health. As a result of this legacy, we believe our brand is synonymous with eye health among patients, consumers and professionals around the world.

Our brands are leaders within their respective segments and collectively represent a leading portfolio of trusted assets that we believe makes us the eye health brand of choice. With one of the broadest product

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portfolios in the market, we are designed to address numerous large, underserved and growing markets with significant commercial potential. Our widespread complementary portfolio spans vision care, consumer health care, ophthalmic pharmaceuticals and surgical. We have well-established lines of contact lenses, intraocular lenses ("IOL"), medical devices, surgical systems, vitamin and mineral supplements, lens care products, prescription eye-medications and over-the-counter ("OTC") eye health consumer products. We believe the breadth of our eye health portfolio is unmatched in the industry and uniquely positions us to compete in all areas of the eye health market.

Our global brand, scale and infrastructure enable us to sell our products and support our customers in eye health markets globally, and we are well-positioned to capitalize on this opportunity. Our footprint is bolstered by a global commercial team of approximately 4,000 employees. In addition, we have 23 facilities in 10 countries that support the quality, reliability and capacity needs of our global manufacturing operations, supply chain, customer service and technical support, and that we believe will facilitate the development and distribution of our pipeline products.

We have a long history of leading the eye health market with ground-breaking innovations. Our research and development ("R&D") personnel partner closely with our quality, manufacturing and commercial groups, and as a result of these collaborations, we have developed the world's first soft contact lens, introduced one of the first contact lens cleaning products, introduced the first silicone hydrogel contact lens and introduced a unique patent-protected ocular vitamin to the market. Since 2017, we have introduced more than 260 new products in approximately 60 countries. Our team of approximately 600 dedicated R&D employees is focused on advancing our pipeline and identifying new product opportunities that address unmet and evolving needs of eye care professionals, patients and consumers. Our culture of innovation engages our R&D, supply chain and commercial teams at every phase of product development, prioritizing customer needs and actively seeking external innovation to design, develop and advance creative, ethical eye health products across our portfolio, which allows us to address the changing needs of our consumers and patients. We believe we have a significant innovation opportunity today, with a substantial pipeline of over 100 projects in various stages of pre-clinical and clinical development, including new contact lenses, contact lenses to slow myopia progress in children, prescription medications for myopia, next-generation cataract equipment, premium IOLs, investigational treatments for dry-eye and preservative free formulations of a range of eye drops, among others, that are designed to grow our portfolio and accelerate future growth.

The markets in which we operate are large and growing. We estimate that the global eye health market was nearly $50 billion in revenue in 2019, which we believe will grow at a compounded annual growth rate of nearly 4% through 2025.

	Global Market Revenue		
	2019	2025E	2019-2025E CAGR
	(in billions)		
Global Ophthalmic Pharmaceuticals	$25.7	$32.1	3.8%
Global Ophthalmic Surgical	8.4	11.3	5.0%
Global Vision Care	15.7	19.7	3.9%
	$49.8	**$63.2**	**4.0%**

- **Global ophthalmic pharmaceuticals** market size includes sales from products for the treatment of wet age-related macular degeneration ("AMD"), dry AMD, dry eye, glaucoma, diabetic macular edema ("DME"), conjunctivitis, ocular pain and inflammation, other corneal and external eye disorders, other retinal disorders, uveitis, and inherited retinal disorders, and other ophthalmology treatments.
- **Global ophthalmic surgical** market size includes sales from capital equipment, procedure fees, instruments and implantables.

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- **Global vision care** market size includes sales from contact lenses, lens care solutions, and off-the-shelf eye care products, including sales from eye drops and eye vitamins.

Growing demand for eye health products is being driven by significant and durable tailwinds, including an aging global population, greater time spent in front of computer and mobile screens, the rapid growth of the middle class in emerging markets, increasing global prevalence of diabetes, significant unmet medical need, particularly with respect to myopia, dry eye and AMD, and greater patient and consumer awareness. As such, we believe that the global incidence of major eye conditions will grow at a compounded annual growth rate of approximately 3% from 2019 to 2025.

	Global Eye Conditions		
	2019	2025E	2019-2025E CAGR
	(in millions)		
Myopia + Hyperopia	3,373	4,355	4.4%
Presbyopia	2,067	2,358	2.2%
Cataract (60+ population)	1,018	1,215	3.0%
Retina	371	435	2.7%
Glaucoma	139	162	2.6%
Dry Eye	730	783	1.2%
	7,698	**9,308**	**3.2%**

In particular, we estimate that 2019 revenue for the global ophthalmic pharmaceuticals market was as follows:



We believe that we are uniquely positioned in the global eye health market, with a diverse and comprehensive portfolio and pipeline that address major categories of eye conditions.

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- Indicates targeted areas of development programs; global pipeline of over 100 projects includes new contact lenses and prescription medications for myopia, next-generation cataract equipment, premium IOLs, investigational treatments for dry eye, novel formulation for eye vitamins and preservative free formulation of eye drops to accelerate future growth.
- Artelac®, LACRISERT and Microclear are dry eye relievers. Soothe® and Lumify® are redness relievers.

Our revenues for the nine months ended September 30, 2021 and 2020 were $2,764 million and $2,468 million, respectively, and the years ended 2020, 2019 and 2018 were $3,412 million, $3,778 million and $3,665 million, respectively. Our product portfolio consists of over 400 products, which fall into three operating and reportable segments (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical. Segment revenues and profit for the nine months ended September 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018 were as follows:

	Nine Months Ended September 30,				Years Ended December 31,					
	2021		2020		2020		2019		2018	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(amounts in millions)									
Segment revenues:										
Vision Care/Consumer Health Care	$1,717	62%	$1,528	62%	$2,109	62%	$2,221	59%	$2,145	59%
Ophthalmic Pharmaceuticals	527	19%	546	22%	726	21%	859	23%	823	22%
Surgical	520	19%	394	16%	577	17%	698	18%	697	19%
Total revenues	$2,764	100%	$2,468	100%	$3,412	100%	$3,778	100%	$3,665	100%
Segment profit:										
Vision Care/Consumer Health Care	$ 431	62%	$ 419	64%	$ 579	64%	$ 606	55%	$ 627	59%
Ophthalmic Pharmaceuticals	208	30%	233	36%	302	34%	412	38%	357	34%
Surgical	55	8%	—	— %	18	2%	75	7%	78	7%

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as amortization of intangible assets, asset impairments, in-process research and development costs, restructuring and integration costs, acquisition-related contingent consideration costs and other expense (income), net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. See Note 20, "SEGMENT INFORMATION" to our audited combined

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financial statements and Note 17, "SEGMENT INFORMATION" to our unaudited combined financial statements for a reconciliation of segment profit to Income before (provision for) benefit from income taxes.

Our Markets

The global eye health market is large, dynamic and growing. We believe that growth in the global eye health market will be driven by multiple factors and trends including:

- ***An aging global population.*** According to the United Nations, the population aged 65 and older is expected to grow by approximately 80% between 2019 and 2049, and there is a strong correlation between age and eye health diseases such as AMD, glaucoma and cataract formation.
- ***Rapid growth of the middle class in emerging markets.*** This major demographic shift is generating a large, new customer base with increased access to eye health products and services along with resources to pay for them. According to the Brookings Institute, it is estimated that approximately 60% of the world will be middle class by 2030.
- ***Increasing global prevalence of diabetes.*** The number of reported cases of diabetes has more than tripled in the last 40 years, and people with type 1 and type 2 diabetes are at a heightened risk for severe ocular conditions such as diabetic retinopathy and glaucoma According to the International Diabetes Federation, there will be an approximately 50% increase in diabetes prevalence from 2019 to 2045.
- ***Portfolio expansion in areas of significant unmet medical need.*** The opportunity to address undertreated eye conditions and diseases, such as we are currently pursuing with respect to myopia, dry eye and AMD, increases with advancements in technology and innovation, which drive improved diagnoses, clinical outcomes and product mix.
- ***Resilience to economic volatility and government reimbursement pressures.*** The importance of vision preservation, a significant private pay component for eye health products and services, the influence of clinicians on consumer product decisions and the non-discretionary nature of many eye health therapies and products all generate durable revenue.

Our Business

We operate our business in the following reportable segments:

- Vision Care / Consumer Health Care
- Ophthalmic Pharmaceuticals
- Surgical

Vision Care/Consumer Health Care

Our vision care / consumer health care business includes both our contact lens and consumer eye care businesses, and includes leading products such as our Biotrue® ONEday daily disposables and our Biotrue® multi-purpose solution. Biotrue® multi-purpose solution is the number one doctor-recommended lens care product in the United States. Our vision care portfolio includes contact lenses that span the spectrum of wearing modalities, including daily disposable and frequently replaced contact lenses, and contact lenses that are indicated for therapeutic use and that can also provide optical correction during healing if required. In particular, our vision care contact lens portfolio includes our Bausch + Lomb INFUSE® (silicone hydrogel (SiHy)) daily disposable contact lenses, Biotrue® ONEday daily disposables, PureVision® SiHy contact lenses, SofLens® daily disposables and Bausch + Lomb ULTRA® contact lenses.

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Our consumer eye care business consists of contact lens care products, OTC eye drops and eye vitamins. Our eye vitamin products had the number one market position for the year ended December 31, 2020, and include our patented PreserVision® AREDS 2 formula for AMD and mineral supplements that address various conditions including eye allergies, conjunctivitis, dry eye, redness and relief. Within our consumer eye care business, our lens care product portfolio includes Biotrue® and renu® multipurpose solutions, Boston® cleaning and conditioning solutions, our eye drops include LUMIFY®, which is the number one redness reliever in the United States, Soothe® and Alaway® and our eye vitamins include PreserVision® and Ocuvite®.

Ophthalmic Pharmaceuticals

Our ophthalmic pharmaceuticals business consists of a broad line of proprietary pharmaceutical products for post-operative treatments and treatments for a number of eye conditions, such as glaucoma, eye inflammation, ocular hypertension, dry eyes and retinal diseases. Key ophthalmic pharmaceutical brands are VYZULTA®, Lotemax®, Prolensa® and BEPREVE®.

Surgical

Our Surgical business consists of medical device equipment, consumables and instrumental tools and technologies for the treatment of corneal, cataracts, and vitreous and retinal eye conditions, and includes IOLs and delivery systems, phacoemulsification equipment and other surgical instruments and devices necessary for cataract surgery. Key surgical brands include Akreos®, AMVISC®, Crystalens® IOLs, enVista® IOLs, Millennium®, Stellaris Elite® vision enhancement system, Storz® ophthalmic instruments, VICTUS® femtosecond laser, Teneo®, Eyefill® and Zyoptix®.

Our History

Our company was founded in 1853 by John Jacob Bausch and Henry Lomb as a small optical goods shop in Rochester, New York. During our early years, we manufactured revolutionary rubber eyeglass frames, as well as a variety of optical products that required a high degree of manufacturing precision. By 1903, we had issued patents for microscopes, binoculars and even a camera shutter based on the eye's reaction to light. In 1908, we were incorporated in the State of New York as Old Bausch + Lomb. During World War II, we produced sunglasses for the American military. We also produced the lenses for cameras that captured the first satellite images of the moon.

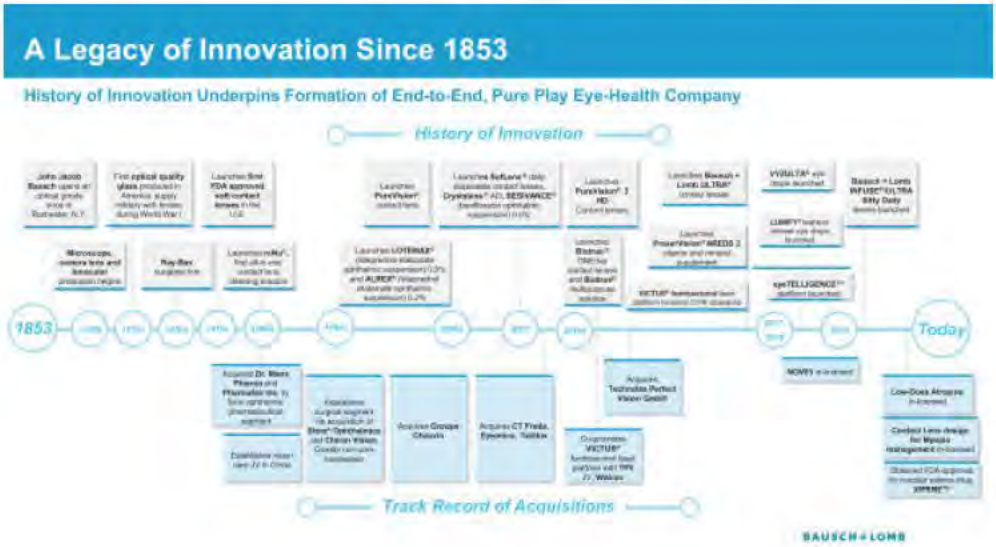
In 1971, we received approval for the first mass-produced soft contact lens. We also received FDA approval in 1987 for one of the first contact lens cleaning products, renu® multi-action disinfection solution. In the 1990's Bausch + Lomb acquired Storz® Ophthalmic and Chiron Vision, establishing the Bausch + Lomb Surgical unit and solidifying four robust eye-health sectors: Consumer Health Care, Contact Lens, Pharmaceutical and Surgical. Before the turn of the millennium, Bausch + Lomb introduced several proprietary brand families, including LOTEMAX® (loteprednol etabonate ophthalmic suspension) 0.5%; and PureVision® the first silicone hydrogel contact lens available in the United States. As Bausch + Lomb marked its 150th Anniversary, the pipeline continued to advance launching known names like PreserVision® brand of eye vitamins in 2001 and the Stellaris® vision enhancement system in 2007. In 2008, the Company acquired Eyeonics, adding Crystalens® IOL to its portfolio—the first FDA-approved accommodating IOL for the treatment of cataracts. In 2010, the Company introduced Biotrue® multipurpose contact lens solution.

In 2012, Bausch + Lomb received FDA clearance for the VICTUS® Femtosecond Laser Platform and acquired Alden Optical Laboratories, increasing access to specialty modalities. In 2014, Bausch + Lomb introduced Bausch + Lomb ULTRA® contact lenses with MoistureSeal® technology, providing comfort and vision to an increasingly digital world. A year later, Synergetics® was acquired, expanding Bausch + Lomb's

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surgical vitreoretinal product portfolio. In 2017, the Company launched its next-generation phacoemulsification system, the Stellaris Elite® vision enhancement system for contact lens and retina surgery. The Company also received approval of VYZULTA® (latanoprostene bunod ophthalmic solution) 0.024%. In 2018, LUMIFY® the first OTC eye drop with low-dose brimonidine tartrate for the relief of eye redness was launched, with Bausch + Lomb ULTRA® multifocal for astigmatism lenses, the first multifocal toric lens available as a standard offering in eye care professional fit sets, following the next year. Most recently, the Company launched its latest contact lens, Bausch + Lomb INFUSE®, the only SiHy daily disposable designed with a next generation material infused with ProBalance Technology™ to help maintain ocular surface homeostasis and help reduce symptoms of contact lens dryness. In October 2021, the FDA approved XIPERE™. When we make XIPERE™ available (expected during the first quarter of 2022), we expect that it will be the first and only therapy then currently available in the United States for suprachoroidal use for the treatment of macular edema associated with uveitis. XIPERE™ is a proprietary suspension of the corticosteroid triamcinolone acetonide formulated for suprachoroidal administration via Clearside's proprietary SCS Microinjector®. We estimate that the annual prevelance of treated uveitis patients over 18 years old in the United States is approximately 125,000.



Our Competitive Strengths

We believe that Bausch + Lomb is differentiated by our industry-leading portfolio of iconic brands, comprehensive product and service offerings and our reputation for innovation and quality. Taken together, these distinguishing characteristics make us a trusted provider to our customers across a wide range of growing markets. We believe our sole focus on eye health and our following strengths provide us with a number of competitive advantages:

- ***Global Leader in Eye Care with a Broad Portfolio of Products.*** Our iconic and enduring Bausch + Lomb brand is among the most recognized in the eye health industry. We have long been associated with the most significant advances in eye health, and we believe our brand is synonymous with eye care among consumers and professionals around the world. Bausch + Lomb fully integrates the areas of vision care, consumer health care, surgical and ophthalmic pharmaceuticals into a durable portfolio of complementary products. For example, our installed base of surgical equipment enables unrivaled

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perspectives across consumables (lens and lens care), IOLs, and prescription products. Our portfolio offers eye care professionals and patients the broadest set of eye care products and solutions in the industry. Individually, many of our brands are leaders within their respective areas, and we believe that, collectively, they represent a uniquely positioned portfolio of trusted assets with a 360º-approach to eye health.

- ***Global Scale and Reach with Deep Local Expertise Across Approximately 100 Countries.*** We believe that our global scale and comprehensive offering of products provide us with advantages over other providers with respect to manufacturing, sourcing, sales and marketing. Our commercial footprint includes operations in more than 50 countries and reaches consumers and patients in approximately 100 countries. Our understanding of local conditions, regulations and customer needs uniquely positions us to focus on attractive geographies and respond more rapidly to changing regulatory requirements. We utilize our expertise to help shape the regulatory environments in developing health care systems. This knowledge also enables us to take learnings, technologies and products developed for one region or customer and apply them to others, driving further growth and creating value for our stakeholders. In addition, many of the geographical markets in which we currently operate are experiencing long-term sustained growth. These countries have high growth potential due to increasing demand for our products from currently low penetration rates and rising living standards and consumption. Our global scale, presence and extensive distribution network create opportunities for targeted geographic expansion of our product offerings, allow us to serve a diversified customer base.
- ***Market Leading Innovation with Demonstrated History of Development Capabilities.*** Our company is built on a nearly 170-year legacy dedicated to improving eye health through innovation, which is a pillar of our business strategy. We have a strong track record of making significant discoveries, including bringing to market many first-in class products. Some of these firsts include the revolutionary Vulcanite eye glass lenses and frame (1861), developing the first ultraviolet microscope optics used for cancer research (1949), receiving FDA approval of SofLens®, the first mass-produced soft contact lens (1971), launching Boston XO2®, the first hyper Dk gas permeable material (2007), receiving 510(k) clearance for the VICTUS® femtosecond laser platform, the first femtosecond laser capable of performing both cataract and refractive procedures on one platform (2012) and more.
  - Within the last few years, we have also expanded our portfolio with unique innovations specifically designed to address unmet needs in the marketplace. This includes VYZULTA® (latanoprostene bunod ophthalmic solution), 0.024%, a dual acting molecule targeting both the trabecular meshwork and uveoscleral pathway for the treatment of ocular hypertension and primary open-angle glaucoma, and LOTEMAX® SM (loteprednol etabonate ophthalmic gel) 0.38%, a new gel drop formulation of loteprednol etabonate. In October 2021, the FDA approved XIPERE™. When we make XIPERE™ available (expected during the first quarter of 2022), we expect that it will be the first and only therapy then currently available in the United States for suprachoroidal use for the treatment of macular edema associated with uveitis. XIPERE™ is a proprietary suspension of the corticosteroid triamcinolone acetonide formulated for suprachoroidal administration via Clearside's proprietary SCS Microinjector®. We estimate that the annual prevelance of treated uveitis patients over 18 years old in the United States is approximately 125,000.
  - In our Consumer Health Care business, we launched LUMIFY® (brimonidine tartrate ophthalmic solution, 0.025%) redness reliever eye drops, the first and only OTC eye drops developed with low dose brimonidine tartrate 0.025% for the relief of redness of the eye due to minor irritations, and Alaway® Preservative Free (ketotifen fumarate ophthalmic solution 0.035%) antihistamine eye drops, the first and only OTC preservative-free antihistamine eye itch relief drop approved by the FDA.
  - In Vision Care, we launched Bausch + Lomb INFUSE® silicone hydrogel (SiHy) daily disposable contact lenses, the only SiHy daily disposable designed with a next generation material infused

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with ProBalance Technology™ to help maintain ocular surface homeostasis and help reduce symptoms of contact lens dryness, which is experienced by approximately half of the approximately 45 million lens wearers in the United States.

- Finally, in Surgical, we brought to market ClearVisc™ dispersive ophthalmic viscosurgical device (OVD) for use in ophthalmic surgery.

We continue to leverage this innovative culture to design, develop and advance creative, ethical eye health pharmaceuticals, devices and other products that address the changing needs of our consumers and patients. We constantly monitor and analyze industry trends and emerging technologies to capture current and future opportunities. We expect to maximize our return on the capital we invest in innovation to address growing opportunities in our industry.

- ***Trusted Reputation as Loyal Partner with Enduring Long-Term Customer Relationships.*** We have an industry-leading global footprint with a worldwide organization of approximately 12,500 employees and products sold in approximately 100 countries. We have an established sales network that uniquely positions us to meet customers' demands across the geographies we serve, building deeply loyal and enduring relationships. Through our teams, we are engaged with various physician and patient associations across the world. These professional relationships are the foundation of our proven track record of converting innovation into trusted products with high sales and provide us additional patient insights and consumer feedback that virtuously informs the innovation effort. We believe the strength of our sales force and the breadth of our distribution network along with the history and brand recognition of the Bausch + Lomb name, provides us with an important competitive advantage and helps make Bausch + Lomb a provider of choice even when we do not sell directly to the end user. Even through the COVID-19 pandemic, we have continued to engage thousands of eye health professionals through international webinars with world renowned and highly respected scientific leaders.
- ***Proven, Experienced Management Team with Talented and Dedicated Employees*** Our management team is diverse and deeply experienced in the global eye health industry, with significant expertise across global markets. We have great pride in our mission-driven workforce and embrace a culture of transparency and integrity built on our legacy of delivering superior eye health products. We seek to foster a diverse environment that enables all of our employees to feel empowered to drive positive outcomes.

Our Strategy for Growth

We strive to enhance our position as a leading global eye health company dedicated to helping people see better to live better, through the delivery of high quality, innovative products. To achieve this goal, we plan to generate sustainable and profitable growth by employing the following strategies:

- ***Leverage our expertise as an eye health-focused company to strengthen our leading market position*****.** We believe that we are well-positioned to build on our leading market position by expanding our physician and consumer relationships, and continuing to invest in our organization and our product pipeline. We believe that our iconic Bausch + Lomb brand and the depth and breadth of our integrated portfolio will enable us to continue to sustain and expand our market share. Our comprehensive product offering—spanning OTC products, dietary supplements, eye health products, ophthalmic pharmaceuticals, contact lenses, lens care products and ophthalmic surgical devices and instruments—allows us to build strong brand loyalty and engage with patients and consumers throughout the entire continuum of their eye health needs over time. We intend to leverage the synergistic nature of our products, our strong brand equity and our loyal relationships with physicians, patients, consumers and retailers to grow our business globally.
- ***Increase adoption of our products by growing our addressable market.*** We believe that the gap between evolving eye health needs and effective treatments represents a significant growth opportunity, and we

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believe that we have the ability to increase demand for our products by educating customers along with increasing consumerism in our available market. For example, it is estimated that more than 17 million people suffer from visual impairment in China, of which 8 million are blind, yet only 450 cataract surgeries are performed for every 1 million people each year in China. Myopia represents another significant growth opportunity: we estimate that myopia affects approximately 25 million children in the United States, and 2.9 billion people globally had some degree of myopia in 2020 and according to the World Health Organization, this population is expected to rise globally by more than 60% between 2020 and 2050. To increase adoption of our products, we intend to continue our focus on patient, consumer and eye care professional education. In addition, we believe that we can grow our market opportunity by expanding into emerging therapeutic areas and researching and securing other indications for our products. We intend to leverage our global regulatory and commercial capabilities to accelerate product approvals and launches across current and future markets.

- ***Continuous investment in our market-leading innovation engine to grow our pipeline.*** We believe our unparalleled eye health knowledge and insights allow us to capitalize on market trends by differentiating our approach to product development, with a pipeline focused on addressing the changing needs of patients, consumers and eye care professionals. We plan to develop and commercialize our global pipeline of over 100 projects in various stages of pre-clinical and clinical development, including new contact lenses and prescription medications for myopia, next-generation cataract equipment, premium IOLs, investigational treatments for dry eye, novel formulation for eye vitamins and preservative free formulation of eye drops to accelerate future growth. We believe that our current pipeline is among the strongest in our company's history, and our ability to continue to invest in our leading research and development activities will continue to drive growth in our pipeline and development of new technologies.
- ***Continue to invest in our business and people to drive operational excellence***. We are well positioned to execute on our strategic vision to create the leading global eye health company. We have made substantial investments in our global organization and infrastructure, which have established a foundation that positions us to drive our growth in an effective and sustainable manner. For instance, since 2017, we have initiated or completed several strategic expansion projects in an aggregate amount of $675 million in order to upgrade our facilities in an effort to ensure we are able to address expected global demand for certain of our contact lens product lines in the future. Our investments in our enterprise infrastructure have been built to enable real-time monitoring of our platform and increase our ability to gain valuable data insights for our customers to capture market opportunities. Our capital deployment strategy is focused on maximizing return on our investments and positioning us to meet future demand over the long-term. We intend to continue investing in our business to drive further improvement in product quality, supply chain efficiency, lean manufacturing, and labor force productivity, which we believe can drive significant shareholder value over time.
- ***Pursue attractive strategic opportunities to enhance our business.*** We intend to supplement our internal research and development efforts in a disciplined manner with attractive acquisition, strategic licensing and collaboration opportunities with innovative eye health companies, start-ups and academic institutions. We believe our global scale and reach and focus make us a highly attractive strategic partner and will present us with significant opportunities. We are focused on adding differentiated technologies and products that can further increase our portfolio depth, expand our pipeline, strengthen our competitive positioning, and grow our addressable market. In addition, we plan to integrate and retain the talent and skills that we acquire through our business development activities to further sustain our growth.

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Our Product Portfolio

Vision Care / Consumer Health Care

Consumer Health Care Product Portfolio

We market a well-balanced, diverse portfolio of contact lens care products, OTC eye drops and dietary supplements across multiple product categories, geographies, payers and customers. Our lens care product portfolio includes multipurpose solutions, cleaning and conditioning solutions for rigid gas permeable (RGP) lenses, re-wetting drops and saline solutions. We are a market leader in the overall lens care category. We believe we have the number one position in certain key markets by sales, such as the Middle East, Japan, Brazil and Mexico (with respect to multipurpose solutions). Our lens care products include Biotrue®, Boston®, renu® and Sensitive Eyes® brands. The remainder of our consumer health care portfolio consists primarily of OTC eye drops, eye vitamins and mineral supplements that address various conditions including eye allergies, conjunctivitis and dry eye. We sell these products predominately through our direct sales force and, in markets where we have little or no direct commercial presence, through independent distributors.

Our principal consumer products include:

- PreserVision® AREDS 2 is a patented eye vitamin formula that contains the exact nutrient formula recommended by the National Eye Institute for people with moderate to advanced AMD following the landmark AREDS 2 clinical study.
- Ocuvite® is a vitamin and mineral supplement for the eye that contains lutein and zeaxanthin (antioxidant carotenoids), a nutrient that supports macular health by helping filter harmful blue light.
- Biotrue® multi-purpose solution helps prevent certain tear proteins from denaturing and fights germs for healthy contact lens wear. Biotrue® multi-purpose solution uses a lubricant found in eyes and is pH balanced to match healthy tears.
- Bausch + Lomb renu® Advanced Formula multi-purpose solution was launched in 2017 and is a novel soft and silicone hydrogel contact lenses solution that makes use of three disinfectants and two moisture agents.
- Boston® solution is a specialty cleansing solution design for gas permeable contact lenses.
- Artelac® is an eye moisturizer eye drop which enables quick wetting of dry eyes. Artelac® contains hypromellose, a known moisturizer, and is used to treat dehydration of the surface of the eye, especially for dry eyes with an unpleasant foreign body sensation. Artelac® is particularly suitable for alleviating mild symptoms of dry eyes and can also be used to moisten hard contact lenses while being worn.
- LUMIFY® (brimonidine tartrate ophthalmic solution, 0.025%) is an OTC eye drop developed as an ocular redness reliever. LUMIFY® was launched in May 2018.

Consumer Health Care Product Pipeline

We have built and strengthened our consumer product pipeline through internal development initiatives and external business development opportunities and intend to continue developing our pipeline through a combination of internal and external business development initiatives. Our consumer health care product pipeline includes several new line formulations for LUMIFY® (brimonidine tartrate ophthalmic solution, 0.025%), which is an OTC eye drop developed as an ocular redness reliever. We launched this product in the U.S. in May 2018. Currently, we have several line extensions under development and expect Phase 3 clinical studies to commence in 2022.

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Vision Care—Product Portfolio

We market a broad portfolio of contact lenses that span the spectrum of wearing modalities, including daily disposable and frequently replaced contact lenses, specialty and cosmetic lenses. Using different technologies, Bausch + Lomb offers soft contact lenses designed to address specific conditions including, myopia, hyperopia, astigmatism, presbyopia and aphakia. We sell our vision care products to eye care professionals and independent optical stores, as well as wholesalers and large and mid-size retailers (for example, LensCrafters, Walmart Vision Centers, Costco Optical, Target Optical, etc.) and online resellers through a combination of our direct sales force and independent distributors.

Our contact lens product portfolio is one of the broadest in the industry and includes traditional, planned replacement disposable and daily disposable soft contact lenses; multifocal, toric and multifocal toric soft contact lenses (commonly known as specialty contact lenses); and RGP materials. We pioneered the development of soft contact lens technology, and we estimate that we have the number one position in certain key markets by sales, such as China (with respect to eye drops and vision care), and developing markets, such as Thailand and India (with respect to vision care), and are in the top five position by sales in North America (which includes the United States, Canada and Mexico). We market contact lens products under the Bausch + Lomb INFUSE®, Bausch + Lomb ULTRA®, SofLens®, Biotrue® ONEday, Boston®, Bausch + Lomb Lacelle® and PureVision® brand names.

We also see growth being driven by the market's rapid conversion to daily disposable contact lenses. We also offer toric lenses for people with astigmatism, multifocal lenses for people with presbyopia and multifocal toric lenses for people with astigmatism and presbyopia.

Our principal vision care products include:

- Bausch + Lomb INFUSE® (known as SiHy Daily AQUALOX™ in Japan and as BAUSCH + LOMB ULTRA® ONE DAY in Canada, Australia and Hong Kong), a silicone hydrogel daily disposable contact lens designed with a next generation material infused with ProBalance Technology™ to help maintain ocular surface homeostasis and help reduce symptoms of contact lens dryness. Bausch + Lomb—SiHy Daily AQUALOX™ is a silicone hydrogel daily disposable contact lens designed to provide clear vision throughout the day. Product validation was completed in June 2018 and SiHy Daily AQUALOX™ was launched in Japan in September 2018. Bausch + Lomb INFUSE® was launched in the United States in August 2020 and in Canada, Australia, and Hong Kong in November 2020.
- Bausch + Lomb ULTRA®, a silicone hydrogel frequent replacement contact lens for patients with myopia or hyperopia that uses our proprietary MoistureSeal® technology which allows the contact lens to retain 95% of moisture after 16 hours of wear, limiting lens dryness and resulting symptoms.
- Bausch + Lomb ULTRA® for Astigmatism, a monthly planned replacement contact lens for astigmatic patients developed using our proprietary MoistureSeal® technology. Bausch + Lomb ULTRA® for Astigmatism lenses integrate an OpticAlign® design engineered for lens stability and to promote a successful wearing experience for the astigmatic patient.
- Bausch + Lomb ULTRA® for Presbyopia, a monthly planned replacement contact lens for presbyopic patients developed using the Company's proprietary MoistureSeal® technology. Bausch + Lomb ULTRA® for Presbyopia lenses integrate our 3-Zone Progressive™ multifocal design with seamless transitions between near, far and intermediate distances for clear, comfortable vision across all distances.
- Bausch + Lomb ULTRA® multifocal for astigmatism, a monthly planned replacement multifocal toric lens combining our 3-Zone Progressive™ multifocal design with the stability of its OpticAlign® toric design to address the lifestyle and vision needs of patients with both astigmatism and presbyopia.

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- Biotrue® ONEday daily disposable contact lenses for patients with myopia or hyperopia, which are made of a unique material inspired by the natural biology of the eye and feature Surface Active Technology, a patented dehydration barrier. The lens contains 78% water, more moisture than any other soft contact lens and the same water content as the cornea, and maintains nearly 100% of its moisture for up to 16 hours.
- Biotrue® ONEday for Astigmatism, a daily disposable contact lens for astigmatic patients developed using the Company's proprietary Surface Active Technology. Biotrue® ONEday for Astigmatism includes evolved peri-ballast geometry designed to work with natural blink patterns to deliver stability, clear vision and comfort for the astigmatic patient.
- Biotrue® ONEday for Presbyopia daily disposable contact lens for presbyopic patients developed using the Company's proprietary Surface Active Technology. Biotrue® ONEday for Presbyopia integrates the Company's 3-Zone Progressive™ design with seamless transitions between near, far and intermediate distances for clear, comfortable vision across all distances.
- PureVision®, a silicone hydrogel frequent replacement contact lens using AerGel® technology lens material to allow natural levels of oxygen to reach the eye as well as resist protein buildup. The lens also incorporates an aspheric optical design that reduces spherical aberration.
- SofLens® Daily Disposable Contact Lenses, which use ComfortMoist® Technology (a combination of thin lens design and moisture-rich packaging solution) and High Definition Optics™ which is an aspheric design that reduces spherical aberration over a range of powers, especially in low light.

Vision Care Pipeline

We believe that vision care is a very innovation-sensitive market. As a result, we believe our vision care business will achieve growth through our focus on new materials and products and, as we introduce new products we will continue to grow market share. We are developing new materials and expect to continue to introduce innovative products, like our Bausch + Lomb INFUSE® contact lens, which is a silicone hydrogel daily disposable contact lens designed with a next generation material infused with ProBalance Technology™ to help maintain ocular surface homeostasis and help reduce symptoms of contact lens dryness. Silicone hydrogel materials provide increased oxygen transmission for eye health, improved safety and increased comfort for end users, and higher profitability to the eye care providers. Silicone hydrogels are the fastest growing materials in the contact lens category. This combination should continue to benefit our other SiHy brands: Bausch + Lomb ULTRA®, AQUALOX™ and PureVision®. We have leveraged our expertise in eye health to build a vision care pipeline based on innovative next generation materials and products, and we intend to continue developing our pipeline through a combination of internal and external business development initiatives. Our range of vision care pipeline products are as follows:

- We launched our SiHy Daily disposable contact lens in the United States in 2020 under the branded name Bausch + Lomb INFUSE® SiHy Daily Disposable contact lens. This product has also received regulatory approval for Canada, Australia, New Zealand, Hong Kong, South Korea, Singapore and Malaysia where it will be branded as Bausch + Lomb ULTRA® ONE DAY.
- We are developing soft contact lens treatments designed to slow the progression of myopia in children using design that we globally licensed from Brien Holden Vision Institute (BHVI).
- We are developing a custom-finished orthokeratology lens with a proprietary software based fitting system for the treatment of myopia, especially in children, which we expect to launch in 2023, subject to FDA approval.

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Ophthalmic Pharmaceuticals

Ophthalmic Pharmaceuticals Portfolio

We market a broad line of proprietary pharmaceutical products for post-operative treatments and the treatment of a number of eye conditions. Our key product areas include branded and generic prescription ophthalmic pharmaceuticals that are indicated for therapeutic use and can also provide optical correction during healing if required. Our portfolio provides comprehensive product offerings for "front of the eye" diseases such as bacterial and allergic conjunctivitis, inflammatory conditions of the anterior eye and our products treat conditions, such as glaucoma, ocular hypertension and retinal diseases. We sell these products predominately through our direct sales force and, in the markets where we have little or no direct commercial presence, through independent distributors.

We have expanded our ophthalmic pharmaceutical product portfolio through new product launches and acquisitions. In 2019, we launched LOTEMAX® SM (loteprednol etabonate ophthalmic gel) 0.38%.

To advance our current and future programs we intend to leverage our expanded expertise in medical, formulation and regulatory, our growing expertise in consumer-based strategies, our expanding global presence and footprint, and our life cycle management initiatives.

Our principal ophthalmic pharmaceutical products include:

- Vyzulta® (latanoprostene bunod ophthalmic solution, 0.024%) is an intraocular pressure lowering single-agent eye drop with dual activity dosed once daily for patients with open angle glaucoma or ocular hypertension and was launched in December 2017.
- LOTEMAX® SM (loteprednol etabonate ophthalmic gel) 0.38%, a new gel drop formulation of loteprednol etabonate, which was designed with novel SubMicron (SM) technology for efficient penetration to key ocular tissues at a low preservative (BAK) level (3.5-10) and a pH close to human tears, indicated for the treatment of postoperative inflammation and pain following ocular surgery.
- Lotemax® Suspension (loteprednol etabonate ophthalmic suspension, 0.5%) is a topical corticosteroid indicated for the treatment of steroid responsive inflammatory conditions of the palpebral and bulbar conjunctiva, cornea, and anterior segment of the globe and for the treatment of post-operative inflammation following ocular surgery.
- Lotemax® Gel is a topical corticosteroid indicated for the treatment of inflammation and pain following ocular surgery. This formulation is a technology that allows the drug to adhere to the ocular surface and offers dose uniformity, which eliminates the need to shake the product in order to ensure the drug is in suspension. The product contains a low concentration of preservative and two known moisturizers. We also have an ointment formulation (Lotemax® Ointment) without any preservatives.
- Alrex® (loteprednol etabonate ophthalmic suspension, 0.2%) is indicated for the temporary relief of the signs and symptoms of seasonal allergic conjunctivitis.
- Besivance® (besifloxacin ophthalmic suspension, 0.6%) is the first and only chloro-fluoroquinolone indicated for the treatment of bacterial conjunctivitis. It is a new generation potent quinolone antibiotic specifically designed for the ophthalmic use and has no systemic formulation.
- Zylet® (loteprednol etabonate 0.5% and tobramycin 0.3% ophthalmic suspension) indicated for the steroid-responsive inflammatory ocular conditions for which a corticosteroid is indicated and where superficial bacterial ocular infection or a risk of bacterial ocular infection exist.
- Minims® portfolio including ocular anaesthetics, corticosteroids, mydriatics, cycloplegics, artificial tears, irrigating solutions and diagnostic stain products.

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- Prolensa® (bromfenac ophthalmic solution) 0.07% is a nonsteroidal anti-inflammatory drug (NSAID) indicated to treat inflammation and reduce eye pain in patients after cataract surgery. In international markets, we market Yellox® (bromfenac ophthalmic solution, 0.9%) which is indicated for the treatment of postoperative ocular inflammation following cataract extraction.

Ophthalmic Pharmaceutical Product Pipeline

We intend to strengthen our innovative pharmaceuticals pipeline through internal development and external business development opportunities with a focus on life cycle management, generics and "back of the eye" diseases. Our range of ophthalmic pharmaceutical pipeline products are described below:

- In October 2019, we acquired an exclusive license from Clearside Biomedical, Inc. ("Clearside") for the commercialization and development of XIPERE™ (triamcinolone acetonide suprachoroidal injectable suspension) in the United States and Canada. XIPERE™ is a proprietary suspension of the corticosteroid triamcinolone acetonide formulated for suprachoroidal administration via Clearside's proprietary SCS Microinjector®. In October 2021, the FDA approved XIPERE™ for suprachoroidal use for the treatment of macular edema associated with uveitis. We expect XIPERE™ to be available during the first quarter of 2022.
- In December 2019, we announced that we had acquired an exclusive license from Novaliq GmbH for the commercialization and development in the United States and Canada of the investigational treatment NOV03 (perfluorohexyloctane), a first-in-class investigational drug that if approved by the FDA will have a novel mechanism of action to treat dry eye disease associated with Meibomian Gland Dysfunction (MGD). In April 2021, we announced statistically significant topline data from the first of two Phase 3 studies, and in September 2021, we announced statistically significant topline data from the second Phase 3 study. We anticipate filing an NDA in the first half of 2022. If approved by the FDA, we believe the addition of this investigational treatment for DED with MGD will help build upon our strong portfolio of integrated eye health products. According to IQVIA, it is estimated that the market for prescription dry eye products in the United States in 2020 was over $3.0 billion. Further, according to the American Journal of Ophthalmology, it is estimated that more than 16 million patients in the United States are currently diagnosed with dry eye disease.

Under the terms of an October 2020 agreement with Eyenovia, Inc., the Business has acquired an exclusive license in the United States and Canada for the development and commercialization of an investigational microdose formulation of atropine ophthalmic solution; a potentially first-in-class investigational treatment of the reduction of pediatric myopia progression. Microdose administration is designed to result in low systemic and ocular drug exposure.

Surgical

Surgical Product Portfolio

We market one of the most complete ophthalmic surgical portfolio of tools and technologies that includes IOLs and delivery systems, phacoemulsification equipment and other surgical instruments and devices, and products used in cataract, vitreoretinal, refractive and other ophthalmic procedures. Our products include standard and premium IOLs, equipment used in phacoemulsification, disposable surgical packs, hand-held surgical instruments, viscoelastics, disposable blades and microkeratomes used to create corneal flaps, and a femtosecond laser capable of performing both cataract and refractive surgical procedures. We sell our surgical products through a combination of our direct sales force and independent distributors to eye care professionals, physicians (including ophthalmic surgeons), hospitals and ambulatory surgery centers. We are a leader in the ophthalmic surgical market and we estimate that we have the number two and three global market position in vitroretina and cataract surgical products, respectively.

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For the last twelve months ended September 30, 2021, our revenue from surgical products was comprised as follows: 8% from equipment, 14% from instruments, 25% from implantables and 53% from consumables. Our principal surgical products include:

- Vitreoretinal Surgery
  - Stellaris® PC, a combined system with vitreoretinal and cataract surgery capability.
- Cataract Surgery and Laser Systems
  - The Stellaris Elite® vision enhancement system is our next generation phacoemulsification cataract platform, Stellaris Elite® is the first phacoemulsification platform on the market to offer Adaptive Fluidics™, which combines aspiration control with predictive infusion management to create a responsive and controlled surgical environment for efficient cataract lens removal. Our Stellaris Elite® vision enhancement system was launched in the United States in 2017 and internationally in 2018.
  - VICTUS® femtosecond laser for cataract, corneal and refractive surgery, which delivers multi-mode versatility for cataract and corneal procedures on a single platform. This single laser platform enables surgeons to perform capsulotomies, fragmentation, arcuate incisions, corneal incisions, and LASIK flaps.
  - Teneo VICTUS® femtosecond laser for cataract, corneal and refractive surgery and Teneo® Excimer Laser for refractive surgery.
  - Excimer Laser for refractive surgery.
- Intraocular Lenses
  - A portfolio of ophthalmic surgical IOLs, including implantable IOLs such as Akreos®, enVista®, Crystalens® and Trulign®.
- Surgical Instruments
  - Storz Ophthalmic instruments are our suite of surgical instruments which include precision microsurgical instruments, diamond knives and Single-Use surgical instruments, as well as instruments customized for individual surgeons under the Storz Ophthalmic Instrument brand, including Synergetics®, and surgical equipment for cataract, refractive and vitreoretinal surgery.

Surgical Pipeline

We have built and strengthened our ophthalmic surgical pipeline through internal and external development and licensing initiatives and intend to continue developing our pipeline through a combination of internal and external business development initiatives. Our range of surgical pipeline products are developed with the goal to reinforce our position in existing segments as well as entering new segments in order to broaden the offering.

- We have developed the SimplifEye preloaded IOL injector platform for the enVista® IOL. We have received approvals from the European Union and Canada and received FDA clearance for the injector and launched this platform in the fourth quarter of 2020.
- In the first quarter of 2021, we launched LuxSmart™ IOLs with extended depth of focus (EDOF) design. We started first implantation in December 2020, and we expanded prelaunch activities in the U.K., France, Germany, Sweden, Italy, Spain, Poland, Hong Kong and the Czech Republic in the first quarter of 2021. During the remainder of 2021, we expanded the launch of LuxSmart™ IOLs to other European countries, including Belgium, Netherlands, Norway, Portugal, Switzerland, Greece, Bulgaria, Hungary, Romania and Serbia. We expect to expand the launch of LuxSmart™ IOLs in select other markets later in 2022.

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- We are expanding our portfolio of premium IOLs built on the enVista® platform with EDOF and Trifocal optical designs for presbyopia correction. We expect that both will be commercialized together with our SimplifEye Preloaded injector with two options: non-Toric as well as Toric for astigmatism patients. We expect that the EDOF and Trifocal will be launched in 2023 and 2024, respectively.
- We are developing a new generation Phaco and Vitroretinal combined system that we expect will be a future innovation that builds on the existing Stellaris Elite® vision enhancement system by introducing a new fluidics system, enhancing interconnectivity and networking, expanding surgical parameters and offering a wide range of new peripherals to enhance the surgeons control throughout the surgical procedures.
- We are developing two new femto lasers with advanced technology that we expect to launch in 2023. These products are designed for the cataract and refractive surgery markets.
- We are developing new innovative, personalized corneal treatments for our Teneo Excimer laser, which we expect to launch in 2023.

The Separation and the Distribution

On August 6, 2020, Bausch Health Companies Inc. ("BHC"), our parent, announced its intention to separate our eye health business into an independent publicly traded entity from the remainder of BHC. In connection with the Separation (as defined below), we and BHC have entered into agreements that provide for certain transactions to effect the transfers of the assets and liabilities of BHC's eye health business to us and result in the separation of our business from BHC. For more information regarding the assets and liabilities to be transferred to us, see our combined pro forma and historical financial statements and accompanying notes included elsewhere in this prospectus. We refer to the separation transactions, as described in "The Separation and the Distribution," along with the effectiveness of various agreements between us and BHC, as the "Separation."

We have entered into certain other agreements that provide a framework for our relationship with BHC after the Separation, including:

- a master separation agreement (the "Master Separation Agreement") with BHC that governs (i) the relationship between us and BHC following the completion of this offering (including with respect to the allocation of (x) assets and liabilities to us and BHC and (y) pending, threatened and unasserted legal matters) and (ii) certain matters related to this offering, and which provides for certain conditions to this offering and the Distribution (as defined below);
- an arrangement agreement (the "Arrangement Agreement") with, among others, BHC which sets out the terms and conditions of the Arrangement by which the Distribution is currently expected to be implemented;
- a transition services agreement (the "Transition Services Agreement") governing BHC's provision of various services to us, and our provision of various services to BHC, on a transitional basis;
- a tax matters agreement (the "Tax Matters Agreement") with BHC that governs our and BHC's rights, responsibilities and obligations after the closing of this offering with respect to tax matters (including responsibility for taxes attributable to us and our subsidiaries and taxes arising in connection with the Separation and related transactions, entitlement to refunds, allocation of tax attributes, preparation of tax returns, control of tax contests and other matters);
- an employee matters agreement (the "Employee Matters Agreement") with BHC that addresses employment, compensation and benefits matters, including the allocation and treatment of assets and liabilities relating to employees and compensation and benefit plans and programs in which our employees participate prior to the Distribution, as well as other human resources, employment and employee benefit matters;

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- an intellectual property matters agreement (the "Intellectual Property Matters Agreement") with BHC, which governs our and BHC's rights, responsibilities and obligations to use our and BHC's intellectual property;
- a real estate matters agreement (the "Real Estate Matters Agreement") with BHC pursuant to which certain leased and owned property will be shared between us and BHC, and each of BHC and us will provide certain services to the other with respect to such leased and owned property on a transitional basis; and
- a registration rights agreement (the "Registration Rights Agreement") with BHC, pursuant to which we have granted BHC and its affiliates certain registration rights with respect to our common shares owned by them.

See "Certain Relationships and Related Party Transactions—Relationship with BHC" and "—Arrangement Agreement" for a more detailed discussion of these agreements. All of the agreements relating to the Separation and the Distribution have been and will be made in the context of a parent-subsidiary relationship and have been and will be entered into in the overall context of our separation from BHC. The terms of these agreements may be more or less favorable to us than if they had been negotiated with unaffiliated third parties. See "Risk Factors—Risks Relating to the Separation" and "Certain Relationships and Related Party Transactions."

In connection with this offering, we intend to incur approximately $ million of term loans and to enter into a $ million revolving credit facility (expected to be undrawn at closing) (collectively, the "Credit Facilities"). Using the proceeds of the Credit Facilities, we intend to repay in full the BHC Purchase Debt (as defined below) to BHC.

BHC has informed us that, following the completion of this offering, it currently intends to transfer all or a portion of its remaining indirect equity interest in us to its shareholders by way of an arrangement under applicable corporate law (the "Arrangement") to be implemented in accordance with the terms and subject to the conditions set out in the plan of arrangement appended to the Arrangement Agreement (as amended from time to time in accordance with its terms and the Arrangement Agreement, the "Plan of Arrangement"). The Arrangement Agreement sets out certain representations, warranties and covenants of the parties and sets out certain conditions precedent which must be satisfied or waived in order for the Arrangement to be completed, together with certain rights of termination. Subject to the terms of the Arrangement Agreement, BHC may instead also effect the transfer of its remaining indirect equity interest in us to its shareholders through one or more distributions effected as a dividend to all BHC shareholders, one or more distributions in exchange for BHC shares or other securities, or any combination thereof. Prior to the completion of any such distribution, BHC may also sell a portion of its remaining indirect equity interest in us through an offering to third parties. We refer to any such distribution and/or sale, as described in "The Separation and the Distribution," as the "Distribution."

The various Separation agreements and the Arrangement Agreement have been entered into prior to the closing of this offering. The Distribution is expected to occur following the closing of this offering subject to the conditions described below. BHC has agreed not to effect the Distribution for a period of 180 days after the date of this prospectus without the consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC. See "Underwriting." BHC has no obligation to pursue or consummate any further dispositions of its ownership interest in us, including through the Distribution, by any specified date or at all and it may retain its ownership interest in us indefinitely or dispose of all or a portion of its ownership interest in us in a sale or other transaction. If pursued, the Distribution would be subject to various conditions, including those set out in the Arrangement Agreement. These conditions include receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions, and in the case of a tax-free transaction, an opinion of counsel and a tax ruling from the Canada Revenue Agency (a "Tax Ruling") confirming the tax-free treatment of the transaction to BHC, the Company and their respective shareholders. Completion of the Arrangement would also be subject to receipt of applicable shareholder approvals and the receipt of and compliance with the Interim and Final Orders (as defined below). The conditions to the Distribution may not be satisfied, BHC may decide not to consummate the Distribution even if the conditions are satisfied or BHC or we may decide to waive one or more of these conditions and consummate the Distribution even if all of the conditions are not satisfied. See "The Separation and the Distribution—Agreements with BHC—Arrangement Agreement."

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Prior to this offering, we are an indirect, wholly-owned subsidiary of BHC. Immediately following the completion of this offering, we expect that BHC will beneficially own approximately % of our outstanding common shares (or approximately % if the underwriters' option to purchase additional common shares is exercised in full) As a result, since BHC will continue to own a majority of our common shares following the completion of this offering, we will be a "controlled company" within the meaning of the corporate governance requirements of the NYSE and "majority controlled" for purposes of the majority voting requirements of the TSX. Accordingly, we will be exempt from certain corporate governance requirements of the NYSE until such time we cease to be a "controlled company," including requirements that a majority of our Board of Directors consist of independent directors and having a compensation committee and a nominating and corporate governance committee that is composed entirely of independent directors. We may take advantage of these exemptions following the completion of this offering. Upon completion of the Distribution, we will no longer qualify as a controlled company and will be required to fully implement NYSE corporate governance requirements within one year of the Distribution. See "Management—Controlled Company Exception." For purposes of the TSX rules, while we remain "majority controlled," we may take advantage of an exemption from the requirement to implement a majority voting policy. See "Management—Majority Voting Policy."

We believe, and BHC has advised us that it believes, that the Separation, this offering and the Distribution will provide a number of benefits to our business and to BHC's business. These intended benefits include improving the strategic and operational flexibility of both companies, increasing the focus of the management teams on their respective business operations and allowing each company to adopt the capital structure, investment policy and dividend policy best suited to its financial profile and business needs, and providing each company with its own equity to facilitate acquisitions and to better incentivize management. In addition, as we will be a standalone company, potential investors will be able to invest directly in our business. There can be no assurance that we will achieve the expected benefits of the Separation and the Distribution in a timely manner or at all. See "Risk Factors—Risks Relating to the Separation."

We expect that the Separation will be substantially completed prior to the completion of the offering and that the various Separation related agreements, as outlined above, will also be entered into prior to the completion of the offering, but that the Distribution will occur, if at all, following the closing of this offering. See "The Separation and the Distribution" and "Certain Relationships and Related Party Transactions—Relationship with BHC," as well as "Risk Factors—Risks Relating to the Separation."

Recent Developments

Preliminary Results for the Three Months and the Year Ended December 31, 2021

We have provided ranges of certain preliminary results below because our closing procedures for our fiscal quarter and our year ended December 31, 2021 are not yet complete. Our actual results remain subject to the completion of management's final review and our other closing procedures, or subsequent events, as well as the completion of the audit of our combined financial statements. Accordingly, you should not place undue reliance on our preliminary results set out below, which may differ from actual results. Our actual audited combined financial statements as of and for the year ended December 31, 2021 are not expected to be filed with the SEC until after the completion of this offering. During the course of the preparation of our audited combined financial statements and the notes thereto, additional items that require adjustments to the preliminary results presented below may be identified. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" and "Cautionary Statements Concerning Forward-Looking Statements."

The preliminary financial data included in this document has been prepared by, and is the responsibility of, management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

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The preliminary and actual results provided below do not represent a comprehensive statement of Bausch + Lomb's financial results and should not be viewed as a substitute for audited financial statements prepared in accordance with GAAP. In addition, the preliminary estimates for the three months and the year ended December 31, 2021 are not necessarily indicative of the results to be achieved in any future period The actual results for the year ended 2020 have been derived from the audited historical Combined Statement of Operations of Bausch + Lomb for the year ended December 31, 2020. The unaudited actual results for the three months ended December 31, 2020 have been derived from the books and records of Bausch + Lomb.

The following table reflects certain preliminary results for the three months and the year ended December 31, 2021 and actual results for the three months and the year ended December 31, 2020:

	For the three months ended December 31,			For the year ended December 31,		
	2021		2020	2021		2020
	Low	High	(actual)	Low	High	(actual)
	(estimated)		(unaudited)	(estimated)		
(in millions)						
Revenues	$	$	$ 944	$	$	$3,412
Gross profit(1)			498			1,804
Operating income			83			260
Depreciation and amortization of intangible assets			106			442

(1) Gross profit represents Revenues less Costs of goods sold (excluding amortization of intangible assets) less Cost of other revenues less Amortization of intangible assets as presented in the Combined Statements of Operations

We have not provided ranges for net income as we do not, as of the date of this prospectus, have all of the data required to provide estimates for interest income, foreign exchange and other and income taxes that are necessary to calculate net income.

Summary of Risk Factors

An investment in our company is subject to a number of risks, including risks relating to our business, risks relating to the Separation and risks relating to this offering and ownership of our common shares. Set forth below is a high-level summary of some, but not all, of these risks. For a more thorough description of these risks, please read the information in "Risk Factors" included elsewhere in this prospectus.

Risks Relating to Our Business

- The effect of the COVID-19 pandemic on our business, financial condition, cash flows and results of operations;
- Our ability to successfully develop our pipeline of products, which is highly uncertain and requires significant expenditures and time, including risks relating to obtaining necessary government approvals;
- Failure to comply with post-approval legal and regulatory requirements for our marketed products;
- Interruptions to our manufacturing operations and those of our third-party manufacturers, including as a result of failure to comply with applicable regulations, issues relating to inventory levels or fluctuations in buying patterns by our large distributors and retail customers and supply chain disruptions;
- The impact of competition and new medical and technological developments in our markets;
- Failure to yield new products that achieve commercial success;
- The loss of the services of, or our inability to recruit, retain, motivate, our executives and other key employees;

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- Pricing decisions, including as a result of price changes and/or new programs to enhance patient access to our products;
- Failure to maintain our relationships with healthcare providers who recommend our products to their patients;
- International operations risks associated with conducting the majority of our business outside the United States;
- The loss of patent protection or exclusivity rights and, even where we retain patent protection or exclusivity rights, competition from similar products in the markets in which we participate;
- Competition for our pharmaceutical, OTC products or medical devices;
- Enactment of new regulations or changes in existing regulations related to the research, development, testing and manufacturing of our products;
- Product recalls or voluntary market withdrawals; and
- Changes in market acceptance of our products due to inadequate reimbursement for such products or otherwise.

Risks Relating to the Separation

- We may not realize the anticipated benefits from the Separation, and the Separation could harm our business;
- We have no recent history of operating as an independent company, and our historical and unaudited pro forma financial information is not necessarily indicative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results;
- The Distribution may not occur;
- Following the Separation, our financial profile will change and we will be a smaller, less diversified company than BHC prior to the Separation;
- The development of our operations and infrastructure in connection with the Separation, and any future expansion of such operations and infrastructure, may not be entirely successful, and may strain our operations and increase our operating expenses;
- Until the completion of the Distribution, BHC will control the direction of our business, and the concentrated ownership of our common shares will prevent you and other shareholders from influencing significant decisions;
- The transfer of certain assets, liabilities and contracts from BHC to us contemplated by the Separation will not be complete upon the closing of this offering;
- We expect that we will initially remain a restricted subsidiary under certain of BHC's credit facilities and indentures upon completion of this offering (under which BHC had an aggregate amount of $22.6 billion in outstanding indebtedness as of September 30, 2021) and will be subject to various covenants under these facilities and indentures, which may adversely affect our operations;
- Following this offering, some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in BHC, and some of our directors may have actual or potential conflicts of interest because they also serve as officers or directors of BHC;
- Potential tax liabilities that may arise as a result of the Separation, the Distribution or related transactions; and
- Certain requirements of the public company "butterfly reorganization" rules in Section 55 of the Tax Act depend on events that may not be within our control.

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Risks Relating to this Offering and Ownership of Our Common Shares

- We cannot be certain that an active trading market for our common shares will develop or will be sustained after the Separation and, following the Separation, the price of our common shares may fluctuate significantly;
- Our historical combined financial data is not necessarily representative of the results we would have achieved as a standalone company and may not be a reliable indicator of our future results;
- As long as BHC owns a majority of our common shares, we may rely on certain exemptions from the corporate governance requirements of the NYSE available to "controlled companies" and of the TSX available to "majority controlled" companies;
- A significant number of our common shares may be sold following the Separation, which may cause our stock price to decline;
- We will no longer be a wholly-owned subsidiary of our parent company BHC and as a publicly traded company there may be substantial changes in our shareholder base; and
- Your percentage of ownership in Bausch + Lomb may be diluted in the future.

Corporate and Other Information

Our business was founded in 1853 and incorporated in the State of New York in 1908 ("Old Bausch + Lomb"). From December 1958 to October 2007, Old Bausch + Lomb's common stock traded under the symbol "BOL" on the NYSE and was registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In 2007, Old Bausch + Lomb de-listed its common stock from the NYSE and terminated its registration under the Exchange Act in connection with its acquisition and merger by Warburg Pincus, LLC and Welsh, Carson, Anderson & Stowe. In 2013, Bausch Health Companies Inc. or BHC (formerly Valeant Pharmaceuticals International Inc.) acquired Old Bausch + Lomb.

We were incorporated under the CBCA on August 19, 2020. If the Distribution is implemented as currently anticipated, following completion of the Arrangement, we will cease to be governed by the CBCA and we will be governed by the British Columbia Business Corporations Act ("BCBCA"). This process is governed by applicable corporate law and is referred to as a "continuance". Unless the context suggests otherwise, references in this prospectus to "Bausch + Lomb," "B+L," the "Company," "we," "us," and "our" refer to Bausch + Lomb and its consolidated subsidiaries after giving effect to the transactions described under "The Separation and the Distribution." Prior to the effectiveness of the registration statement of which this prospectus is a part, Bausch + Lomb will remain an indirect, wholly-owned subsidiary of BHC. The selling shareholder, which is a wholly-owned subsidiary of BHC, owns the common shares being sold in this offering. Bausch + Lomb will not receive any proceeds from the sale of the common shares in this offering. All of the proceeds from this offering will be received by the selling shareholder.

Our executive offices are located at 520 Applewood Crescent, Vaughan, Ontario, Canada L4K 4B4 and our telephone number is (905) 695-7700. Our Internet website address is www.Bausch.com. Information on, or accessible through, our website is not part of this prospectus. We have included our website address only as an inactive textual reference and do not intend it to be an active link to our website.

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THE OFFERING

Common shares offered by the selling shareholder	shares
Common shares to be outstanding after this offering	shares
Over-allotment option	The selling shareholder has granted the underwriters an option for a period of 30 days to purchase up to an additional common shares at the initial public offering price less underwriting commissions to cover over-allotments, if any.
Use of proceeds	We will not receive any proceeds from the sale of our common shares in this offering. All of the proceeds from this offering will be received by the selling shareholder. Prior to this offering, we are an indirect, wholly-owned subsidiary of BHC. The selling shareholder, which is a wholly-owned subsidiary of BHC, owns the common shares being sold in this offering. See "Use of Proceeds."
Dividend policy	We do not expect to pay dividends on our common shares for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. See "Dividend Policy."
Proposed Stock Exchange Symbol	We have applied to list our common shares on the NYSE and the TSX, in each case under the symbol "BLCO." Our common shares will trade in U.S. dollars on the NYSE and in Canadian dollars on the TSX. Listings on the NYSE and the TSX are subject to approval by the NYSE and the TSX in accordance with their respective original listing requirements. The NYSE and the TSX have not conditionally approved our listing applications and there is no assurance that the NYSE and the TSX will approve our listing applications.
Risk Factors	You should read the section entitled "Risk Factors" for a discussion of some of the risks and uncertainties you should carefully consider before deciding to invest in our common shares.

Unless otherwise indicated, the information presented in this prospectus:

- gives effect to the transactions described under "Certain Relationships and Related Party Transactions—Relationship with BHC;"
- assumes an initial public offering price of $ per share, the midpoint of the price range set forth on the front cover page of this prospectus;
- assumes no exercise by the underwriters of their option to purchase an additional common shares from the selling shareholder to cover over-allotments; and

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- does not include (i) common shares (representing 8% of our issued and outstanding common shares following this offering assuming exercise of the underwriters' over-allotment option) reserved for issuance under the Bausch + Lomb 2022 Omnibus Incentive Plan and (ii) any common shares that may become issuable pursuant to Converted Awards (as described in more detail in "Executive Compensation Bausch + Lomb Corporation 2022 Omnibus Incentive Plan" and "The Separation and The Distribution Agreements with BHC—Employee Matters Agreement—Treatment of Outstanding Equity Awards"). Based on the number of outstanding BHC equity awards as of , 2022 we expect that the Converted Awards will include (1) restricted stock units that would, upon vesting, convert into approximately of our common shares and (2) stock options that would, upon vesting, be exercisable into approximately of our common shares of with a weighted average exercise price of $ per share. The number of shares issuable upon exercise or settlement, as applicable, of Converted Awards will depend on a number of factors, including the relative value of BHC shares and our common shares at the time of the Distribution. The estimate set forth above is calculated assuming our common shares are trading at a price per share of $ (the mid-point of the range set forth on the cover of this prospectus) and BHC shares are trading at $ per share at the time of the Distribution (which is the closing price of BHC shares on , 2022, minus the per-BHC share value of our common shares that would be distributed in the Distribution based on the number of shares outstanding of BHC as of , 2022). Using these same assumptions, the estimated number of our common shares that would be issuable pursuant to Converted Awards would be approximately million shares.

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SUMMARY HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The summary historical combined statement of operations data and the combined statement of cash flows data for the years ended December 31, 2020, 2019 and 2018 has been derived from our audited combined financial statements included elsewhere in this prospectus. The historical unaudited combined balance sheet data as of September 30, 2021 and the historical unaudited combined statement of operations data and the unaudited combined statement of cash flows data for the nine months ended September 30, 2021 and 2020 were derived from Bausch + Lomb's combined unaudited financial statements and the related notes included elsewhere in this prospectus. Our combined financial statements include expense allocations for certain support functions that are provided on a centralized basis within BHC, such as expenses for business technology, facilities, legal, finance, human resources, business development, external affairs and procurement, among others, as well as certain manufacturing costs incurred by manufacturing sites that are shared with other BHC business units, BHC's global external supply group and BHC's global logistics and support group. BHC does not routinely allocate these costs to any of its business units. These allocations are based on either a specific identification basis or based on a reasonable allocation driver such as net sales, headcount, square footage usage or other allocation methods depending on the nature of the services and/or costs.

The Pro Forma Information set out below has been derived from Bausch + Lomb's historical financial information. See "Capitalization" and "Unaudited Pro Forma Condensed Combined Financial Statements" for further details.

The financial statements included in this prospectus may not be indicative of our future performance and do not necessarily reflect what our financial position and results of operations would have been had we operated as a standalone public company during the periods presented, including changes that will occur in our operations and capital structure as a result of this offering and the Separation.

The unaudited pro forma condensed combined balance sheet at September 30, 2021, and the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2021 and the year ended December 31, 2020, are presented to give effect to:

Transaction accounting adjustments, including:

- the reclassification of BHC's net investment in Bausch + Lomb into additional paid-in capital and common shares, to reflect the number of common shares of Bausch + Lomb expected to be outstanding at the effective date of this registration statement and the issuance of the BHC Purchase Debt and the completion of the other separation transactions, as described in "The Separation and the Distribution"; and
- the anticipated: (i) incurrence of $ million of indebtedness under Bausch + Lomb's new Credit Facilities (as defined below) and (ii) repayment by Bausch + Lomb to BHC of $ million in respect of the BHC Purchase Debt (as defined below) (collectively, the "Financing Transactions").

Autonomous entity adjustments, including:

- the incremental costs Bausch + Lomb expects to incur as an autonomous entity;
- the one-time expenses associated with separation of Bausch + Lomb; and
- the impact of the Master Separation Agreement, the Arrangement Agreement, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Intellectual Property Matters Agreement, the Real Estate Matters Agreement and the Registration Rights Agreement between Bausch + Lomb and BHC and the provisions contained therein,

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as if such transactions occurred on September 30, 2021, in the case of the unaudited pro forma condensed combined balance sheet, and January 1, 2020, in the case of the unaudited pro forma condensed combined statement of operations.

The summary unaudited pro forma combined financial data below is based upon available information and assumptions that we believe are reasonable. The unaudited pro forma combined financial data is for illustrative and informational purposes only and is not intended to represent what our financial condition or results of operations would have been had such transactions occurred on the dates indicated. The unaudited pro forma financial data also should not be considered representative of our future financial condition or results of operations.

Our combined financial statements have been prepared in accordance with U.S. GAAP. You should read the summary historical combined financial data set forth below in conjunction with the sections entitled "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited Pro Forma Condensed Combined Financial Statements" and in conjunction with Bausch + Lomb's combined financial statements and the related notes included elsewhere in this prospectus.

	Pro Forma		Historical				
	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019	Years Ended December 31, 2018
	(unaudited)		(unaudited)				
	(in millions, except share and per share data)						
Combined Statement of Operations Data:							
Revenues							
Product sales	$	$	$2,743	$2,444	$3,381	$3,729	$3,615
Other revenues			21	24	31	49	50
			2,764	2,468	3,412	3,778	3,665
Expenses							
Cost of goods sold (excluding amortization and impairments of intangible assets)			1,056	901	1,269	1,301	1,287
Cost of other revenues			8	14	16	26	26
Selling, general and administrative			1,024	922	1,253	1,382	1,327
Research and development			201	187	253	258	221
Amortization of intangible assets			225	247	323	348	377
Other expense, net			13	20	38	67	11
			2,527	2,291	3,152	3,382	3,249
Operating income			237	177	260	396	416
Interest income			—	2	3	1	—
Foreign exchange and other			(5)	8	27	2	1
Income before (provision for) benefit from income taxes			232	187	290	399	417
(Provision for) benefit from income taxes			(93)	4	(307)	(96)	302

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	Pro Forma		Historical				
	Nine Months Ended September 30, 2021	Year Ended December 31, 2020	Nine Months Ended September 30, 2021	2020	Years Ended December 31, 2020	2019	2018
	(unaudited)		(unaudited)				
	(in millions, except share and per share data)						
Net income (loss)			139	191	(17)	303	719
Net income attributable to noncontrolling interest			(8)	—	(1)	(5)	(9)
Net income (loss) attributable to Bausch + Lomb	$	$	$131	$191	$(18)	$298	$710
Net income attributable to Bausch + Lomb per common share	$	$					
Weighted average number of common shares outstanding—Basic							
Diluted earnings per common share	$	$					
Weighted average number of common shares outstanding—Diluted							

	Historical				
	Nine Months Ended September 30,		Years Ended December 31,		
	2021	2020	2020	2019	2018
	(in millions)				
Combined Statement of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	$ 711	$ 388	$ 522	$ 799	$ 763
Investing activities	(133)	(177)	(256)	(186)	(74)
Financing activities	(675)	(227)	(232)	(606)	(665)

	Pro Forma As of September 30, 2021	Historical As of September 30, 2021
	(in millions)	
Combined Balance Sheet Data:		
Cash and cash equivalents	$	$ 130
Total assets		11,037
Total Bausch + Lomb shareholders' equity		9,394

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RISK FACTORS

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

Risks Relating to COVID-19

The ongoing COVID-19 pandemic, the rapidly evolving reaction of governments, private sector participants and the public to that pandemic and/or the associated economic impact of the pandemic and the reactions to it, could adversely and materially impact our business, financial condition, cash flows and results of operations.

The ongoing COVID-19 pandemic and the rapidly evolving reaction of governments, private sector participants and the public in an effort to contain the spread of COVID-19 and/or address its impacts have intensified and have had significant direct and indirect effects on businesses and commerce generally, including disruption to supply chains, employee base and transactional activity, facilities closures and production suspensions, and significantly increased demand for certain goods and services, such as pandemic-related medical services and supplies, alongside decreased demand for others, such as retail, hospitality, travel and elective surgery.

As a result of the impact of COVID-19, we have experienced and may continue to experience delays in and postponement of our clinical trial programs and reduced demand for certain of our products due to the deferral of elective medical procedures and of doctor visits. In addition, restrictions on outpatient surgery and other medical procedures due to COVID-19, along with reduced demand for contact lenses relating to consumer fears that eye contact could result in infection spread, negatively impacted our results of operations for the year ended December 31, 2020, and if such issues recur in the future, our results of operations may be adversely impacted as a result. Depending on future developments with respect to COVID-19, we may continue to experience those effects as a result of the pandemic, the reactions of governments, private sector participants and the public to the pandemic and the associated disruption to business and commerce generally.

For example, we may experience:

- further material closures or disruptions to our manufacturing sites (including Milan, Italy and our two sites in China);
- lack of availability of active pharmaceutical ingredients, or APIs, and intermediates, or other supply chain disruptions, including for some of our key products;
- continued alternative working arrangements, including personnel working remotely and additional cleaning or sterilization protocols at our production facilities, which could negatively impact our business should such arrangements remain for an extended period of time;
- interruption or delays in the operations of the United States Food and Drug Administration ("FDA"), the European Medical Agency ("EMA") and other regulatory authorities, which may impact review and approval timelines for our planned trials and launches;
- delays or difficulties in enrolling patients in our clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;

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- diversion of health care resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption or postponement of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others or interruption of clinical trial subject visits and study procedures, which may impact the integrity of subject data and clinical study endpoints;
- limitations on employee resources that would otherwise be focused on our business and operations, such as the conduct of our preclinical studies and clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- delays in or postponements of our clinical trial programs as a result of "stay at home" orders affecting our research facilities or the closure of such research facilities, which may impact the timing, approval and launch of the affected clinical trial programs;
- recurrence of deferrals of elective or elective medical procedures and of doctor visits, and reduced use of contact lens, as consumers may fear that eye contact could result in infection spread, which may reduce demand for certain of the Company's products, including our contact lens products and certain branded pharmaceutical products in our eye care businesses;
- delays or difficulties in our and our business partners' ability to access physicians, which may in turn impact our ability to train physicians to use our devices and provide needed services; and
- adverse effects on the regional economies in which we operate which could reduce demand for certain of the Company's products.

The extent and duration of the pandemic, the reactions of governments, private sector participants and the public to that pandemic and the associated disruption to business and commerce generally, and the extent to which these may impact our business, financial condition, cash flows and results of operations in particular, will depend on future developments which are highly uncertain and many of which are outside our control and cannot be predicted with confidence. Such developments include the ultimate geographic spread and duration of the pandemic, the availability and effectiveness of vaccines for COVID-19, the extent and duration of a resurgence of the COVID-19 virus and variant strains thereof, including the Delta and Omicron variants, new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 and/or address its impacts, and the economic impact of the pandemic and the reactions to it. Such developments, among others, depending on their nature, duration and intensity, could have a significant adverse effect on our business, financial condition, cash flows, results of operations and could cause the market value of our common shares to decline and may exacerbate other risk factors disclosed elsewhere in this "Risk Factors" section.

Development and Regulatory Risks

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

We currently have a number of pipeline products in development. We and our development partners, as applicable, conduct extensive preclinical studies and clinical trials to demonstrate the safety and efficacy in humans of our pipeline products in order to obtain regulatory approval for the sale of our pipeline products. Preclinical studies and clinical trials are expensive, complex, can take many years and have uncertain outcomes. None of, or only a small number of, our research and development programs may actually result in the commercialization of a product. We will not be able to commercialize our pipeline products if preclinical studies do not produce successful results or if clinical trials do not demonstrate safety and efficacy in humans.

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Furthermore, success in preclinical studies or early-stage clinical trials does not ensure that later stage clinical trials will be successful nor does it ensure that regulatory approval for the product candidate will be obtained. In addition, the process for the completion of pre-clinical and clinical trials is lengthy and may be subject to a number of delays for various reasons, which would delay the commercialization of any successful product. If our development projects are not successful or are significantly delayed, we may not recover our substantial investments in the pipeline product and our failure to bring these pipeline products to market on a timely basis, or at all, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

In addition, the FDA and Health Canada approval must be obtained in the U.S. and Canada, respectively, EMA approval (drugs) and CE Marking (devices) and/or registration under the European Commission's Medical Device Regulation ("MDR") 2017/745 must be obtained in countries in the European Union ("EU") and similar approvals must be obtained from comparable agencies in other countries, prior to marketing or manufacturing new pharmaceutical and medical device products for use by humans. Obtaining such regulatory approvals for new products and devices and manufacturing processes can take a number of years and involves the expenditure of substantial resources. We may face additional challenges with respect to EMA approval and CE Marking in the EU as a result of additional requirements for approval in the EU that may be more burdensome than those required by the FDA and Health Canada. Even if such products appear promising in development stages, regulatory approval may not be achieved and no assurance can be given that we will obtain approval in those countries where we wish to commercialize such products. Nor can any assurance be given that if such approval is secured, the approved labeling will not have significant labeling limitations, including limitations on the indications for which we can market a product, or require onerous risk management programs. Furthermore, from time to time, changes to the applicable legislation or regulations may be introduced that change these review and approval processes for our products, which changes may make it more difficult and costly to obtain or maintain regulatory approvals.

Our marketed products will be subject to ongoing regulatory review.

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

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

In April 2017, the European Union adopted MDR, which repeals and replaces the Medical Device Directive ("MDD") and active implantable medical devices Directive ("AIMDD") 90/385/EEC. The MDR, for most parts, became applicable on May 26, 2021. Under the MDR, several transitional measures apply to medical devices that are certified under the MDD or AIMDD prior to May 26, 2021 or, for class I device, for which a declaration of conformity was drawn up prior to May 26, 2021, allowing these devices to be placed on the market after May 26, 2021 under certain conditions for a transitional period. However, if we make any significant changes in the design or intended purpose of our devices, they will no longer benefit from such transitional periods. Generally, the MDR imposes stricter requirements on manufacturers, importers and distributors of medical devices. Moreover, the requirements to provide clinical data for medical devices has become stricter and as a result we may need to conduct new time consuming and costly clinical investigations with our existing medical devices to

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meet the new requirements, including to obtain CE certificates under the MDR. We may, or may not, be able to provide this data in time to obtain MDR certifications in a timely fashion when our existing certificates expire. These new regulations impact all of our existing and pipeline medical device products being sold in the EEA for which we are legal manufacturer, importer and/or distributor, including contact lens, lens care, eye health, aesthetic and surgical areas, as well as certain of our products outside the EEA, which rely on the EEA registration to support registration in those other countries. These products, in the aggregate, account for a meaningful portion of our net revenue in this region. While we are working to ensure compliance with these new regulations for all impacted products, we may not be able to achieve compliance for all products within the applicable transition period. If we fail to achieve compliance, we will not be able to market and sell the non-compliant products in the EEA, nor will we be able to rely on the non-compliant registration for such products in regions outside of the EEA, which could have a material adverse effect on our business, financial condition, cash flows and results of operations in the EEA and, possibly, on a consolidated basis, and could cause the market value of our common shares to decline.

As explained below, while EU law is applicable in Northern Ireland, the UK Medical Devices Regulations 2002/68 also need to be complied with in Great Britain. Medical device manufacturers who have CE marked devices will be able to continue to place them on the market in the whole of the UK until July 1, 2023 without a change in labeling. After that, devices destined for Great Britain will be required to follow the UK regulatory regime and to be labeled with the UKCA mark. Northern Ireland will, however, continue to accept CE marked devices. There are some extra hurdles for manufacturers who are based outside the UK such as the requirement to appoint a UK Responsible Person ("UKRP") to take on certain regulatory responsibilities with respect to the Medicines and Healthcare products Regulatory Agency ("MHRA") and users or customers in the UK. To enable devices to be placed on the market in the UK after January 1, 2021 (even for CE marked devices), a UK manufacturer must register with the MHRA, as must a UKRP for an overseas manufacturer, such registering entity will then register each of the devices for which they are responsible for placing on the market in the UK, whether in Great Britain or Northern Ireland. This may create added expense and challenges as explained below.

Until May 25, 2021, our products bearing a CE mark could be exported from the EEA to Switzerland. However, as of May 26, 2021, the European Union no longer applies the Mutual Recognition Agreement between the EEA and Switzerland. Accordingly, legal manufacturers in Switzerland will be required to appoint a European Union authorized representative, and manufacturers outside of Switzerland will be required to appoint a Swiss authorized representative in compliance with the Medical Device Ordinance. As a consequence, we will be required to appoint an authorized representative in Switzerland in order to export our CE-marked medical devices to Switzerland beginning in January 2022 through August 2022, depending on the Class of the device or system in question. Additionally, the name and address of the Swiss authorized representative must be placed on the packaging. This will create added expenses and challenges.

In addition, incidents of adverse drug reactions, unintended side effects or misuse relating to our products could result in additional regulatory controls or restrictions, or even lead to the regulatory authority requiring us to recall or withdraw the product from the market. Further, if faced with these incidents of adverse drug reactions, unintended side effects or misuse relating to our products, we may elect to voluntarily implement a recall or market withdrawal of our product. A recall or market withdrawal, whether voluntary or required by a regulatory authority, may involve significant costs to us, potential disruptions in the supply of our products to our customers and reputational harm to our products and business, all of which could harm our ability to market our products and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

The manufacturing, formulation, packaging, labeling and advertising of the Company's dietary supplement products are also subject to regulation by certain federal, state and foreign agencies, including the FDA, the

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Federal Trade Commission (the "FTC"), and the Consumer Product Safety Commission, in the U.S., and by Health Canada in Canada. The FDA has authority in the U.S. over the adulteration or misbranding of dietary supplements. There are requirements relating to ingredient safety, new dietary ingredient notifications, labeling, claims notifications, and adverse event reporting among other requirements. While we believe our products comply with those requirements, the FDA may challenge positions we have taken with respect to the formulation or labeling of a dietary supplement product. We are also subject to risks relating to evolving regulations of dietary supplement products, including our eye vitamins and mineral supplements, as the FDA and other applicable agencies have in the past and may in the future consider additional or more stringent regulations of dietary supplements and other products. Such developments could require reformulation of certain of our products to meet new standards, additional record-keeping obligations, increased documentation of the properties of certain products, additional or different labeling, additional scientific substantiation, adverse event reporting or similar obligations, or could result in recalls or the discontinuance of certain of our products that are not able to be reformulated. Any such developments could increase our costs significantly. In addition, the FDA also has comprehensive regulations for CGMP for those who manufacture, package or hold dietary supplement products. These regulations focus on practices that ensure the identity, purity, quality, strength and composition of dietary supplements manufacture. We or our contract manufacturers may not be able to comply with such regulations without incurring additional expenses, which could be significant.

The United Kingdom's exit from the European Union may impact the development and the regulatory approval and review of certain of our products.

On June 23, 2016, the United Kingdom ("UK") held a referendum on its membership in the EU, in which United Kingdom voters approved an exit from the EU ("Brexit"). On March 29, 2017, the United Kingdom formally notified the European Council pursuant to Article 50 of the Treaty of Lisbon of its intention to leave the EU. On January 31, 2020 ("Exit Day"), the UK ceased to be a member state of the EU. EU law applicable to the UK continued to apply to and in the UK for the duration of a transition period which expired on December 31, 2020 (the "Transition Period"). During the Transition Period, the EU and the UK negotiated the terms of their future relationship and on December 31, 2020 entered into a Trade and Cooperation Agreement, an Agreement on Nuclear Cooperation and an Agreement on Security Procedures for Exchanging and Protecting Classified Information. Subject to certain exceptions, domestic law derived from EU law, EU law directly applicable in the UK and EU rights, powers, liabilities and obligations recognized and available in the UK in each case immediately before the expiration of the Transition Period was retained by the UK, but in the future UK law may diverge from EU law. Following the Brexit vote, the EU moved the European Medicines Agency's headquarters from the UK to the Netherlands, which could result in disruptions and delays in new drug approvals in the EU. In addition, we could face new regulatory costs and challenges that could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Manufacturing and Supply Risks

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

Our manufacturing facilities and those of our contract manufacturers must be inspected and found to be in full compliance with CGMP, quality system management requirements or similar standards before approval for marketing. Compliance with CGMP regulations requires the dedication of substantial resources and requires significant expenditures. In addition, while we attempt to build in certain contractual obligations on our third party manufacturers, we may not be able to ensure that such third-parties comply with these obligations. Our failure or that of our contract manufacturers to comply with CGMP regulations, quality system management requirements or similar regulations outside of the United States, or compliance with environmental laws or

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regulations, could result in enforcement action by the FDA or its foreign counterparts, or other regulatory bodies, including, but not limited to, warning letters, fines, injunctions, civil or criminal penalties, recall or seizure of products, total or partial suspension of production or importation, suspension or withdrawal of regulatory approval for approved or in-market products, refusal of the government to renew marketing applications or approve pending applications or supplements, refusal of certificates for export to foreign jurisdictions, suspension of ongoing clinical trials, imposition of new manufacturing requirements, closure of facilities and criminal prosecution. These enforcement actions could lead to a delay or suspension in production, which could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows and could cause the market value of our common shares to decline.

In addition, our manufacturing and other processes use complicated and sophisticated equipment, which sometimes requires a significant amount of time to obtain and install. Manufacturing complexity, testing requirements and safety and security processes combine to increase the overall difficulty of manufacturing these products and resolving manufacturing problems that we may encounter. Although we endeavor to properly maintain our equipment (and require our contract manufacturers to properly maintain their equipment), including through on-site quality control and experienced manufacturing supervision, and have key spare parts on hand, our business could suffer if certain manufacturing or other equipment, or all or a portion of our or their facilities, were to become inoperable for a period of time. We could experience substantial production delays or inventory shortages in the event of any such occurrence until we or they repair such equipment or facility or we or they build or locate replacement equipment or a replacement facility, as applicable, and seek to obtain necessary regulatory approvals for such replacement. Any interruption in our manufacture of products could adversely affect the sales of our current products or introduction of new products and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

Some components and raw materials used in our manufactured products and some finished products sold by us, are currently available only from one or a limited number of domestic or foreign suppliers. For example, with respect to some of our largest or most significant products, the supply of the finished product for each of our LUMIFY®, VYZULTA®, SofLens®, Ocuvite®, PreserVision®, renu® and PureVision® products are only available from a single source and the supply of API for our VYZULTA® product is also only available from a single source. In the event an existing supplier fails to supply product on a timely basis and/or in the requested amount, supplies product that fails to meet regulatory requirements, becomes unavailable through business interruption or financial insolvency or loses its regulatory status as an approved source or we are unable to renew current supply agreements when such agreements expire and we do not have a second supplier, we may be unable to obtain the required components, raw materials or products on a timely basis or at commercially reasonable prices. We attempt to mitigate these risks by maintaining safety stock of these products, but such

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safety stock may not be sufficient. In addition, in some cases, only a single source of active pharmaceutical ingredient is identified in filings with regulatory agencies, including the FDA, and cannot be changed without prior regulatory approval, which would involve time and expense to us. A prolonged interruption in the supply of a single-sourced raw material, including the API, or single-sourced finished product could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline. In addition, these third-party manufacturers may have the ability to increase the supply price payable by us for the manufacture and supply of our products, in some cases without our consent.

As a result, our dependence upon others to manufacture and supply our products may adversely affect our profit margins and our ability to obtain approval for and produce our products on a timely and competitive basis, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Changes in inventory levels or fluctuations in buying patterns by our large distributor and retail customers may adversely affect our sales and earnings and add to sales variability from quarter to quarter.

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

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

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

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

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that result in loss of sales opportunities altogether as potential end-customers turn to competitors' products that are readily available. If any of these situations occur frequently or in large volumes or if we are unable to effectively manage our inventory and that of our distribution partners, this could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Commercialization Risks

Our approved products may not achieve or maintain expected levels of market acceptance.

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

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

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

Further, the market perception and reputation of our products and their safety and efficacy are important to our business and the continued acceptance of our products. Any negative publicity about our products, such as

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

If our products fail to gain, or lose, market acceptance, our revenues would be adversely impacted and we may be required to record material impairment charges, all of which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

Managed care organizations and other third-party payors try to negotiate the pricing of medical services and products to control their costs. Managed care organizations and pharmacy benefit managers typically develop formularies to reduce their cost for medications. Formularies can be based on the prices and therapeutic benefits of the available products. Due to their lower costs, generic products are often favored. The breadth of the products covered by formularies varies considerably from one managed care organization to another, and many formularies include alternative and competitive products for treatment of particular medical conditions. Failure to be included in such formularies or to achieve favorable formulary status may negatively impact the utilization and market share of our products. If our products are not included within an adequate number of formularies or adequate reimbursement levels are not provided, or if those policies increasingly favor generic products, this could have a material adverse effect on our business, financial condition, cash flows and results of operations or result in additional pricing pressure on our products and could cause the market value of our common shares to decline.

Catastrophic events may disrupt our business.

We have operations and facilities which sell and distribute our products in many parts of the world. Natural events (such as a hurricane or major earthquake), terrorist attack, pandemics or other catastrophic events, including adverse weather events associated with global climate change, could cause delays in developing, manufacturing or selling our products. Such events that occur in major markets where we sell our products could

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reduce the demand for our products in those areas and, as a result, impact our sales into those markets. In either case, any such disruption could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common shares to decline.

Employment-related Risks

The loss of the services of, or our inability to recruit, retain, motivate, our executives and other key employees could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We must retain and motivate our executives and other key employees and recruit other executives and employees in order to strengthen our management team and workforce. Our ability to retain or recruit executive and other key employees may be hindered or delayed by, among other things, competition from other employers who may be able to offer more attractive compensation packages. We have not historically operated as an independent company and will not have the same resources we had as a part of BHC and, as a result, we may experience additional challenges retaining and motivating our key personnel as we begin to operate as a standalone company following the completion of this offering. A failure by us to retain, motivate and recruit executives and other key employees or the unanticipated loss of the services of any of these executives or key employees for any reason, whether temporary or permanent, could create disruptions in our business, could cause concerns and instability for management and employees, current and potential customers, credit rating agencies and other third parties with whom we do business and our shareholders and debt holders and could cause concern regarding our ability to execute our business strategy or to manage operations in the manner previously conducted and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Furthermore, as a result of any failure to retain, or loss of, any executives or key employees, we may experience increased costs in order to identify and recruit a suitable replacement in a timely manner (and, even if we are able to hire a qualified successor, the search process and transition period may be difficult to manage and result in additional periods of uncertainty), which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline. In addition, once identified and recruited, the transition of new executives and key employees may be difficult to manage and we cannot guarantee that new executives and employees will efficiently transition into their roles or ultimately be successful in their roles. Finally, as a result of changes in our executives and key employees, there may be changes in the way we conduct our business, as well as changes to our business strategy. We cannot predict what these changes may involve or the timing of any such changes and how they will impact our product sales, revenue, business, financial condition, cash flows or results of operation, but any such changes could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Risks Relating to Our Business and our Business Strategy

BHC has historically made commitments and public statements with respect to the cessation of or limitation on pricing increases for certain of our pharmaceutical products, and we expect to implement or recommend similar measures in the future. These pricing decisions could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

In May 2016, BHC formed a new Patient Access and Pricing Committee responsible for the pricing of our drugs. The Patient Access and Pricing Committee made a commitment that the average annual price increase for our branded prescription pharmaceutical products will be set at no greater than single digits. This commitment was reaffirmed for 2021. Following the Separation, we intend to form a patient access and pricing committee, and we expect to implement or recommend additional price changes and/or new programs to enhance patient access to our products.

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At this time, we cannot predict what specific pricing changes we will make nor can we predict what other changes in our business practices we may implement with respect to pricing (such as imposing limits or prohibitions on the amount of pricing increases we may take on certain of our pharmaceutical products or taking retroactive or future price reductions). We also cannot predict the impact such pricing decisions or changes will or would have on our business. However, any such changes could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

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

The success of certain of our products, particularly our vision care and consumer health care products, is impacted by a physician's initial recommendation of such products and a consumer's initial choice to use such products. As a result, the failure of certain of our products, particularly in our vision care business, to retain the support of pharmaceutical professionals, hospitals or group purchasing organizations and to retain the support of the end-users and the distributors and retailers to whom we sell such products, could have a material adverse effect on our sales and profitability.

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We have entered into distribution agreements with other companies to distribute certain of our products at supply prices based on net sales. Declines in the pricing and/or volume, over which we have no or limited control, of such products, and therefore the amounts paid to us, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

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

We may experience declines in sales volumes or prices of certain of our products as the result of the concentration of sales to wholesalers and the continuing trend towards consolidation of such wholesalers and other customer groups and this could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

In addition, wholesalers and retail drug chains have undergone, and are continuing to undergo, significant consolidation. This consolidation may result in these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures facing our business. The result of these developments could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We may in the future seek to identify and acquire certain assets, products and businesses.

We may in the future seek to identify and acquire complementary businesses, products, technologies or other assets to augment our pipeline. Such transactions may be complex, time consuming and expensive. We do

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not have prior experience consummating acquisitions as a standalone company and there can be no guarantee that we will be able to successfully consummate acquisitions or other arrangements, which could result in significant diversion of management and other employee time, as well as substantial out-of-pocket costs. If such transactions are not completed for any reason, we may incur significant costs and the market price of our common shares may decline.

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

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

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

Concurrently with this offering, we intend to enter into customary indemnification agreements with our directors and officers. We will also obtain directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions. The maximum amount of any potential future payment cannot be reasonably estimated but could have a material adverse effect on the Company.

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

Our ability to effectively monitor and respond to the rapid and ongoing developments and expectations relating to environmental, social and governance ("ESG") matters, including related social expectations and concerns, may impose unexpected costs or result in reputational or other harm that could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

There are rapid and ongoing developments and changing expectations relating to ESG matters and factors such as the impact of our operations on climate change, water and waste management, our practices relating to sustainability and product stewardship, product safety, access to health care and affordable drugs, management of business ethics and human capital development, which may result in increased regulatory, social or other scrutiny

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on us. If we are unable to adequately recognize and respond to such developments and governmental, societal, investor and consumer expectations relating to such ESG matters, we may miss corporate opportunities, become subject to additional scrutiny, incur unexpected costs or experience damage to our reputation or our various brands. If any of these events were to occur, there may be a material adverse effect on our business, financial condition, cash flows and results of operations and the market value of our common shares may decline.

Risks Relating to the International Scope of our Business

Our business, financial condition, cash flows and results of operations are subject to risks arising from the international scope of our operations.

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

- difficulties in coordinating and managing foreign operations, including ensuring that foreign operations comply with foreign laws as well as Canadian and U.S. laws applicable to Canadian companies with U.S. and foreign operations, such as export and sanctions laws and the U.S. Foreign Corrupt Practices Act ("FCPA"), the Canadian Corruption of Foreign Public Officials Act and other applicable worldwide anti-bribery laws;
- price and currency exchange controls;
- restrictions on the repatriation of funds;
- scarcity of hard currency, including the U.S. dollar, which may require a transfer or loan of funds to the operations in such countries, which they may not be able to repay on a timely basis;
- political and economic instability;
- compliance with multiple regulatory regimes;
- compliance with economic sanctions laws and other laws that apply to our activities in the countries where we operate;
- less established legal and regulatory regimes in certain jurisdictions, including as relates to enforcement of anti-bribery and anti-corruption laws and the reliability of the judicial systems;
- differing degrees of protection for intellectual property;
- unexpected changes in foreign regulatory requirements, including quality standards and other certification requirements;
- new export license requirements;
- adverse changes in tariff and trade protection measures;
- differing labor regulations;
- potentially negative consequences from changes in or interpretations of tax laws;
- restrictive governmental actions;
- possible nationalization or expropriation;
- credit market uncertainty;
- restrictions on business activities and other challenges associated with pandemics, including the ongoing COVID-19 pandemic;
- differing local practices, customs and cultures, some of which may not align or comply with our Company practices and policies or U.S. laws and regulations;

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- difficulties with licensees, contract counterparties, or other commercial partners; and
- differing local product preferences and product requirements.

As a result of changes to U.S. policy, there may be changes to existing trade agreements and greater restrictions on trade generally. On November 30, 2018, the United States, Canada and Mexico signed the United States-Mexico-Canada Agreement ("USMCA") as an overhaul and update to the North American Free Trade Agreement. The USMCA was subsequently revised on December 10, 2019 and fully ratified on March 13, 2020. It is difficult to anticipate the full impact of this agreement on our business, financial condition, cash flows and results of operations.

Notwithstanding the USMCA, support for protectionism and rising anti-globalization sentiment in the United States and other countries may slow global growth. In particular, a protracted and wide-ranging trade conflict between the United States and China could adversely affect global economic growth. Concerns also remain around the social, political and economic impacts of the changing political landscape in Europe, including the final outcome of Brexit negotiations. In addition, there are growing concerns over an economic slowdown in emerging markets in light of capital outflows in favor of developed markets and expected interest rate increases. Broader geopolitical tensions remained high among the United States, Russia, China and across the Middle East.

Given the international scope of our operations, any of the above factors, including tariffs, trade wars and other governmental actions, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Similarly, adverse economic conditions impacting our customers in these countries or uncertainty about global economic conditions could cause purchases of our products to decline, which would adversely affect our revenues and operating results. Moreover, our projected revenues and operating results are based on assumptions concerning certain levels of customer spending. Any failure to attain our projected revenues and operating results as a result of adverse economic or market conditions could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

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Risks Relating to Intellectual Property and Exclusivity

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

The development of new and innovative products, as well as protecting the underlying intellectual property of our product portfolio, is important to our success in all areas of our business. Some of our products either: (i) have no meaningful exclusivity protection via patent or marketing or data exclusivity rights or (ii) are protected by patents or regulatory exclusivity periods that will be expiring in the near future. The expiration or loss of patent protection or regulatory exclusivity rights for our key products could adversely impact our business. In addition, even for our products that have patent protection or exclusivity rights, we face competition from similar products in the markets in which we participate. As a result, we face significant competition with respect to a substantial majority of our products.

Without patent protection or regulatory exclusivity, competitors (including generics and biosimilars) face fewer barriers in introducing competing products. Upon the expiration or loss of patent protection or regulatory exclusivity for our products or otherwise upon the introduction of generic, biosimilar or other competitors (which may be sold at significantly lower prices than our products), we could lose a significant portion of sales and market share of that product in a very short period and, as a result, our revenues could be lower. In addition, the introduction of generic and biosimilar competitors may have a significant downward pressure on the pricing of our branded products which compete with such generics and biosimilars. Where we have the rights, we may elect to launch an authorized generic of such product (either ourselves or through a third party) prior to, upon or following generic entry, which may mitigate the anticipated decrease in product sales; however, even with the launch of an authorized generic, the decline in product sales of such product would still be expected to be significant and the effect on our future revenues could be material. The introduction of competing products (including generic products and biosimilars) could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We may fail to obtain, maintain, license, enforce or defend the intellectual property rights required to conduct our business, or third parties may allege that we are infringing, misappropriating or otherwise violating their intellectual property rights, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

Further, the pharmaceutical and medical device industries historically have generated substantial litigation concerning the manufacture, use and sale of products and we expect this litigation activity to continue. As a result, we expect that patents related to our products will be routinely challenged, and the validity or

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enforceability of our patents may not be upheld. In order to protect or enforce patent rights, we may initiate litigation against third parties. Our patents may also be challenged in administrative proceedings in the United States Patent and Trademark Office and patent offices outside of the United States. If we are not successful in defending an attack on our patents and maintaining exclusive rights to market one or more of our products still under patent protection, we could lose a significant portion of sales in a very short period. Even in cases where we prevail in an infringement claim, legal remedies available for harm caused to us may not be sufficient to make us whole. We may also become subject to infringement claims by third parties and may have to defend against charges that we infringed, misappropriated or otherwise violated patents or the intellectual property or proprietary rights of third parties. Third parties may also request a preliminary or permanent injunction from a court of law to prevent us from marketing a product. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. If we are found to infringe, misappropriate or otherwise violate the intellectual property rights of others, we could lose our right to develop, manufacture or sell products, including our generic products, or could be required to pay monetary damages or royalties to license proprietary rights from third parties, which could be substantial and include treble damages if we are found to willfully infringe intellectual property rights or others. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Any of the foregoing events could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

For a number of our commercialized products and pipeline products, including LUMIFY® and VYZULTA®, we rely on licenses to patents and other technologies, know-how and proprietary rights held by third parties. Any loss, expiration, termination or suspension of our rights to such licensed intellectual property could result in our inability to continue to develop, manufacture and market our products or product candidates and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline. If these licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, third parties, including our competitors, could have the freedom to seek regulatory approval of, and to market, products identical to ours. Under some license agreements, we may not

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control the preparation, filing, prosecution or maintenance of the licensed intellectual property, or may not have the first right to enforce the intellectual property. In those cases, we may not be able to adequately influence patent prosecution or enforcement, or prevent inadvertent lapses of coverage due to failure to pay maintenance fees and we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interests of our business and that does not compromise the patent rights. In the future, we may also need to obtain such licenses from third parties to develop, manufacture, market or continue to develop, manufacture or market our products. If we are unable to timely obtain these licenses on commercially reasonable terms, our ability to develop, manufacture and market our products may be inhibited or prevented, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Intellectual property litigation could cause us to spend substantial resources, distract our personnel from their normal responsibilities and cause the value of our common shares to decline.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the value of our common shares. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties or enter into development collaborations that would help us commercialize our product candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects and could cause the market value of our common shares to decline.

Risks Relating to Information Technology

We have become increasingly dependent on information technology systems and infrastructure and any breakdown, interruption, breach or other compromise of our information technology systems or those of our third party service providers could subject us to liability or interrupt the operation of our business, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

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

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

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

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

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

While we attempt to take appropriate security and cybersecurity measures to protect our information technology systems and infrastructure (including any trade secrets, confidential or other sensitive information) and to prevent and detect breakdowns, unauthorized breaches and cyber-attacks, we cannot guarantee that these measures will be successful and that breakdowns and breaches of, or attacks on, our systems and data, or those of third parties upon which we rely, will be prevented. Such breakdowns and breaches of, or attacks on, our systems and infrastructure, or the public perception that we or any third party upon which we rely have suffered a cybersecurity incident or breakdown, may cause business interruption and could have a material adverse effect on our business, financial condition, cash flows and results of operations, damage our reputation with customers, employees and third parties with whom we do business and cause the market value of our common shares to decline, and we may suffer financial damage or other loss, including fines or criminal penalties or may be subject to litigation, including potentially class action law suits because of lost or misappropriated information.

While we maintain insurance against some of these risks, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from a breakdown, breach, cyber-attack or other compromise of or interruption to our information technology systems and infrastructure or confidential and other sensitive information.

In addition, we provide confidential and other sensitive information to third parties when necessary to pursue our business objectives. While we obtain assurances that these third parties will protect this information and, where appropriate, monitor the protections employed by these third parties, there is a risk that the confidentiality of information held by third parties, including trade secrets and sensitive personal information, may be compromised. If personal information of our customers or employees is misappropriated, our reputation with our customers and employees may be injured, resulting in loss of business and/or morale. Any such incidents could require us to incur costs to remediate possible injury to our customers and employees, to further improve our protective measures or to pay fines or take other action with respect to litigation, judicial or regulatory actions arising out of such incidents which may be significant. Any of the foregoing could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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Competitive Risks

We operate in an extremely competitive industry. If competitors develop or acquire more effective or less costly pharmaceutical, OTC products or medical devices for our target indications, it could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Our vision care business operates within an extremely competitive environment. In contact lenses, we face intense competition from competitors' products and may face increasing competition as other new products enter the market, for example, with increased product entries from contact lens manufacturers in Asia. New market entrants and existing competitors are also challenging distribution models with innovation in non-traditional, disruptive models such as direct-to-consumer, Internet and other e-commerce sales opportunities, which could adversely impact the traditional eye care professional ("ECP") channel in which we have a significant presence. The market for contact lenses is intensely competitive and is characterized by declining sales volumes for older and reusable product lines and growing demand for daily lenses and advanced materials lenses. As the market for contact lenses shifts toward daily lenses, we expect our sales in daily lenses to, at least in part, cannibalize sales of our reusable contact lenses and contact lens care offerings. Furthermore, our ocular health product category is also highly competitive.

Many of our competitors spend significantly more on research and development related activities than we do. Others may succeed in developing or acquiring products and technologies that are more effective, more advanced or less costly than those currently marketed or proposed for development by us. In addition, academic institutions, government agencies and other public and private organizations conducting research may seek patent protection with respect to potentially competitive products and may also establish exclusive collaborative or licensing relationships with our competitors. These competitors and the introduction of competing products (that may be more effective or less costly than our products) could make our products less competitive or obsolete, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

Tax- and Accounting-related Risks

Our effective tax rates may increase.

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

A significant portion of our business is conducted through U.S. subsidiaries. On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") significantly revised U.S. federal corporate income tax law by, among other things, reducing the U.S. federal corporate income tax rate to 21%, limiting the tax deduction for interest expense to 30% of

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adjusted earnings, allowing immediate expensing for certain new investments, implementing a modified territorial tax system that includes a one-time transition tax on deemed repatriated earnings of non-U.S. subsidiaries of U.S. persons, imposing an additional U.S. tax on such non-U.S. subsidiaries' earnings which are considered to be Global Intangible Low Taxed Income (referred to as "GILTI") and imposing an alternative "base erosion and anti-abuse tax" ("BEAT") on U.S. corporations that make deductible payments to foreign related persons in excess of specified amounts and, effective for net operating losses ("NOLs") arising in taxable years beginning after December 31, 2017, eliminating net operating loss carrybacks, permitting indefinite net operating loss carryforwards and limiting the use of net operating loss carryforwards to 80% of current year taxable income.

There are a number of uncertainties and ambiguities as to the interpretation and application of many of the provisions in the TCJA, including the provisions relating to the modified territorial tax system, the one-time transition tax and the BEAT. While the U.S. Treasury Department and the Internal Revenue Service have issued proposed and final regulations and other guidance on many provisions in the TCJA that address some of these uncertainties and ambiguities, there are still no final regulations or other definitive guidance addressing other uncertainties and ambiguities in the TCJA. In the absence of guidance on these issues, we will use what we believe are reasonable interpretations and assumptions in interpreting and applying the TCJA for purposes of determining our U.S. subsidiaries' cash tax liabilities and results of operations, which may change as we receive additional clarification and implementation guidance and as the interpretation of the TCJA evolves over time. It is possible that the Internal Revenue Service could issue subsequent guidance or take positions on audit that differ from the interpretations and assumptions that we previously made, which could have a material adverse effect on our cash tax liabilities, results of operations and financial condition.

In April 2021, U.S. President Joseph Biden proposed changes to the U.S. tax system. Since that date, both houses of Congress have released their own proposals for changes to the U.S. tax system, which proposals differ in a number of respects from the President's proposal. The proposals under discussion have included changes to the U.S. corporate tax system that would increase U.S. corporate tax rates, although the most recent proposals do not include any such rate increase, and changes that would raise the tax rate on and make other changes to the taxation of Global Intangible Low Tax Income earned by foreign subsidiaries. Also under consideration are modifications to the BEAT, which would tax certain payments, including some that are related to inventory, made to affiliates that are subject to an effective tax rate of less than specified rates. Certain proposals also include limitations on the participation exemption for foreign dividends received and interest expense. In addition, certain proposals include limitations on the deduction of interest expense and carryforwards of unused interest expense, as well as an excise tax on certain pharmaceutical products that are non-compliant with the proposed drug pricing legislation. We are unable to predict which, if any, U.S. tax reform proposals will be enacted into law, and what effects any enacted legislation might have on our liability for U.S. corporate tax. However, it is possible that the enactment of changes in the U.S. corporate tax system could have a material adverse effect on our liability for U.S. corporate tax and our consolidated effective tax rate.

On October 8, 2021, the Organisation for Economic Co-operation and Development ("OECD")/G20 inclusive framework on Base Erosion and Profit Shifting (the "Inclusive Framework") published a statement updating and finalizing the key components of a two-pillar plan on global tax reform originally agreed on July 1, 2021, and a timetable for implementation by 2023. The Inclusive Framework plan has now been agreed to by 141 OECD members, including several countries which did not agree to the initial plan. Under pillar one, taxing rights over multinational businesses with global turnover above €20 billion and a profit margin above 10% will generally be re-allocated to market jurisdictions. Under pillar two, the Inclusive Framework has agreed on a global minimum corporate tax rate of 15% for companies with revenue above €750 million, calculated on a country-by-country basis. On October 30, 2021, the G20 formally endorsed the new global minimum corporate tax rate rules. The Inclusive Framework agreement must now be implemented by the OECD Members who have agreed to the plan, effective in 2023. On December 20, 2021, the OECD published model rules to implement the pillar two rules, which are generally consistent with agreement reached by the Inclusive Framework in October 2021. We will continue to monitor the implementation of the Inclusive Framework agreement by the countries in which we operate. While we currently expect our effective tax rate to be in the range of 12-14% over the long-term, we are unable to predict when and how the Inclusive Framework agreement will be enacted into law in these countries, and it is possible that the implementation of the Inclusive Framework agreement, including the global minimum corporate tax rate could have a material effect on our liability for corporate taxes and our consolidated effective tax rate.

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

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

We have significant goodwill and other intangible assets and potential impairment of goodwill and other intangibles may have a significant adverse impact on our profitability.

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

For example, in 2020, 2019 and 2018, we recognized impairments to finite-lived and indefinite-lived intangible assets of $1 million, $16 million and $52 million, respectively. These asset impairments were primarily attributable to: (i) assets being classified as held for sale and (ii) revisions in sales forecasts associated with discontinuances, generic competition and other market forces.

The Company conducted its annual goodwill impairment test as of October 1, 2020. No impairment to the goodwill of any reporting unit was identified. If market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future.

See Note 5, “FAIR VALUE MEASUREMENTS” and Note 8, “INTANGIBLE ASSETS AND GOODWILL” to our audited combined financial statements and Note 6, “FAIR VALUE MEASUREMENTS” and Note 8, “INTANGIBLE ASSETS AND GOODWILL” to our unaudited combined financial statements included elsewhere in this prospectus for further information on these impairment charges.

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

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Legal and Reputational Risks

We are subject to legal and governmental proceedings that are uncertain, costly and time-consuming and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We are involved from time to time in legal and governmental proceedings, which may be material in the future. In addition, the Company has agreed with BHC to assume a portion of future liability or damages associated with certain legal and administrative proceedings that exist at the time of Separation. These legal and administrative proceedings will remain with BHC and will be controlled by BHC, but the Company will share in applicable future liabilities, should any result from these proceedings.

These proceedings are complex and extended and occupy the resources of our management and employees These proceedings are also costly to prosecute and defend and may involve substantial awards or damages payable by us if not found in our favor. We may also be required to pay substantial amounts or grant certain rights on unfavorable terms in order to settle such proceedings. Defending against or settling such claims and any unfavorable legal decisions, settlements or orders could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

For example, the pharmaceutical industry, has been the focus of both private payor and governmental concern regarding pricing of pharmaceutical products. Related actions, including Congressional and other governmental investigations and litigation, are costly and time-consuming and adverse resolution of such actions or changes in our business practices, such as our approach to the pricing of our pharmaceutical products, could adversely affect our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

In addition, in the United States, it has become increasingly common for patent infringement actions to prompt claims that antitrust laws have been violated during the prosecution of the patent or during litigation involving the defense of that patent. Such claims by direct and indirect purchasers and other payers are typically filed as class actions. The relief sought may include treble damages and restitution claims. Similarly, antitrust claims may be brought by government entities or private parties following settlement of patent litigation, alleging that such settlements are anti-competitive and in violation of antitrust laws. In the United States and Europe, regulatory authorities have continued to challenge as anti-competitive so-called “reverse payment” settlements between branded and generic drug manufacturers. We may also be subject to other antitrust litigation involving competition claims unrelated to patent infringement and prosecution. A successful antitrust claim by a private party or government entity against us could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We depend on third parties to meet their contractual, legal, regulatory and other obligations.

We rely on distributors, suppliers, contract research organizations, vendors, service providers, business partners and other third parties to research, develop, manufacture, distribute, market and sell our products, as well as perform other services relating to our business. We rely on these third parties to meet their contractual, legal, regulatory and other obligations. A failure to maintain these relationships or poor performance by these third parties could negatively impact our business. In addition, we cannot guarantee that the contractual terms and protections and compliance controls, policies and procedures we have put in place will be sufficient to ensure that such third parties will meet their legal, contractual and regulatory obligations or that these terms, controls, policies, procedures and other protections will protect us from acts committed by our agents, contractors, distributors, suppliers, service providers or business partners that violate contractual obligations or the laws or regulations of the jurisdictions in which we operate, including matters respecting anti-corruption, fraud, kickbacks and false claims, pricing, sales and marketing practices, privacy laws and other legal obligations. Any failure of such third parties to meet these legal, contractual and regulatory obligations or any improper actions by

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such third parties or even allegations of such non-compliance or actions could damage our reputation, adversely impact our ability to conduct business in certain markets and subject us to civil or criminal legal proceedings and regulatory investigations, monetary and non-monetary damages and penalties and could cause us to incur significant legal and investigatory fees and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

If our products cause, or are alleged to cause, serious or widespread personal injury, we may have to withdraw those products from the market and/or incur significant costs, including payment of substantial sums in damages, and we may be subject to exposure relating to product liability claims. In addition, our product liability self-insurance program may not be adequate to cover future losses.

We face an inherent business risk of exposure to significant product liability and other claims in the event that the use of our products caused, or is alleged to have caused, adverse effects. Product liability proceedings may be costly to prosecute and defend and may involve substantial awards or damages payable by us if not found in our favor.

Furthermore, our products may cause, or may appear to have caused, adverse side effects (including death) or potentially dangerous drug interactions that we may not learn about or understand fully until the drug has been administered to patients for some time. The withdrawal of a product following complaints and/or incurring significant costs, including the requirement to pay substantial damages in personal injury cases or product liability cases, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

In addition, since March 31, 2014, BHC has self-insured substantially all of its product liability risk for claims arising after that date. Following the Separation, we plan to continue to self-insure substantially all of our product liability risk, and will periodically evaluate and adjust our claims reserves to reflect trends in our own experience, as well as industry trends. However, historical loss trends may not be adequate to cover future losses, as historical trends may not be indicative of future losses. If ultimate results exceed our estimates, this would result in losses in excess of our reserved amounts. If we were required to pay a significant amount on account of these liabilities for which we self-insure, this could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

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Risks Relating to Specific Legislation and Regulations

We are subject to various laws and regulations, including "fraud and abuse" laws, anti-bribery laws, environmental laws and privacy and security regulations, and a failure to comply with such laws and regulations or prevail in any litigation related to noncompliance could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

Pharmaceutical and medical device companies have faced lawsuits and investigations pertaining to violations of health care "fraud and abuse" laws, such as the federal False Claims Act, the federal Anti-Kickback Statute ("AKS") and other state and federal laws and regulations. The AKS prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any health care item or service reimbursable under federally financed health care programs. This statute has been interpreted to apply to arrangements between pharmaceutical or medical device manufacturers, on the one hand, and prescribers, purchasers, formulary managers and other health care related professionals, on the other hand. More generally, the federal False Claims Act, among other things, prohibits any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government. Pharmaceutical and medical device companies have been prosecuted or faced civil liability under these laws for a variety of alleged promotional and marketing activities, including engaging in off-label promotion that caused claims to be submitted for non-covered off-label uses. If we are in violation of any of these requirements or any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, this could have a significant impact on our business, including the imposition of significant criminal and civil fines and penalties, exclusion from federal health care programs or other sanctions, including consent orders or corporate integrity agreements.

In addition, the U.S. Department of Health and Human Services Office of Inspector General recommends, and increasingly states require pharmaceutical companies to have comprehensive compliance programs. Moreover, the Physician Payment Sunshine Act enacted in 2010 imposes reporting and disclosure requirements on device and drug manufacturers for any "transfer of value" made or distributed to prescribers and other health care providers. Failure to submit this required information may result in significant civil monetary penalties. While we have developed corporate compliance programs based on what we believe to be current best practices, we cannot provide assurance that we or our employees or agents are or will be in compliance with all applicable federal, state or foreign regulations and laws. If we are in violation of any of these requirements or any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant criminal and civil fines and penalties, exclusion from federal health care programs or other sanctions, including consent orders or corporate integrity agreements.

The U.S. FCPA, the Canadian Corruption of Foreign Public Officials Act and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that have experienced governmental corruption and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices or may require us to interact with doctors and hospitals, some of which may be state controlled, in a manner that is different than in the United States and Canada. We cannot provide assurance that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees, consultants, distributors, third party contractors or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in criminal or civil penalties or remedial measures, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We are also subject to various state, federal and international laws and regulations governing the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information, including the HIPAA. Many states in

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which we operate have laws that protect the privacy and security of sensitive and personal information, including health-related information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, the California Consumer Privacy Act of 2018 ("CCPA") imposes stringent data privacy and security requirements and obligations with respect to the personal information of California residents and provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data that may increase the likelihood of, and risks associated with, data breach litigation. The effects on our business of the CCPA and other similar state laws are potentially significant. State laws are changing rapidly and there is discussion in Congress of a new federal data protection and privacy law to which we may be subject. For instance the California Privacy Rights Act ("CPRA") was passed in November 2020. When it takes effect in January 2023, it will maintain the core framework of the CCPA while also making a number of substantive changes. Since these data security regimes are evolving, uncertain and complex, especially for a global business such as ours, we will need to update or enhance our compliance measures from time to time and these updates or enhancements will require further implementation costs. Any failure, or perceived failure, by us to comply with current and future regulatory or customer-driven privacy, data protection, and information security requirements, or to prevent or mitigate security breaches, cyber- attacks, or improper access to, use of, or disclosure of data, or any security issues or cyber-attacks affecting our business, could result in significant liability, costs (including the costs of mitigation and recovery), a material loss of revenue resulting from the adverse impact on its reputation and brand, loss of proprietary information and data, disruption to its business and relationships, and diminished ability to retain or attract customers and business partners. Such events may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause customers and business partners to lose trust in us, which could have an adverse effect on our reputation and business.

Internationally, laws and regulations in many jurisdictions apply broadly to the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information. For example, the EU's General Data Protection Regulation ("GDPR"), together with national legislation, regulations and guidelines of the EU member states and the UK governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, analyze, store, transfer and otherwise process personal data, including health data from clinical trials and adverse event reporting. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater. European data protection authorities may interpret the GDPR and national laws differently and impose additional requirements, which contributes to the complexity of processing personal data in or from the European Economic Area or UK. Guidance on implementation and compliance practices is often updated or otherwise revised.

We are also subject to Canada's federal *Personal Information Protection and Electronic Documents Act* ("PIPEDA") and substantially similar equivalents at the provincial level with respect to the collection, use and disclosure of personal information in Canada. Such federal and provincial legislation impose data privacy and security obligations on our processing of personal information of Canadian residents. The federal and Alberta legislation include mandatory data breach notification requirements. Canada's Anti-Spam Legislation ("CASL") also applies to the extent that we send commercial electronic messages from Canada or to electronic addresses in Canada. CASL contains prescriptive consent, form, content and unsubscribe mechanism requirements. Penalties for non-compliance with CASL are up to CAD $10 million per violation. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible they will be interpreted and applied in ways that will materially and adversely affect our business. The regulatory framework for data privacy, data security and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Complying with all of these laws and regulations involves costs to our business, and failure to comply with these laws and regulations can result in the imposition of significant civil and criminal penalties, as well as litigation, all of which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to

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decline. For more information regarding applicable data privacy and security laws and regulations, see "Business—Government Regulations" of this prospectus.

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

Legislative or regulatory reform of the health care system may affect our ability to sell our products profitably and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

Although efforts at replacing the Health Care Reform Act have stalled in Congress, there could still be changes to this legislation in the near term. We cannot predict what those changes will be or when they will take effect, and we could face additional risks arising from such changes or changed interpretations of our obligations under the legislation. Because of this continued uncertainty, including the potential for further legal challenges or repeal of that legislation, we cannot quantify or predict with any certainty the likely impact of the Health Care Reform Act or its repeal on our business model, prospects, financial condition or results of operations, in particular on the pricing, coverage or reimbursement of any of our product candidates that may receive marketing approval. Additionally, policy efforts designed specifically to reduce patient out-of-pocket costs for medicines could result in new mandatory rebates and discounts or other pricing restrictions. Legislative efforts relating to drug pricing, the cost of prescription drugs under Medicare, the relationship between pricing and manufacturer patient programs, and government program reimbursement methodologies for drugs have been proposed and considered at the U.S. federal and state level. At the federal level, the administration's budget proposal for fiscal year 2019 contained further drug price control measures that could be enacted in future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid and to eliminate cost sharing for generic drugs for low-income patients. While any proposed measures will require authorization through additional legislation to become effective, Congress and the administration have each indicated an intent to continue to seek new legislative or administrative measures to control drug costs. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other

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countries and bulk purchasing. We also anticipate that Congress, state legislatures, and third-party payors may continue to review and assess alternative health care delivery and payment systems and may in the future propose and adopt legislation or policy changes or implementations effecting additional fundamental changes in the health care delivery system. We cannot provide assurance as to the ultimate content, timing, or effect of changes, nor is it possible at this time to estimate the impact of any such potential legislation.

In 2019, the U.S. Health and Human Services Administration announced a preliminary plan to allow for the importation of certain lower-cost drugs from Canada. The preliminary plan excludes insulin, biological drugs, controlled substances and intravenous drugs. The preliminary plan relies on individual states to develop proposals for safe importation of those drugs from Canada and submit those proposals to the federal government for approval. Although the preliminary plan has some support from the current administration, at this time, studies to evaluate the related costs and benefits, evaluate the reasonableness of the logistics and measure the public reaction of such a plan have not been performed. While we do not believe this will have a significant impact on our future cash flows, we cannot provide assurance as to the ultimate content, timing, effect or impact of such a plan.

In 2019, the Government of Canada (Health Canada) published in the Canadian Gazette amendments to the pricing regulation for patented drugs. These regulations will become effective on July 1, 2021. The new regulations will, among other things, change the mechanics of establishing the pricing for products submitted for approval after August 21, 2019 and the number and composition of reference countries used to determine if a drug's price is excessive. While we do not believe this will have a significant impact on our future cash flows, as additional facts materialize, we cannot provide assurance as to the ultimate content, timing, effect or impact of such regulations.

The Health Care Reform Act and further changes to health care laws or regulatory framework that reduce our revenues or increase our costs could also have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We are subject to a broad range of environmental laws and regulations and may be subject to environmental remediation obligations under such safety and related laws and regulations. The impact of these obligations and the Company's ability to respond effectively to them may have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

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

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

In recent years, legislation and regulation related to environmental protection have become increasingly stringent. Such legislation and regulations are complex and constantly changing. In particular, legislation and regulation relating to global climate, sustainability and product stewardship including greenhouse gas emissions, are at various stages of consideration and implementation. Future events, such as changes in existing laws or regulations or the enforcement thereof or the discovery of contamination at our facilities may, among other things, require us to install additional controls for certain of our emission sources, undertake changes in our manufacturing processes, remediate soil or groundwater contamination at facilities where such cleanup is not currently required or to take action to address social expectations or concerns arising from or relating to such changes and our response to such changes. The cost of such additional compliance or remediation obligations or responding to such social expectations or concerns may be significant and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares to decline.

We are governed by the corporate laws of Canada that in some cases have a different effect on shareholders than the corporate laws of Delaware.

We are governed by the CBCA and other relevant laws which may affect the rights of shareholders differently than those of a company governed by the laws of a U.S. jurisdiction. There are certain material differences between the CBCA and Delaware General Corporation Law ("DGCL"). These include, but are not limited to, the following: (i) for material corporate transactions (such as mergers and amalgamations, other extraordinary corporate transactions or amendments to the Company's articles) the CBCA generally requires approval by 66 2/3% of the votes cast by shareholders who voted, or as set out in the articles, as applicable, whereas DGCL generally requires only a majority vote; (ii) under the CBCA, holders of 5% or more of the Company's shares that carry the right to vote at a meeting of shareholders can requisition a special meeting of shareholders, whereas such right does not exist under the DGCL; and (iii) following the coming into force of new amendments to the CBCA (which may occur in 2022), the CBCA will require that in an uncontested election of directors at a shareholder meeting, the directors must be elected on an individual basis by majority vote.

If the Distribution is effected by way of the Arrangement as currently anticipated, we expect to "continue" out from the CBCA and be governed by the British Columbia Business Corporations Act (the "BCBCA"). The BCBCA differs from the CBCA in certain respects, and it may also affect the rights of shareholders differently than those of a Delaware company. See "Material Differences Between the Canada Business Corporations Act, the British Columbia Business Corporations Act and the Delaware General Corporation Law" for a discussion of certain material differences between the CBCA, BCBCA and the DGCL.

We cannot predict whether investors will find our company and our shares less attractive because we are governed by the CBCA (or, subsequently, the BCBCA) rather than the DGCL, and there can be no assurance that the Continuance will occur on the timeline anticipated or at all.

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Risks Relating to the Separation

We may not realize the anticipated benefits from the Separation, and the Separation could harm our business.

Since 2013, we have operated as a business within BHC. We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all. The Separation is expected to enhance strategic and management focus, provide a distinct investment identity and allow us to efficiently allocate resources and deploy capital. We may not achieve these and other anticipated benefits for a variety of reasons, including, among others:

- the Separation will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business;
- following the Separation, we may be more susceptible to economic downturns and other adverse events than if we were still a part of BHC;
- following the Separation, our business will be less diversified than BHC's business prior to the Separation;
- our business will also experience a loss of scale and purchasing power and access to certain financial, managerial and professional resources from which we have benefited at lower cost in the past; and
- the other actions required to separate the respective businesses could disrupt our operations.

If we fail to achieve some or all of the benefits expected to result from the Separation, or if such benefits are delayed, our business could be harmed.

We have no recent history of operating as an independent company, and our historical and unaudited pro forma financial information is not necessarily representative of the results that we would have achieved as an independent, publicly traded company and may not be a reliable indicator of our future results.

Our historical and unaudited pro forma financial information included in this prospectus is not necessarily indicative of our future results of operations, financial condition or cash flows, nor does it reflect what our results of operations, financial condition or cash flows would have been as an independent public company during the periods presented. In particular, the historical financial information included in this prospectus is not necessarily indicative of our future results of operations, financial condition or cash flows primarily because of the following factors, among others:

- Prior to the Separation, our business has been operated by BHC as part of its broader corporate organization, rather than as an independent company; BHC or one of its affiliates provide support for various corporate functions for us, such as information technology, compensation and benefits, human resources, engineering, finance and internal audit.
- Our historical financial results reflect the direct, indirect and allocated costs for such services historically provided by BHC. Following the Separation, BHC will continue to provide some of these services to us on a transitional basis, pursuant to the Transition Services Agreement that we have entered into with BHC. See "Certain Relationships and Related Party Transactions—Relationship with BHC." Our historical financial information does not reflect our obligations under the various transitional and other agreements we have entered into with BHC in connection with the Separation. At the end of this transition period, we will need to perform these functions ourselves or hire third parties to perform these functions on our behalf, and these costs may differ significantly from the comparable expenses we have incurred in the past.
- Our working capital requirements and capital expenditures historically have been satisfied as part of BHC's corporate-wide cash management and centralized funding programs, and our cost of debt and other capital may significantly differ from the historical amounts reflected in our historical financial statements.

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- Currently, our business is integrated with that of BHC and we benefit from BHC's size and scale in costs, employees and vendor and customer relationships. Thus, costs we will incur as an independent company may significantly exceed comparable costs we would have incurred as part of BHC.

We based the pro forma adjustments included in this prospectus on available information and assumptions that we believe are reasonable; actual results, however, may vary. In addition, our unaudited pro forma financial information included in this prospectus may not give effect to various ongoing additional costs we may incur in connection with being an independent public company. Accordingly, our unaudited pro forma financial statements do not reflect what our results of operations, financial condition or cash flows would have been as an independent public company and are not necessarily indicative of our future financial condition or future results of operations.

Please refer to "Unaudited Pro Forma Condensed Combined Financial Statements," "Management Discussion and Analysis of Financial Condition and Results of Operations" and our audited historical financial statements and the notes to those statements included elsewhere in this prospectus.

The Distribution may not occur.

BHC will have no obligation to complete the Distribution, and it will have the ability to unilaterally terminate the Arrangement Agreement in its sole discretion at any time before the Arrangement is implemented. Whether BHC proceeds with the Distribution pursuant to the Arrangement or otherwise, in whole or in part, is subject to a number of conditions precedent, many of which are outside our control. These conditions precedent are expected to include, but are not limited to the following: receipt of any necessary regulatory or other approvals, existence of satisfactory market conditions, and in the case of a tax-free transaction, an opinion of counsel and the Tax Ruling requested from the Canada Revenue Agency (the "CRA") confirming the tax-free treatment of the transaction to BHC the Company, and their respective shareholders. Completion of any plan of arrangement under applicable corporate law (including the Plan of Arrangement) would also be subject to approvals, including by receipt of applicable shareholder approvals and receipt of and compliance with the interim and final orders from the British Columbia Supreme Court (the "Interim Order" and the "Final Order," respectively). At the hearing for the final order under any plan of arrangement, the British Columbia Supreme Court will consider whether to approve the Distribution based on the applicable legal requirements and the evidence before the Court as to, among other things, whether the plan of arrangement is fair and reasonable. Other conditions precedent which are outside our control include, without limitation, approvals of the NYSE and the TSX. There can be no certainty, nor can we provide any assurance, that all conditions precedent to the Distribution, whether under the Arrangement Agreement or otherwise, will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If certain approvals and consents are not received prior to the anticipated effective date of the Distribution, we and BHC may decide to proceed nonetheless, or we and BHC may either delay or amend the implementation of all or part of the Distribution, including possibly delaying the completion of the Distribution in order to allow sufficient time to complete such matters or effecting the Distribution other than by way of a plan of arrangement under applicable corporate law. Any such changes in timing or manner of effecting the Distribution could result in other conditions needing to be satisfied or waived. If the Distribution is delayed, restructured or not completed, the market price of our common shares may be materially adversely affected. Furthermore, if the Distribution does not occur, or if BHC does not otherwise dispose of its ownership of our equity interests, the risks relating to BHC's control of us and the potential business conflicts of interest between BHC and us will continue to be relevant to our shareholders. The liquidity of our common shares in the market may be constrained for as long as BHC continues to hold a significant position in our common shares. A lack of liquidity in our common shares could depress the price of our common shares.

It is possible that future factors may arise that make it inadvisable to proceed with, or advisable to delay, all or part of the Distribution, which may include an amendment to the Plan of Arrangement to modify, add or remove certain steps in the Arrangement, or to amend the terms of the Arrangement Agreement. BHC will have

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the right, in its sole discretion to amend the Plan of Arrangement and to make any necessary conforming changes to the Arrangement Agreement so long as it has determined, acting reasonably, that such amendment(s) are not materially adverse to us or to our shareholders from a financial perspective. The Arrangement Agreement may also be terminated in certain circumstances, including by BHC in its sole discretion at any time before the Arrangement is implemented. BHC will have the right to abandon or change the structure of the Distribution if BHC determines to do so in its sole discretion.

Additionally, if the Distribution does not occur in the manner currently anticipated or at all following the completion of this offering, it may have a negative effect on our stock price or value of our common shares. See also "—Risks Relating to this Offering and Ownership of our Common Shares.

The development of our operations and infrastructure in connection with the Separation, and any future expansion of such operations and infrastructure, may not be entirely successful, and may strain our operations and increase our operating expenses.

In connection with the Separation, we have been implementing a new information technology infrastructure for our business, which includes the creation of management information systems and operational and financial controls unique to our business. We may not be able to put in place adequate controls in an efficient and timely manner in connection with the Separation and our current systems may not be adequate to support our future operations. The difficulties associated with installing and implementing new systems, procedures and controls may place a significant burden on our management and operational and financial resources. If we fail to continue to improve our management information systems, procedures and financial controls, or encounter unexpected difficulties during expansion and reorganization, our business could be harmed. For example, we are investing significant capital and human resources in the design, development and enhancement of our financial and enterprise resource planning systems. We will depend on these systems in order to timely and accurately process and report key components of our results of operations, financial condition and cash flows. If the systems fail to operate appropriately or we experience any disruptions or delays in enhancing their functionality to meet current business requirements, our ability to accurately report our financial results and otherwise run our business could be adversely affected. Even if we do not encounter these adverse effects, the development and enhancement of systems may be much more costly than we anticipated. If we are unable to continue to develop and enhance our information technology systems as planned, our business, results of operations and financial condition could be materially adversely affected.

Until the completion of the Distribution, BHC will control the direction of our business, and the concentrated ownership of our common shares will prevent you and other shareholders from influencing significant decisions.

Immediately following the completion of this offering, BHC will beneficially own approximately % of our outstanding common shares (or approximately % if the underwriters exercise their option to purchase additional shares in full). As long as BHC controls a majority of the voting power of our outstanding common shares with respect to a particular matter, it will generally be able to determine the outcome of all corporate actions requiring shareholder approval, including the election and removal of directors, and will be able to block a takeover bid made for the shares of the Company as Canadian securities laws require that a minimum of 50% of the issued and outstanding shares be tendered to the bid in order for the bid to succeed. Even if BHC were to control less than a majority of the voting power of our outstanding common shares, it may be able to influence the outcome of such corporate actions so long as it owns a significant portion of our common shares. If BHC does not complete the Distribution or otherwise dispose of its ownership of our equity interests, it could remain our controlling shareholder for an extended period of time or indefinitely. In such a case, the concentration of BHC's holdings may delay or prevent any acquisition or delay or discourage takeover attempts that shareholders may consider to be favorable, or make it more difficult or impossible for a third-party to acquire control of the Company or effect a change in the Board of Directors and management, any of which may cause the market price of our common shares to decline. Any delay or prevention of a change of control transaction could deter potential acquirors or prevent the completion of a transaction in which the Company's shareholders could receive a premium over the then current market price for their common shares.

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BHC's interests may not be the same as, or may conflict with, the interests of our other shareholders. Investors in this offering will not be able to affect the outcome of any shareholder vote while BHC controls the majority of the voting power of our outstanding common shares, except where Canadian law requires that a matter be determined by a majority of the votes cast by minority shareholders and excludes BHC from the minority for that purpose. As a result, BHC will generally be able to control, whether directly or indirectly through its ability to remove and elect directors, and subject to applicable law, substantially all matters affecting us, including:

- any determination with respect to our business direction and policies, including the election and removal of directors and the appointment and removal of officers;
- any determinations with respect to mergers, amalgamations, business combinations or dispositions of assets;
- our financing and dividend policy, and the payment of dividends on our common shares, if any;
- compensation and benefit programs and other human resources policy decisions;
- changes to any other agreements that may adversely affect us; and
- determinations with respect to our tax returns and other tax matters.

In addition, pursuant to the Master Separation Agreement entered into by us and BHC in connection with this offering, until BHC ceases to hold 50% of the total voting power of our outstanding share capital entitled to vote in the election of our directors, we will not be permitted, without BHC's prior written consent, (or, in certain circumstances, the approval of the BHC Board of Directors), to take certain significant actions. As a result, our ability to take such actions may be delayed or prevented, including actions that our other shareholders, including you, may consider favorable. We will not be able to terminate or amend the Master Separation Agreement, except in accordance with its terms. See "Certain Relationships and Related Party Transactions—Relationship with BHC." We will also not be able to terminate or consent to certain amendments to the Arrangement Agreement except in limited circumstances.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated third party. While we are controlled by BHC, we may not have the leverage to negotiate amendments to our various agreements with BHC (if any are required) on terms as favorable to us as those we would negotiate with an unaffiliated third party. Because BHC's interests may differ from ours or from those of our other shareholders, actions that BHC takes with respect to us, as our controlling shareholder and pursuant to its rights under the Master Separation Agreement or the Arrangement Agreement, may not be favorable to us or our other shareholders.

If BHC sells a controlling interest in our company to a third party in a private transaction, you may not realize any change-of-control premium on your common shares and we may become subject to the control of a presently unknown third party.

Following the completion of this offering, BHC will continue to own a significant equity interest in our company. As long as BHC controls us, it will have significant influence over our plans and strategies, including strategies relating to marketing and growth. BHC will have the ability, should it choose to do so, to sell some or all of our common shares that it owns in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of our company. Such sale, so long as it was made in compliance with an exemption from take-over bid requirements under Canadian securities laws, would not require that a concurrent offer be made to acquire all of our common shares.

The ability of BHC to privately sell the common shares it owns, with no requirement for a concurrent offer to be made to acquire all of our common shares that will be publicly traded hereafter, could prevent you from

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realizing any change-of-control premium on your shares that may otherwise accrue to BHC on its private sale of our common shares. Additionally, if BHC privately sells its significant equity interests in our company, we may become subject to the control of a presently unknown third party. Such third party may have interests that conflict with those of other shareholders, and may attempt to cause us to revise or change our plans and strategies, as well as the agreements between BHC and us, described in this prospectus. A new owner may also have different plans with respect to the Distribution, including not effecting such Distribution.

The services that BHC provides to us may not be sufficient to meet our needs, which may result in increased costs and otherwise adversely affect our business.

Pursuant to the Transition Services Agreement, BHC has agreed to continue to provide us with corporate and shared services for a transitional period, including information technology services, technical and engineering support, application support for operations, legal, payroll, finance, tax and accounting, general administrative services and other support services and other services in exchange for the fees specified in the Transition Services Agreement between us and BHC. If we no longer receive these services from BHC due to the termination of the Transition Services Agreement or otherwise, we may not be able to perform these services ourselves and/or find appropriate third party arrangements at a reasonable cost (and any such costs may be higher than those charged by BHC). See "Certain Relationships and Related Party Transactions—Relationship with BHC—Transition Services Agreement" for a more detailed discussion of the Transition Services Agreement. In addition, we have received informal support from BHC, which may not be addressed in the agreements we have entered into with BHC, and the level of this informal support may diminish as we become a more independent company. Any failure or significant downtime in our own administrative systems or in BHC's administrative systems during the transitional period could result in unexpected costs, impact our results and/or prevent us from paying our suppliers or employees and performing other administrative services on a timely basis.

We expect that we will initially remain a restricted subsidiary under certain of BHC's credit facilities and indentures upon completion of this offering and will be subject to various covenants under these facilities and indentures, which may adversely affect our operations.

We expect that we will initially remain a restricted subsidiary under BHC's credit facilities and indentures, under which BHC had an aggregate amount of $22.6 billion in outstanding indebtedness as of September 30, 2021. Although neither we nor our subsidiaries will be guarantors of such debt, our status as a restricted subsidiary means that our ability to take certain actions upon completion of this offering will be restricted by the terms of these credit facilities and indentures. We will remain a restricted subsidiary until BHC designates us as "unrestricted". These covenants restrict, among other things, our ability to:

- incur or guarantee indebtedness;
- make certain investments and acquisitions;
- incur liens on assets or permit them to exist;
- enter into certain types of transactions with affiliates;
- merge or consolidate with another company; and
- transfer, sell, or otherwise dispose of assets.

Each of these restrictions is subject to various exceptions, the availability of which will be affected by the extent to which BHC utilizes those exceptions as well as the financial condition and results of operations of BHC. The existence of these restrictions could adversely affect our ability to finance our future operations or capital needs, including our ability to draw on our revolving credit facility, or engage in, expand, or pursue our business activities, and it could also prevent us from engaging in certain transactions that might otherwise be considered beneficial to us. Additionally, in the future, BHC may determine that it is in its best interest to agree to more restrictive covenants, which may indirectly impede our business operations.

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In order to designate us and our subsidiaries as "unrestricted subsidiaries" prior to the Distribution, BHC expects to be required under its credit agreement to reduce its consolidated total leverage ratio (as such term is defined in BHC's credit agreement) to 7.5x. However, the lenders under BHC's credit agreement could amend or waive the foregoing restriction in their discretion.

Certain contracts used in our business will need to be replaced, or assigned from BHC or its affiliates to us in connection with the Separation, which may require the consent of the counterparty to such an assignment, and failure to obtain such replacement contracts or consents could increase our expenses or otherwise adversely affect our results of operations.

The Separation requires us to replace shared contracts and, with respect to certain contracts that are to be assigned from BHC or its affiliates to us or our affiliates, to obtain consents and assignments from third parties It is possible that, in connection with the replacement or consent process, some parties may seek more favorable contractual terms from us. Moreover, we expect that certain of such replacement contracts and consents will not be in place at the completion of this offering. If we are unable to obtain such replacement contracts or consents, BHC has agreed to use commercially reasonable efforts to ensure that we receive the economic benefits of the contract in question following the Separation. Nonetheless, we may be unable to obtain some of the benefits, assets and contractual commitments that are intended to be allocated to us as part of the Separation. If we are unable to obtain such replacement contracts or consents, the loss of these contracts could increase our expenses or otherwise materially adversely affect our business, results of operations and financial condition.

The transfer of certain assets, liabilities and contracts from BHC to us contemplated by the Separation will not be complete upon the closing of this offering.

In connection with the Separation, BHC has agreed to transfer to us, through asset transfers, dividends, contributions and similar transactions, the entities, assets, liabilities and obligations that we will hold following the separation of our business from BHC's other businesses. As set forth more fully in "The Separation" and "Certain Relationships and Related Party Transactions," we have entered into the Master Separation Agreement and a number of other agreements with BHC. While the Separation will be substantially complete at the time of this offering, we expect that the transfer of certain immaterial assets, liabilities and contracts will not be fully completed at the completion of this offering. For example, due to restrictions under local law, certain assets in Poland will not be transferred by BHC to us until we finish construction of a warehouse we are currently building. See "The Separation and The Distribution—Agreements with BHC—Master Separation Agreement—Delayed Transfers and Further Assurances." While we and BHC have agreed to hold any assets not transferred at the time of this offering in trust for the use and benefit of the party entitled thereto and retain any such liability for the account of the party by whom such liability is to be assumed, the Separation is complex in nature and unanticipated developments or changes, including changes in the law, regulations, required consents and approvals, and other challenges in executing the Separation could delay or prevent the completion of certain aspects of the Separation, could require more resources than expected (including out-of-pocket costs and expenses and internal management and employee time and resources) and could cause the Separation to occur on terms or conditions that are different or less favorable to us than expected.

In addition, we expect that a substantial portion of our revenue will pass through legal entities which are owned by BHC and not by us for some time following this offering, and as a result we will rely on BHC to collect and remit revenue (net of expenses) to us. To the extent BHC were unwilling or unable to remit such revenue or lend, contribute or otherwise make funds available to us, including as a result of any bankruptcy, insolvency or other similar event or proceeding affecting any such legal entities, our business, financial condition, cash flows and results of operations would be materially adversely impacted. In addition, at the completion of this offering, we expect that approximately half of the employees that support our business will be employed by legal entities that are owned by BHC and not by us. While we have entered into the Employee

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Matters Agreement with BHC that provides for the transfer such employees to us following the completion of this offering (as well as the allocation of employee-related liabilities), future developments such as changes in employment laws or work visas in the countries in which we operate are difficult to predict, and could prevent or delay the transfer of certain employees to legal entities owned by us, which could deprive us of key personnel and adversely impact our business and results of operations.

Following this offering, some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in BHC, and some of our directors may have actual or potential conflicts of interest because they also serve as officers or directors of BHC.

Because of their current or former positions with BHC, following this offering, some of our directors and executive officers may own common shares of BHC or have options to acquire shares of BHC, and the individual holdings may be significant for some of these individuals compared to their total assets. Prior to the completion of this offering, our Chief Executive Officer and certain other officers will be officers of BHC. In addition, following the completion of this offering, certain of our directors will also serve as officers or directors of BHC. While our Board of Directors has determined that Thomas W. Ross, Sr., Nathalie Bernier, Andrew C. von Eschenbach, Sarah B. Kavanagh, John A. Paulson, Russel C. Robertson and Richard U. De Schutter are "independent directors" within the meaning of applicable regulatory and stock exchange requirements in the United States and Canada, certain of them have served and, after the closing of this offering and/or after completion of the Distribution, are expected to continue to serve, as directors of BHC. In particular, (i) Mr. Ross has served on the Board of Directors of BHC since March 2016, (ii) Mr. von Eschenbach has served on the board of directors of BHC since October 2018, (iii) Ms. Kavanagh has served on the board of BHC since July 2016, (iv) Mr. Paulson has served on the board of directors of BHC since June 2017, (v) Mr. Robertson has served on the board of directors of BHC since June 2016 and (vi) Mr. De Schutter has served on the board of directors of BHC since January 2017, and certain of such directors are expected to continue to serve on the BHC board of directors in the future.

A director who has a material interest in a matter before our Board of Directors or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it in accordance with applicable law. In situations where a director has a material interest in a matter to be considered by our Board of Directors or any committee on which he or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Although all transactions with related parties after this offering will be approved by independent members of our Board of Directors that may meet in the absence of senior executive officers or non-independent directors, the ownership of BHC equity or service to BHC may create the appearance of conflicts of interest when the BHC-affiliated directors and officers are faced with decisions that could have different implications for BHC or us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between BHC and us regarding the terms of the agreements governing the Separation and the relationship thereafter between the companies. Potential conflicts of interest could also arise if we enter into commercial arrangements with BHC in the future. As a result of these actual or apparent conflicts, we may be precluded from pursuing certain growth initiatives.

While the Board of Directors believes that, given its size and structure, such actual or potential conflicts of interest can be managed adequately, including that the independent members of our Board of Directors may meet in the absence of senior executive officers or non-independent directors in respect of the relevant matter, the actual or perceived conflicts of interest that may arise could cause reputational or other harm.

To preserve the tax-free treatment of certain transactions related to the Separation and the Distribution, we may not be able to engage in certain transactions. We could incur significant tax liabilities, or be liable to BHC, if certain transactions occur which result in these transactions or the Distribution being subject to tax.

To preserve the tax-free treatment of certain transactions related to the Separation and the Distribution, the Arrangement Agreement and the Tax Matters Agreement contain certain tax-related covenants. We currently

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expect that the Distribution will be effected pursuant to the public company "butterfly reorganization" rules in Section 55 of the Tax Act and so these covenants include agreements that, among other things and subject to certain limited exceptions: (a) we will: (i) not, on or before the effective date of the Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our respective control to be taken or performed or to occur, that, in each case, could reasonably be considered to interfere or be inconsistent with the Tax Ruling; (ii) not take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our respective control to be taken or performed or to occur, in each case, that would cause BHC to cease to be a "specified corporation" within the meaning of the Tax Act on or prior to the effective date of the Arrangement, except as specifically contemplated by the Arrangement Agreement and in the Tax Ruling; and (iii) fulfill all representations and undertakings provided by us (or by any of our subsidiaries), or on our behalf (or on behalf of any of our subsidiaries) with our knowledge and consent, in the Tax Ruling; and (b) we and BHC will not, for a period of three years after the effective date of the Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our respective control to be taken or performed or to occur, that, in each case, could reasonably be expected to cause the Arrangement and/or any transaction contemplated by the Arrangement and/or this Agreement to be taxed in a manner inconsistent with that provided for in the Tax Ruling. We refer to these and certain other covenants described in "The Separation and the Distribution—Agreements with BHC—Arrangement Agreement—Covenants" as the "Tax Covenants." These Tax Covenants may restrict us from taking certain actions that we might otherwise choose to take. The Tax Covenants may also restrict our ability to pursue certain strategic transactions or engage in other transactions, some of which could be material, and the nature, extent and effect of these restrictions will depend on the manner in which the Distribution is effected.

If the Distribution is effected pursuant to the public company "butterfly reorganization" rules in Section 55 of the Tax Act as currently anticipated, the Company and BHC will recognize a taxable gain on the Distribution if (a) within three years of the Distribution, we engage in a subsequent spin-off or split-up transaction under Section 55 of the Tax Act or BHC engages in a split-up (but not spin-off) transaction under Section 55 of the Tax Act, (b) a "specified shareholder" as defined for purposes of the "butterfly" rules in Section 55 of the Tax Act disposes of our shares or shares of BHC, or property that derives 10% or more of its value from such shares and an unrelated person or a partnership acquires such property or property substituted therefor as part of the "series of transactions" which includes the Distribution; (c) there is an acquisition of control of the Company or BHC that is part of the "series of transactions" that includes the Distribution; or (d) certain persons acquire shares in our capital (other than in specified permitted transactions) in contemplation of, and as part of the "series of transactions" that includes, the Distribution. If any of the above events were to occur and to cause the Distribution to be taxable to BHC and/or to the Company, then BHC or the Company, as applicable, and, in some cases, both BHC and the Company, would be liable for a substantial amount of tax. In addition, if such an event were due to an act of BHC (or one of its subsidiaries or controlled affiliates, other than the Company or its subsidiaries) or the Company (or one of its subsidiaries or controlled affiliates), or an omission by BHC or the Company to act, then BHC (in the case of an action taken by it or one of its subsidiaries or controlled affiliates (other than the Company and its subsidiaries)) or the Company (in the case of any action taken by it or one of its subsidiaries or controlled affiliates), as applicable, would generally be required to indemnify the other party for tax under the Arrangement Agreement. A breach by BHC or the Company of the other tax-related covenants (including the Tax Covenants) may also require BHC or the Company, as applicable, to indemnify the other against any loss suffered or incurred from or in connection with such breach.

The applicability of these restrictions and the extent and nature of any indemnity obligations will depend on the manner in which the Separation and the Distribution are ultimately effected, including whether or not the Distribution is effected pursuant to the public company "butterfly reorganization" rules of the Tax Act as currently anticipated, which may be outside of our control. See "Certain Relationships and Related Party Transactions—Agreements with BHC—Arrangement Agreement."

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In addition, in order to preserve the tax-free treatment of the Distribution as currently anticipated, if effected, for U.S. federal income tax purposes, under the Tax Matters Agreement, we will be restricted from taking certain actions, including, during the two-year period after the Distribution, discontinuing the active conduct of our trade or business, merging or amalgamating with any other person (other than in connection with the Distribution), redeeming or otherwise acquiring our shares (other than pursuant to certain open-market repurchases of less than 20% of our common shares, in the aggregate), soliciting, participating or supporting any acquisition of our shares by any person or business combination having a similar effect, or otherwise taking any action that could reasonably be expected to adversely affect the tax-free treatment of the Distribution for U.S. federal income tax purposes. Notwithstanding the foregoing, we may be permitted to take certain of these actions if we receive a tax ruling or opinion of counsel, acceptable to BHC, to the effect that the action will not adversely affect the tax-free treatment of the Distribution for U.S. federal income tax purposes. Regardless of whether we are so permitted to take such action, under the Tax Matters Agreement we will be required to indemnify BHC for any tax related losses that result from the taking of any such action See "Certain Relationships and Related Party Transactions Agreements with BHC —Tax Matters Agreement." Due to these restrictions and indemnification obligations under the Tax Matters Agreement, we may be limited in our ability to pursue strategic transactions or other transactions that may be in our best interests, and our potential indemnity obligation to BHC could discourage, delay or prevent a merger or other business combination with us.

Certain requirements of the public company "butterfly reorganization" rules in Section 55 of the Tax Act depend on events that may not be within our control.

We expect the Tax Ruling to require, among other things, that the Distribution complies with all of the requirements of the public company "butterfly reorganization" rules in Section 55 of the Tax Act. Although the Distribution is structured to comply with these rules, and although BHC and the Company have each agreed to provide certain tax-related covenants (including the Tax Covenants) in the Arrangement Agreement, certain events could occur that may not be within the control of the Company and/or BHC, including certain actions taken by one or more of the shareholders of the Company and/or BHC, none of whom are, to the Company's knowledge, bound by any similar covenants (other than BHC pursuant to its tax-related covenants).

These events include circumstances where: (i) a "specified shareholder" as defined for purposes of the "butterfly" rules in Section 55 of the Tax Act disposes of our shares or shares of BHC, or property that derives 10% or more of its value from such shares and an unrelated person or a partnership acquires such property or property substituted therefor as part of the "series of transactions" which includes the Distribution; (ii) there is an acquisition of control of the Company or BHC that is part of the "series of transactions" that includes the Distribution; or (iii) certain persons acquire shares in our capital (other than in specified permitted transactions) in contemplation of, and as part of the "series of transactions" that includes, the Distribution.

If the requirements of the public company "butterfly reorganization" rules in Section 55 of the Tax Act are not met, then this would cause the Distribution to be taxable to BHC and/or to the Company, with the result that BHC or the Company, as applicable, and, in some cases, both BHC and the Company, would be liable for a substantial amount of tax for which indemnification from the other party may not be available. If incurred, tax liabilities could have a material effect on our financial position.

We potentially could have received better terms from unaffiliated third parties than the terms we received in our agreements with BHC.

The agreements we entered into with BHC in connection with the Separation and the Distribution (including the Arrangement Agreement) were negotiated while we were still part of BHC's business. See "Certain Relationships and Related Party Transactions—Relationship with BHC." Accordingly, during the period in which the terms of those agreements will have been negotiated, we did not have an independent Board of Directors or a management team independent of BHC. The terms of the agreements negotiated in the context of the Separation and the Distribution relate to, among other things, the allocation of assets, intellectual property, liabilities, rights and other obligations between BHC and us, and arm's-length negotiations between BHC and an

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unaffiliated third party in another form of transaction, such as a buyer in a sale of a business, may have resulted in more favorable terms to the unaffiliated third party.

We have agreed to indemnify BHC for certain liabilities, and BHC has agreed to indemnify us for certain liabilities. However, there can be no assurance that BHC's indemnity will be sufficient to insure us against the full amount of such liabilities, or that BHC's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the Master Separation Agreement, the Arrangement Agreement, the Tax Matters Agreement and certain other agreements with BHC, BHC has agreed to indemnify us for certain liabilities. However, there can be no assurance that the indemnity from BHC will be sufficient to protect us against the full amount of such liabilities, or that BHC will be able to fully satisfy its indemnification obligations in the future Even if we ultimately succeed in recovering from BHC any amounts for which we are held liable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our business, financial condition, results of operations and cash flows.

Any indemnification claim against the Company, including for a breach of the tax-related covenants contained in the Arrangement Agreement and the Tax Matters Agreement, could be substantial, may not be able to be satisfied and may have a material adverse effect on us. Each of these risks could also negatively affect our business, financial condition, results of operations and cash flows.

Risks Relating to this Offering and Ownership of our Common Shares

An active trading market for our common shares may not develop following the Separation, and you may not be able to sell your common shares at or above the initial public offering price.

Prior to the completion of this offering, there has been no public market for our common shares. An active trading market for our common shares may never develop or be sustained following the completion of this offering. If an active trading market does not develop, you may have difficulty selling your common shares at an attractive price, or at all. The price for our common shares in this offering will be determined by negotiations among BHC, us and representatives of the underwriters, and it may not be indicative of prices that will prevail in the open market following the completion of this offering. Consequently, you may not be able to sell your common shares at or above the initial public offering price or at any other price or at the time that you would like to sell. An inactive market may also impair our ability to raise capital by selling our common shares, and it may impair our ability to attract and motivate our employees through equity incentive awards and our ability to acquire other companies, products or technologies by using our common shares as consideration. Although we have applied to list our common shares on the NYSE and the TSX, an active trading market for our common shares may never develop or be sustained following the completion of this offering. Listings on the NYSE and the TSX are subject to approval by the NYSE and the TSX in accordance with their respective original listing requirements. The NYSE and the TSX have not conditionally approved our listing applications and there is no assurance that the NYSE and the TSX will approve our listing applications. See also "—Risks Relating to the Separation—The Distribution may not occur."

The price of our common shares may fluctuate substantially.

You should consider an investment in our common shares to be risky, and you should invest in our common shares only if you can withstand a significant loss and wide fluctuations in the market value of your investment. Some factors that may cause the market price of our common shares to fluctuate, in addition to the other risks described in this prospectus, are:

- our announcements or our competitors' announcements regarding new products or services, enhancements, significant contracts, acquisitions or strategic investments;

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- changes in earnings estimates or recommendations by securities analysts, if any, who cover our common shares;
- failures to meet external expectations or management guidance;
- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in our capital structure or dividend policy, including as a result of future issuances of securities, sales of large blocks of common shares by our shareholders, including BHC, or our incurrence of additional debt;
- reputational issues;
- changes in general economic and market conditions in or any of the regions which we conduct our business;
- changes in industry conditions or perceptions;
- changes in applicable laws, rules or regulations and other dynamics; and
- announcement or actions taken by BHC as our principal shareholder, whether in respect of the Distribution or otherwise.

In addition, if the market for stocks in our industry or industries related to our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common shares could decline for reasons unrelated to our business, financial condition and results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management. See also "—Risks Relating to the Separation—The Distribution may not occur."

The per share offering price in this offering will be higher than the net tangible book value per share.

The initial public offering price per share will be substantially higher than the net tangible book value per share of our common shares immediately after this offering. As a result, you will pay a price per share that exceeds the book value of our assets after subtracting our liabilities. See "Dilution."

Our historical combined financial data is not necessarily representative of the results we would have achieved as a standalone company and may not be a reliable indicator of our future results.

Our historical combined financial data included in this prospectus does not reflect the financial condition, results of operations or cash flows we would have achieved as a standalone company during the periods presented or those we will achieve in the future. This is primarily the result of the following factors, among others:

- our historical combined financial data does not reflect the Separation;
- our historical combined financial data reflects expense allocations for certain support functions that are provided on a centralized basis within BHC, such as expenses for business technology, facilities, legal, finance, human resources, business development, public affairs and procurement, as well as certain manufacturing and supply costs incurred by manufacturing sites that are shared with other BHC business units that may be higher or lower than the comparable expenses we would have actually incurred, or will incur in the future, as a standalone company;
- our cost of debt and our capital structure will be different from that reflected in our historical combined financial statements;
- significant increases may occur in our cost structure as a result of this offering, including costs related to public company reporting, investor relations and compliance with the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act; and

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- this offering may have a material effect on our customers and other business relationships, including supplier relationships, and may result in the loss of preferred pricing available by virtue of our reduced relationship with BHC.

Our financial condition and future results of operations, after giving effect to the Separation, will be materially different from amounts reflected in our historical combined financial statements included elsewhere in this prospectus. As a result of the Separation, it may be difficult for investors to compare our future results to historical results or to evaluate our relative performance or trends in our business.

As a standalone public company, we may expend additional time and resources to comply with rules and regulations that do not currently apply to us, and failure to comply with such rules may lead investors to lose confidence in our financial data.

As a standalone public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, applicable Canadian securities laws and the regulations of the NYSE and the TSX. Such requirements will increase our legal, accounting and financial compliance costs, will make some activities more difficult, time-consuming and costly and could be burdensome on our personnel, systems and resources. We will devote significant resources to address these public company-associated requirements, including compliance programs and investor relations, as well as our financial reporting obligations. Complying with these rules and regulations has and will substantially increase our legal and financial compliance costs and make some activities more time-consuming and costly.

In particular, as a public company, our management will be required to conduct an annual evaluation of our internal controls over financial reporting and include a report of management on our internal controls in our annual reports on Form 10-K. Under current rules, we will be subject to these requirements beginning with our annual report on Form 10-K for the year ended 2022. In addition, we will be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 beginning with our annual report on Form 10-K for the year ended 2022. If we are unable to conclude that we have effective internal controls over financial reporting, or if our registered public accounting firm is unable to provide us with an attestation and an unqualified report as to the effectiveness of our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common shares. Moreover, failure to accurately report our financial performance on a timely basis could also jeopardize our continued listing on the NYSE, the TSX or any other exchange on which our common shares may be listed. Delisting of our common shares on any exchange would reduce the liquidity of the market for our common shares, which would reduce the price of and increase the volatility of the market price of our common shares.

As long as BHC owns a majority of our common shares, we may rely on certain exemptions from the corporate governance requirements of the NYSE available to "controlled companies" and of the TSX available to "majority controlled" companies.

Upon the completion of this offering, we will be a "controlled company" within the meaning of the corporate governance requirements of the NYSE because BHC will continue to beneficially own more than 50% of our outstanding common shares. Until such time as we are no longer a "controlled company," we will be exempt from certain corporate governance requirements, including requirements that a majority of the Board of Directors consist of independent directors and having a compensation committee and a nominating and corporate governance committee that is composed entirely of independent directors. We may take advantage of these exemptions following the completion of this offering. Upon completion of the Distribution, we will no longer qualify as a controlled company and will be required to fully implement NYSE corporate governance requirements within one year of the Distribution. See "Management—Controlled Company Exception." For

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purposes of TSX rules, while we remain "majority controlled," we may take advantage of an exemption from the requirement to implement a majority voting policy. See "Management—Majority Voting Policy." While BHC controls a majority of the voting power of our outstanding common shares, we may not have a majority of independent directors or our Talent and Compensation Committee may not consist entirely of independent directors. Prior to such time, you may not have certain of the protections afforded to shareholders of companies that are required to comply with all of the corporate governance requirements of the NYSE.

In Canada, NP 58-201 provides guidance on corporate governance practices, which reflect best practices established by the Canadian securities regulatory authorities but are not intended to be prescriptive. NP 58-201 provides, among other things, that (i) the board of directors of a reporting issuer should have a majority of independent directors; (ii) the chair of the board of directors should be an independent director; (iii) the board of directors should appoint a nominating committee composed entirely of independent directors; and (iv) the board of directors should appoint a compensation committee composed entirely of independent directors. NI 58-101 requires a company to disclose the extent to which it complies with the best practices set forth in NP 58-201. To the extent that we take advantage of the "controlled company" exemption of the NYSE, and as a result do not comply with NP 58-201, we will be required to explain why we do not comply with Canadian director independence standards.

The Distribution or future sales by BHC or others of our common shares, or the perception that the Distribution or such sales may occur, could depress our common share price.

Immediately following the completion of this offering, BHC will beneficially own approximately % of our outstanding common shares (or % if the underwriters exercise their option to purchase additional shares in full). Subject to the restrictions described in the paragraph below, future sales of these shares in the public market will be subject to the volume and other restrictions of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), for so long as BHC is deemed to be our affiliate, unless the shares to be sold are registered with the Securities and Exchange Commission ("SEC"). Similarly, any sale of any of our common shares by BHC will constitute a "control distribution" under Canadian securities laws (generally a sale by a person or a group of persons holding more than 20% of our outstanding voting securities) and will be subject to restrictions under Canadian securities laws, unless the sale is qualified under a prospectus filed with Canadian securities regulatory authorities, is made pursuant to a prospectus exemption, or if prior notice of the sale is filed with the Canadian securities regulatory authorities at least seven days before any sale and there has been compliance with certain other requirements and restrictions regarding the manner of sale, payment of commissions, reporting and availability of current public information about us and compliance with applicable Canadian securities laws. We have granted certain registration rights to BHC. See "Shares Eligible for Future Sale." We are unable to predict with certainty whether or when BHC will sell a substantial number of our common shares to the extent it retains shares following the Distribution or in the event the Distribution does not occur. The Distribution or sale by BHC of a substantial number of shares after this offering, or a perception that the Distribution or such sales could occur, could significantly reduce the market price of our common shares.

We, our officers and directors and BHC have agreed with the underwriters that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, we and they will not, subject to certain exceptions, during the period ending 180 days after the date of this prospectus, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common shares or any securities convertible into or exercisable or exchangeable for our common shares or publicly disclose the intention to make any such offer, sale, pledge or disposition. Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC may, in their sole discretion and at any time without notice, release all or any portion of the common shares subject to the lock-up. See "Underwriting." Immediately following the completion of this offering, we intend to file a registration statement registering under the Securities Act the common shares reserved for issuance under our equity compensation plan. If equity securities granted under our equity

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compensation plan are sold or it is perceived that they will be sold in the public market, the trading price of our common shares could decline substantially. These sales also could impede our ability to raise future capital.

Our by-laws to be in effect prior to the completion of this offering designate specific courts in Canada and the federal district courts of the United States as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our by-laws to be in effect prior to the completion of this offering, unless we consent in writing to the selection of an alternative forum, the Supreme Court of British Columbia and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of ours to us; (iii) any action or proceeding asserting a claim arising out of any provision of the CBCA or our constating documents (as they may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, other than claims related to the business carried on by the Company or such affiliates (such provision, the "Canadian Forum Provision"). The Canadian Forum Provision will not apply to any causes of action arising under the Securities Act, the Exchange Act or other federal securities laws of the United States for which there is exclusive federal or concurrent federal and state jurisdiction. Additionally, our by-laws to be in effect prior to the completion of this offering further provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (such provision, the "U.S. Federal Forum Provision"). In addition, our by-laws to be in effect prior to the completion of this offering provide that any person or entity purchasing or otherwise acquiring any interest in our common shares is deemed to have notice of and consented to the Canadian Forum Provision and the U.S. Federal Forum Provision; provided, however, that shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Canadian Forum Provision and the U.S. Federal Forum Provision in our by-laws to be in effect prior to the completion of this offering may impose additional litigation costs on shareholders in pursuing any such claims. Additionally, the forum selection clauses in our by-laws to be in effect prior to the completion of this offering may limit our shareholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our shareholders. In the event a court finds either exclusive forum provision contained in our by-laws to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. The courts of the Province of British Columbia and the federal district courts of the United States may also reach different judgments or results than would other courts, including courts where a shareholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our shareholders.

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We do not expect to pay dividends on our common shares for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. Even if we decide in the future to pay a quarterly cash dividend to the holders of our common shares, we may change our dividend policy at any time.

We do not expect to pay dividends on our common shares for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. As a result, returns on your investment will primarily depend on the appreciation, if any, in the price of our common shares. Even if we decide in the future to pay a quarterly cash dividend to the holders of our common shares, our dividend policy may change at any time. The declaration and payment of dividends to holders of our common shares will be at the discretion of our Board of Directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, cash flows, impact on our effective tax rate, indebtedness, legal requirements and other factors that our Board of Directors deems relevant. Payment of dividends may be subject to withholding taxes. See "Certain Canadian Federal Income Tax Considerations."

General Risk Factors

Our operating results and financial condition may fluctuate.

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

- the impact of COVID-19;
- development and launch of new competitive products;
- the timing and receipt of regulatory approvals or lack of approvals;
- costs related to business development transactions;
- changes in the amount we spend to promote our products;
- delays between our expenditures to acquire new products, technologies or businesses and the generation of revenues from those acquired products, technologies or businesses;
- changes in treatment practices of physicians that currently prescribe certain of our products;
- increases in the cost of raw materials used to manufacture our products;
- actions by the FDA or other regulatory bodies relating to our manufacturers;
- manufacturing and supply interruptions;
- our responses to price competition;
- new legislation that would control or regulate the prices of drugs;
- a protracted and wide-ranging trade conflict between the United States and China;
- expenditures as a result of legal actions (and settlements thereof), including the defense of our patents and other intellectual property;
- market acceptance of our products;
- the timing of wholesaler and distributor purchases and success of our wholesaler and distributor arrangements;
- general economic and industry conditions, including potential fluctuations in interest rates;
- changes in seasonality of demand for certain of our products;

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- foreign currency exchange rate fluctuations;
- changes to, or the confidence in, our business strategy;
- changes to, or the confidence in, our management; and
- expectations for future growth.

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

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CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS

Caution regarding forward-looking information and statements and "Safe-Harbor" statements under applicable Canadian securities laws:

To the extent any statements made in this prospectus contain information that is not historical, these statements are forward-looking statements and such statements may also be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, "forward-looking statements").

These forward-looking statements relate to, among other things: our business strategy, business plans and prospects and forecasts and changes thereto; product pipeline, prospective products and product approvals, product development and future performance and results of current and anticipated products; anticipated revenues for our products; expected R&D and marketing spend; our expected primary cash and working capital requirements for 2022 and beyond; our plans for continued improvement in operational efficiency and the anticipated impact of such plans; our liquidity and our ability to satisfy our debt maturities as they become due; our ability to comply with the covenants expected to be contained in our credit agreement (the "Credit Agreement") ; the impact of our distribution, fulfillment and other third-party arrangements; proposed pricing actions; exposure to foreign currency exchange rate changes and interest rate changes; the outcome of contingencies, such as litigation, subpoenas, investigations, reviews, audits and regulatory proceedings; the anticipated impact of the adoption of new accounting standards; general market conditions; our expectations regarding our financial performance, including our separation from BHC, the expected timetable for the separation and the distribution and our future financial and operating performance, revenues, expenses, gross margins and income taxes; our impairment assessments, including the assumptions used therein and the results thereof; the anticipated impact of the evolving COVID-19 pandemic and related responses from governments and private sector participants on the Company, its supply chain, third-party suppliers, project development timelines, costs, revenues, margins, liquidity and financial condition and the anticipated timing, speed and magnitude of recovery from these COVID-19 pandemic related impacts.

Forward-looking statements can generally be identified by the use of words such as "believe," "anticipate," "expect," "intend," "estimate," "plan," "continue," "will," "may," "could," "would," "should," "target," "potential," "opportunity," "designed," "create," "predict," "project," "forecast," "seek," "strive," "ongoing" or "increase" and variations or other similar expressions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements may not be appropriate for other purposes. Although we have previously indicated certain of these statements set out herein, all of the statements in this prospectus that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making such forward-looking statements, including, but not limited to, factors and assumptions regarding the items previously outlined, those factors, risks and uncertainties outlined below and the assumption that none of these factors, risks and uncertainties will cause actual results or events to differ materially from those described in such forward-looking statements. Actual results may differ materially from those expressed or implied in such statements. Important factors, risks and uncertainties that could cause actual results to differ materially from these expectations include, among other things, the following:

- the risks and uncertainties caused by or relating to the evolving COVID-19 pandemic, the fear of that pandemic, the availability and effectiveness of vaccines for COVID-19, the emergence of variants of COVID-19, the rapidly evolving reaction of governments, private sector participants and the public to that pandemic, and the potential effects and economic impact of the pandemic and the reaction to it, the severity, duration and future impact of which are highly uncertain and cannot be predicted, and which may have a significant adverse impact on us, including but not limited to our supply chain, third-party

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suppliers, project development timelines, employee base, liquidity, stock price, financial condition and costs (which may increase) and revenue and margins (both of which may decrease);

- legislative or policy efforts, including those that may be introduced and passed by the U.S. Congress, designed to reduce patient out-of-pocket costs for medicines, which could result in new mandatory rebates and discounts or other pricing restrictions, controls or regulations (including mandatory price reductions);
- ongoing oversight and review of our products and facilities by regulatory and governmental agencies, including periodic audits by the U.S. Food and Drug Administration (the "FDA") and equivalent agencies outside of the United States and the results thereof;
- actions by the FDA or other regulatory authorities with respect to our products or facilities;
- the covenants expected to be included in our Credit Agreement and other current or future debt agreements may impose limitations, restrictions and prohibitions on the way we conduct our business;
- any downgrade by rating agencies in our credit ratings, which may impact, among other things, our ability to raise debt and the cost of capital for additional debt issuances;
- changes in the assumptions used in connection with our impairment analyses or assessments, which would lead to a change in such impairment analyses and assessments and which could result in an impairment in the goodwill associated with any of our reporting units or impairment charges related to certain of our products or other intangible assets;
- the uncertainties associated with the acquisition and launch of new products, including, but not limited to, our ability to provide the time, resources, expertise and funds required for the commercial launch of new products, the acceptance and demand for new pharmaceutical products, and the impact of competitive products and pricing, which could lead to material impairment charges;
- our ability or inability to extend the profitable life of our products, including through line extensions and other life-cycle programs;
- our ability to retain, motivate and recruit executives and other key employees;
- our ability to implement effective succession planning for our executives and key employees;
- factors impacting our ability to achieve anticipated revenues for our products, including changes in anticipated marketing spend on such products and launch of competing products;
- our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;
- the extent to which our products are reimbursed by government authorities, pharmacy benefit managers ("PBMs") and other third-party payors; the impact our distribution, pricing and other practices may have on the decisions of such government authorities, PBMs and other third-party payors to reimburse our products; and the impact of obtaining or maintaining such reimbursement on the price and sales of our products;
- the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price and sales of our products in connection therewith;
- the consolidation of wholesalers, retail drug chains and other customer groups and the impact of such industry consolidation on our business;
- our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;
- the actions of our third-party partners or service providers of research, development, manufacturing, marketing, distribution or other services, including their compliance with applicable laws and contracts, which actions may be beyond our control or influence, and the impact of such actions on us;

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- the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering and operating in new and different geographic markets (including the challenges created by new and different regulatory regimes in such countries and the need to comply with applicable anti-bribery and economic sanctions laws and regulations);
- adverse global economic conditions and credit markets and foreign currency exchange uncertainty and volatility in certain of the countries in which we do business;
- the impact of the United States-Mexico-Canada Agreement ("USMCA") and any potential changes to other trade agreements;
- the trade conflict between the United States and China;
- our ability to obtain, maintain and license sufficient intellectual property rights over our products and enforce and defend against challenges to such intellectual property;
- the introduction of generic, biosimilar or other competitors of our branded products and other products, including the introduction of products that compete against our products that do not have patent or data exclusivity rights;
- the expense, timing and outcome of pending or future legal and governmental proceedings, arbitrations, investigations, subpoenas, tax and other regulatory audits, examinations, reviews and regulatory proceedings against us or relating to us and settlements thereof;
- our ability to obtain components, raw materials or finished products supplied by third parties (some of which may be single-sourced) and other manufacturing and related supply difficulties, interruptions and delays;
- the disruption of delivery of our products and the routine flow of manufactured goods;
- economic factors over which we have no control, including changes in inflation, interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;
- interest rate risks associated with our floating rate debt borrowings;
- our ability to effectively distribute our products and the effectiveness and success of our distribution arrangements;
- our ability to effectively promote our own products and those of our co-promotion partners;
- our ability to secure and maintain third-party research, development, manufacturing, licensing, marketing or distribution arrangements;
- the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or recalls or withdrawals of products from the market;
- the mandatory or voluntary recall or withdrawal of our products from the market and the costs associated therewith;
- the availability of, and our ability to obtain and maintain, adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third-party insurance or self-insurance;
- the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the FDA, Health Canada, EMA and similar agencies in other countries, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;
- the results of continuing safety and efficacy studies by industry and government agencies;

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- the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as other factors impacting the commercial success of our products, which could lead to material impairment charges;
- the results of management reviews of our research and development portfolio (including following the receipt of clinical results or feedback from the FDA or other regulatory authorities), which could result in terminations of specific projects which, in turn, could lead to material impairment charges;
- the seasonality of sales of certain of our products;
- declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;
- compliance by us or our third-party partners and service providers (over whom we may have limited influence), or the failure by us or these third parties to comply, with health care "fraud and abuse" laws and other extensive regulation of our marketing, promotional and business practices (including with respect to pricing), worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public Officials Act), worldwide economic sanctions and/or export laws, worldwide environmental laws and regulation and privacy and security regulations;
- the impacts of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Health Care Reform Act") and potential amendment thereof and other legislative and regulatory health care reforms in the countries in which we operate, including with respect to recent government inquiries on pricing;
- the impact of any changes in or reforms to the legislation, laws, rules, regulation and guidance that apply to us and our businesses and products or the enactment of any new or proposed legislation, laws, rules, regulations or guidance that will impact or apply to us or our businesses or products;
- the impact of changes in federal laws and policy that may be undertaken under the Biden administration;
- illegal distribution or sale of counterfeit versions of our products;
- interruptions, breakdowns or breaches in our information technology systems;
- failure to achieve the expected benefits from and successfully execute the Separation;
- our status as a controlled company, and the possibility that BHC's interest may conflict with our interests and the interests of our other shareholders;
- the impact on our business of remaining a restricted subsidiary under certain of BHC's credit facilities and indentures upon completion of this offering, which may adversely affect our operations; and
- potential tax liabilities that may arise as a result of the Separation or related transactions.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found elsewhere in this prospectus, under "Risk Factors." When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of our common shares in this offering. All of the proceeds from this offering will be received by the selling shareholder. Prior to the effectiveness of this registration statement of which this prospectus is a part, we are an indirect, wholly-owned subsidiary of BHC. The selling shareholder, which is a wholly-owned subsidiary of BHC, owns the common shares being sold in this offering.

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DIVIDEND POLICY

We do not expect to pay dividends on our common shares for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future, if any, will be used for the operation and growth of our business. See "Management Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Any future determination to pay dividends on our common shares will be at the discretion of our Board of Directors and will depend upon many factors, including our financial position, results of operations, liquidity, legal requirements, restrictions that may be imposed by the terms in current and future financing instruments, including our Credit Facilities, and other factors deemed relevant by our Board of Directors.

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CAPITALIZATION

The following sets forth our cash and cash equivalents and capitalization as of September 30, 2021:

- on an actual basis; and
- on a pro forma basis to give effect to:
  i. the reclassification of BHC's net investment in Bausch + Lomb into additional paid-in capital and common shares to reflect the number of common shares of Bausch + Lomb expected to be outstanding at the effective date of the registration statement of which this prospectus is a part, and the completion of the other separation transactions, as described in "The Separation and the Distribution" (the "Separation"); and
  ii. the incurrence of $ million of indebtedness under Bausch + Lomb's new senior term loan facility and the entering into $ million revolving credit facility (expected to be undrawn at closing), as described under "Description of Material Indebtedness" and the repayment by Bausch + Lomb to BHC of $ million in respect of the BHC Purchase Debt (collectively, the "Financing Transactions").

We will not receive any proceeds from the sale of our common shares in this offering. All of the proceeds from this offering will be received by the selling shareholder. Prior to the effectiveness of this registration statement of which this prospectus is a part, we are a wholly owned subsidiary of BHC. The selling shareholder, which is a wholly-owned subsidiary of BHC, owns the common shares being sold in this offering. As the proceeds from this offering are to be received by the selling shareholder, this offering has no impact on our capitalization. See "Use of Proceeds."

You should read this table in conjunction with "Use of Proceeds," "Summary Historical and Unaudited Pro Forma Combined Financial Data," "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited Pro Forma Condensed Combined Financial Statements" and our audited combined financial statements and related notes and other financial information included elsewhere in this prospectus.

	As of September 30, 2021	
	Actual	Pro Forma
	(Unaudited) (in millions, except share amounts)	
Cash and cash equivalents	$ 130	$
Debt		
Bausch + Lomb term loans	$ —	$
Bausch + Lomb revolving credit facility(1)	—	
Total Debt	—	
Shareholders' Equity		
BHC investment	10,345	
Common shares, no shares authorized, issued and outstanding actual; shares authorized, issued and outstanding actual on a pro forma basis	—	
Additional paid-in-capital	—	
Accumulated other comprehensive loss	(1,020)	
Total Bausch + Lomb shareholders' equity	9,325	
Noncontrolling interest	69	
Total shareholders' equity	$ 9,394	$
Total capitalization	$ 9,394	$

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(1) We expect that the $ million revolving credit facility will be undrawn upon completion of this offering.

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DILUTION

Our historical net tangible book value as of September 30, 2021 was approximately $ million. We do not present historical net tangible book value per share because we had no shares outstanding at September 30, 2021. Our pro forma net tangible book value as of September 30, 2021 was approximately $ million, or $ per share, assuming our common shares were issued and outstanding at such date. Pro forma net tangible book value per share represents:

- pro forma total assets less intangible assets after giving effect to the Separation;
- reduced by our pro forma total liabilities after giving effect to the Financing Transactions; and
- divided by the number of our common shares outstanding after giving effect to the Separation.

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of our common shares in this offering and the net tangible book value per share immediately following the completion of this offering. We will not receive any proceeds from the sale of our common shares in this offering. All of the proceeds from this offering will be received by the selling shareholder. Prior to the effectiveness of this registration statement of which this prospectus is a part, we are an indirect, wholly-owned subsidiary of BHC. The selling shareholder, which is a wholly-owned subsidiary of BHC, owns the common shares being sold in this offering. As the proceeds from this offering are to be received by the selling shareholder, this offering has no impact on our capitalization including the number of common shares outstanding, and would have no impact on our pro forma net tangible book value.

After giving effect to this offering, our pro forma net tangible book value would be unchanged as of September 30, 2021 and would have been approximately $, or $ per share. Purchasing common shares in this offering will result in pro forma net tangible book value dilution to new investors of $ per share. The following table illustrates this dilution per share:

Assumed initial public offering price per share	$
Pro forma net tangible book value per share after this offering	
Dilution per share to new investors	$

Each $1.00 increase (decrease) in the assumed initial offering price of $ per common share would increase (decrease) dilution per share to new investors by approximately $1.00 per share. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

The following table summarizes, on the same basis as of September 30, 2021, the total number of common shares purchased, the total consideration paid and the average price per common share paid by BHC and by new investors purchasing common shares in this offering.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
BHC			$		$
New investors					
Totals		100%	$	100%	$

Each $1.00 increase (decrease) in the assumed initial offering price of $ per common share would increase (decrease) the total consideration paid by new investors by approximately $, or the percent of

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total consideration paid by new investors by approximately %, assuming that the number of shares offered as set forth on the cover page of this prospectus remains the same. The selling shareholder may also increase or decrease the number of shares in the offering. An increase (decrease) of shares in the number of shares offered by 1.0 million would increase (decrease) the total consideration paid by new investors by approximately $, or the percent of total consideration paid by new investors by approximately %, assuming the public offering price per share remains the same. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

The discussion and table above exclude common shares issuable upon exercise of outstanding options or other equity instruments. If the underwriters were to fully exercise their option to purchase additional common shares from the selling shareholder, the percentage of our common shares held by the existing shareholder would be %, and the percentage of common shares held by new investors would be %. To the extent any outstanding options or other equity instruments are exercised, new investors will experience further dilution.

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THE SEPARATION AND THE DISTRIBUTION

The Separation

Our business was founded in 1853 and was acquired by BHC in 2013. Until the effectiveness of the registration statement of which this prospectus is a part, Bausch + Lomb will continue to be a wholly owned subsidiary of BHC, which owns the common shares being sold in this offering. We will not receive any proceeds from the sale of the common shares in this offering. All of the proceeds from this offering will be received by a wholly-owned subsidiary of Bausch + Lomb's parent company, BHC.

On August 6, 2020, BHC announced its intention to separate its eye health business into an independent publicly traded entity from the remainder of BHC. Bausch + Lomb was incorporated under the CBCA on August 19, 2020 and was formed to ultimately hold BHC's Bausch + Lomb Business. As part of the plan to separate the Bausch + Lomb Business from the remainder of BHC's businesses, we have entered into the Master Separation Agreement and a number of other agreements with BHC for the purpose of accomplishing the Separation and setting forth various matters governing our relationship with BHC after the completion of this offering. The agreements also provide for the allocation of employee benefits, tax and other liabilities and obligations attributable or related to periods or events prior to and in connection with this offering. We have entered into these agreements with BHC while we are still an indirect, wholly-owned subsidiary of BHC and certain terms of these agreements are not necessarily the same as could have been obtained from unaffiliated third parties. We expect that the Separation will be substantially completed prior to the completion of the offering and that the various Separation related agreements, as outlined below, have been or will be entered into at such time, but that the Distribution will occur, if at all, following the closing of this offering. See "Certain Relationships and Related Party Transactions—Relationship with BHC", as well as "Risk Factors —Risks Relating to the Separation."

The following are the principal steps of the Separation:

- BHC has agreed to transfer to us the entities, assets, liabilities and obligations that we will hold following the separation of our business from BHC's other businesses. Such internal reorganization may take the form of asset transfers, dividends, contributions and similar transactions, and will involve the formation of new subsidiaries in U.S. and non-U.S. jurisdictions to own and operate Bausch + Lomb's Business in such jurisdictions. Certain shared contracts may need to be assigned, in part to us or applicable subsidiaries or be appropriately amended. Among other things and subject to limited exceptions, such internal reorganization is expected to result in us owning, directly or indirectly, the operations comprising, and the entities that conduct, BHC's Bausch + Lomb Business. In exchange, we have assumed certain liabilities owed by BHC, and issued to BHC additional common shares and a promissory note payable to BHC on demand (the "BHC Purchase Debt"), which is intended to equal the amount of debt raised by Bausch + Lomb in connection with the Separation (as described below) and will be repaid in connection with the completion of this offering.
- Bausch + Lomb intends to incur approximately $ million of principal indebtedness, consisting of term loans and to enter into a $ million revolving credit facility (expected to be undrawn at closing) (collectively, the "Credit Facilities").
- Using the proceeds of the Credit Facilities, Bausch + Lomb will repay in full the BHC Purchase Debt to BHC.
- We have entered into the Master Separation Agreement and a number of other agreements with BHC for the purpose of accomplishing the Separation and setting forth various matters governing our relationship with BHC after the completion of this offering. See "Certain Relationships and Related Party Transactions" for additional discussion.

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The Distribution

BHC has informed us that, following the completion of this offering, it currently intends to transfer all or a portion of its remaining indirect equity interest in us to its shareholders by way of the Arrangement to be implemented in accordance with and subject to the conditions set out in the Plan of Arrangement. To facilitate the Arrangement, we have entered into the Arrangement Agreement with, among others, BHC, which sets out certain representations, warranties and covenants of the parties and sets out certain conditions precedent which must be satisfied or waived in order for the Arrangement to be completed, together with certain rights of termination. BHC may also effect the transfer of its remaining indirect equity interest in us to its shareholders through one or more distributions effected as a dividend to all BHC shareholders, one or more distributions in exchange for BHC shares or other securities or any combination thereof.

If the Distribution is effected by way of a plan of arrangement under applicable corporate law as currently anticipated, it will be subject to approvals, including receipt of applicable shareholder approvals and to receipt of and compliance with the interim and final orders of the British Columbia Supreme Court (the "Interim Order" and the "Final Order," respectively). There can be no assurance as to the outcome of any such shareholder approval or the receipt or terms of such court orders. Prior to the completion of any such distribution, BHC may also sell a portion of its remaining equity interest in us through an offering to third parties. We refer to any such potential distribution and/or sale as the "Distribution." BHC has agreed not to effect the Distribution for a period of 180 days after the date of this prospectus without the consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC. See "Underwriting."

BHC has no obligation to pursue or consummate any further dispositions of its ownership interest in us, including through the Distribution, by any specified date or at all and it may retain its ownership interest in us indefinitely or dispose of all or a portion of its ownership interest in us in a sale or other transaction. If pursued in whole or in part or pursuant to the Arrangement or otherwise, the Distribution would be subject to various conditions, including receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions, and in the case of a tax-free transaction, an opinion of counsel and the Tax Ruling from the CRA confirming the tax-free treatment of the transaction to BHC, the Company and their respective shareholders. Completion of the Arrangement as currently anticipated would also be subject to the terms and conditions and conditions precedent contained in the Arrangement Agreement, including receipt of applicable shareholder approvals and to receipt of and compliance with the Interim Order and the Final Order. The conditions to the Distribution may not be satisfied, BHC or we may decide not to consummate the Distribution even if the conditions are satisfied or BHC may decide to waive one or more of these conditions and consummate the Distribution even if all of the conditions are not satisfied. BHC currently expects that the Distribution will be effected by way of the Arrangement, which is described in more detail under "—Agreements with BHC—Arrangement Agreement." As contemplated by the Arrangement Agreement, the Arrangement will be approved by the selling shareholder, as the sole shareholder of the Company, prior to the completion of this offering. Subject to the conditions contained in the Arrangement Agreement and to the Interim Order, we will be bound by the terms and conditions of the Arrangement Agreement, including an obligation to implement the Arrangement in accordance with the terms of the Arrangement Agreement, in each case as the Plan of Arrangement and the Arrangement Agreement may be amended from time to time in accordance with their respective terms. It is therefore important for you to note that the Tax Ruling being sought from the CRA and the Plan of Arrangement may be amended by BHC in its sole and absolute discretion, without the consent or approval of the other parties to the Arrangement Agreement at any time prior to the implementation of the Arrangement, and that BHC may make any necessary conforming changes to the Arrangement Agreement, in each case in accordance with the terms of the Arrangement Agreement. A copy of the Arrangement Agreement will also be filed as an exhibit to the registration statement of which this prospectus forms a part, and on the Company's profile on SEDAR at www.sedar.com.

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Agreements with BHC

Bausch + Lomb has entered into the Master Separation Agreement and other related agreements with BHC to effect the Separation and to provide a framework for our relationship with BHC after the Separation, and has entered into certain other agreements, including the Arrangement Agreement, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Intellectual Property Matters Agreement, the Real Estate Matters Agreement and the Registration Rights Agreement. These agreements allocate among Bausch + Lomb and BHC the assets, employees, liabilities and obligations (including, among others, investments, property and employee benefits and tax-related assets and liabilities) of BHC and its subsidiaries attributable to periods prior to, at and after Bausch + Lomb's separation from BHC, provide for certain services to be delivered on a transitional basis and govern the relationship between Bausch + Lomb and BHC following the Separation. The various Separation agreements and the Arrangement Agreement have been entered into prior to the closing of this offering. The Distribution is expected to occur following the closing of this offering subject to the conditions described herein. For additional information regarding the Master Separation Agreement and other transaction agreements, see "Risk Factors—Risks Relating to the Separation" and "Certain Relationships and Related Party Transactions."

Master Separation Agreement

We have entered into the Master Separation Agreement with BHC that, together with the other agreements summarized below, governs the relationship between BHC and us following the completion of this offering.

Separation of Assets and Liabilities. The Master Separation Agreement generally allocates assets and liabilities to us and BHC according to the business to which such assets or liabilities relate. In particular, the Master Separation Agreement provides, among other things, that, subject to the terms and conditions contained therein:

- substantially all of the assets primarily related to the businesses and operations of BHC's Bausch + Lomb Business, which we refer to as the "Bausch + Lomb Assets," will be transferred to us or one of our subsidiaries;
- certain liabilities (whether accrued or matured, contingent or otherwise and regardless of whether arising or accruing before, on or after the completion of this offering) related to or arising out of the Bausch + Lomb Assets, and other liabilities related to the businesses and operations of BHC's Bausch + Lomb Business, which we refer to as the "Bausch + Lomb Liabilities," will be retained by or transferred to us or one of our subsidiaries;
- all of the assets and liabilities (whether accrued, contingent or otherwise and regardless of whether arising or accruing before, on or after the completion of this offering) other than the Bausch + Lomb Assets and the Bausch + Lomb Liabilities (such assets and liabilities, other than the Bausch + Lomb Assets and the Bausch + Lomb Liabilities, are referred to as the "Parent Assets" and the "Parent Liabilities," respectively) will be retained by or transferred to BHC or its subsidiaries; and
- certain shared contracts may need to be transferred or assigned, in part, to us or our subsidiaries or may need to be amended.

Claims. In general, subject to certain identified exceptions, pursuant to the Master Separation Agreement we have assumed liability for all pending, threatened and unasserted legal matters exclusively related to our business or our assumed or retained liabilities (as identified in the Master Separation Agreement). For certain legal matters that are not related exclusively to our business or BHC's business, we intend to cooperate and consult with each other to maintain a joint defense with respect to such legal matters.

Intercompany Accounts. The Master Separation Agreement provides that, subject to any provisions in the Master Separation Agreement or any other ancillary agreement described therein to the contrary, immediately prior to or as promptly as practicable after the Separation, all intercompany accounts between BHC and its subsidiaries, on the one hand, and the Company and its subsidiaries, on the other hand, will be repaid or settled.

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Internal Transactions. The Master Separation Agreement provides for certain internal transactions related to our separation from BHC that will occur prior to the completion of this offering.

Delayed Transfers and Further Assurances. To the extent transfers of assets and assumptions of liabilities related to the Bausch + Lomb Business have not been completed (for example, because of a necessary governmental or third party approval or notification), the parties will use commercially reasonable efforts to obtain or make applicable approvals or notifications with respect thereto as soon as reasonably practicable. In the event that any such transfer has not been consummated prior to the closing of this offering, the party retaining any asset that otherwise would have been transferred shall hold such asset in trust for the use and benefit of the party entitled thereto and retain such liability for the account of the party by whom such liability is to be assumed, in each case to the extent reasonably possible and permitted by applicable law, and take such actions reasonably requested by the other party in order to place such party, in a substantially similar position as would have existed had such asset or liability been transferred prior to the closing of this offering.

Representations and Warranties. In general, neither we nor BHC has made any representations or warranties regarding any assets or liabilities transferred or assumed. Except as expressly set forth in the Master Separation Agreement, all assets will be transferred on an "as is," "where is" basis, and the respective transferees will bear the economic and legal risks that conveyed assets are not sufficient to operate the applicable business or that the title to any of the conveyed assets shall be other than good and marketable title, free and clear of any lien.

The Initial Public Offering and Cooperation with the Exchange. The Master Separation Agreement governs our and BHC's respective rights and obligations regarding this offering Pursuant to the Master Separation Agreement, we and BHC will each use commercially reasonable efforts to take all actions necessary to consummate this offering. Subject to the terms and conditions of the Master Separation Agreement, BHC may determine the terms of, and whether to proceed with, this offering or other distribution of our shares by BHC.

Conditions. The Master Separation Agreement also provides that the following conditions, among others, must be satisfied or waived by BHC, in its sole and absolute discretion, before either this offering and the separation transactions can occur or any subsequent distribution by means of plan of arrangement, a spin-off, split-off or other distribution of our shares by BHC can occur:

- approval has been given by BHC's and our Board of Directors;
- with respect to the Distribution, receipt of applicable shareholder approvals;
- with respect to the Distribution, the interim and final orders of the British Columbia Supreme Court providing for, among other things, the approval of the plan of arrangement shall have been obtained;
- all necessary actions or filings under applicable U.S. federal, U.S. state, Canadian or other securities law and rules and regulations thereunder in connection with this offering and the Distribution, as applicable, shall have been taken or made, and, where applicable, become effective or been accepted by the applicable governmental authority;
- the portion of our common shares to be issued and new common shares of BHC to be distributed to BHC's shareholders pursuant to the Arrangement Agreement, as applicable, have been accepted for listing on the NYSE and the TSX;
- with respect to the Distribution, BHC has received a tax opinion from counsel with respect to certain U.S. federal income tax consequences of the Distribution (the "U.S. Tax Opinion");
- with respect to the Distribution, BHC has received an opinion from an independent appraisal firm confirming the solvency and financial viability of BHC prior to the Distribution and of BHC and our company after completion of the Distribution, and such opinions shall be acceptable to BHC in form and substance in BHC's sole discretion and shall not have been withdrawn or rescinded;

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- no order, injunction or decree issued by any governmental authority of competent jurisdiction or other legal restraint or prohibition preventing completion of the Distribution, the Separation or any of the transactions related thereto, as applicable, shall be in effect, and no other event outside the control of BHC shall have occurred or failed to occur that prevents the completion of the Distribution, the Separation or any transactions related thereto, as applicable; and
- with respect to the Distribution, all governmental approvals necessary to consummate the Distribution have been received and shall be in full force and effect.

BHC has the right to not complete the Distribution if, at any time, the BHC Board of Directors determines, in its sole and absolute discretion, that such transaction is not in the best interests of BHC or its shareholders or is otherwise not advisable.

D&O Insurance. Our directors and officers will obtain coverage under a directors' and officers' insurance program to be established by us at our expense. In addition, for a period of six years after we are removed from the prior BHC policies, BHC has agreed to use commercially reasonable efforts to provide directors' and officers' insurance in respect of the Separation, this offering and acts or omissions occuring at or prior to the time we are removed from the prior BHC policies to current and former directors and officers of BHC and the Company, 67% of the cost of which shall be borne by BHC and 33% of the cost of which shall be borne by the Company. Otherwise, we expect that such insurance policies will become effective prior to the completion of this offering, but in any event prior to the completion of the Distribution. We will not benefit from any of BHC's or its affiliates' insurance policies following the effective date of these new insurance policies.

Mutual Releases. Except for specific liabilities associated with the Master Separation Agreement or the other ancillary agreements described therein or rights to indemnification under such arrangements, we and BHC have agreed to release and forever discharge the other party and its respective subsidiaries and affiliates from any and all liabilities, claims or conditions existing or alleged to have existed on or prior to the closing of this offering. The liabilities to be released include liabilities arising under any contract or agreement, existing or arising from any acts or events occurring or failing to occur or any conditions existing before the completion of this offering. The releases will not extend to obligations or liabilities under any agreements between BHC and the Company that remain in effect following the Separation, which agreements include, but are not limited to, the Master Separation Agreement, the Transition Services Agreement, the Tax Matters Agreement, the Registration Rights Agreement, the Intellectual Property Matters Agreement, and the transfer documents in connection with the Separation.

Indemnification. Generally, the Master Separation Agreement provides that each party will indemnify, defend and hold harmless the other party and its subsidiaries (and each of their affiliates) and their respective officers, employees and agents from and against any and all losses relating to, arising out of or resulting from: (i) liabilities assumed by the indemnifying party, (ii) any guarantee, indemnifications or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of the indemnifying party by the indemnified party that survives following the Separation, (iii) any breach by the indemnifying party or its subsidiaries of the Master Separation Agreement and the other agreements described in this section (unless such agreement provides for separate indemnification) or (iv) any untrue statement of a material fact, or omission to state a material fact, with respect to information provided by the indemnifying party for use in, and contained in, any document disclosed to the SEC with respect to this offering or otherwise (provided, that certain indemnification rights, obligations and procedures with respect to the Distribution will be set forth in the Arrangement Agreement). The Master Separation Agreement also specifies procedures with respect to claims subject to indemnification and related matters.

Covenants. The Master Separation Agreement also governs other matters related to the completion of this offering and the Distribution, the provision and retention of records, access to information, confidentiality, cooperation with respect to governmental filings and third party consents, coordination with respect to financial statements and accounting matters. In addition, the Master Separation Agreement provides that, as long as BHC beneficially owns at least 50% of the total voting power of our outstanding share capital entitled to vote in the election of our Board of Directors, we will not (without BHC's prior written consent or, in certain circumstances,

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the approval of the BHC Board of Directors) take certain actions. In addition, to preserve the tax-free treatment of the Separation and the Distribution, the Master Separation Agreement includes certain covenants and restrictions to ensure that, until the completion of the Distribution, BHC will retain beneficial ownership of at least 80.1% of our combined voting power and 80.1% of each class of nonvoting share capital, if any is outstanding.

Termination. The Master Separation Agreement may be terminated and the Distribution may be amended, modified or abandoned at any time by mutual consent or subject to the terms and conditions set forth in the Master Separation Agreement at any time prior to the closing of this offering. The obligations of the parties under the Master Separation Agreement to pursue or effect the Distribution may be terminated by BHC at any time for any reason. The Master Separation Agreement provides that, in the event of a termination of the Master Separation Agreement on or after the completion of this offering, (1) only the provisions of the Master Separation Agreement that obligate the parties to pursue the Distribution will terminate and (2) the other provisions of the Master Separation Agreement and the other transaction agreements that BHC and we enter into will remain in full force and effect.

Arrangement Agreement

In connection with the Separation and the Distribution, we have entered into the Arrangement Agreement with, among others, BHC. The following is a summary of the material terms of the Arrangement Agreement, but it may not contain all of the information about the Arrangement Agreement that is important to a purchaser of B+L common shares. This summary is qualified in its entirety by the full text of the Arrangement Agreement, which will be filed as an exhibit to the registration statement of which this prospectus forms a part, and on the Company's profile on SEDAR at www sedar com

The Arrangement Agreement provides for, among other things, the terms of the Plan of Arrangement, the conditions to the completion of the Arrangement, the rights of the parties to amend the Plan of Arrangement, actions to be taken prior to and after the effective date of the Arrangement, certain indemnities and the rights of the parties to terminate the Arrangement Agreement in certain circumstances. The parties to the Arrangement Agreement have also made certain representations and warranties to each other and have agreed to certain other terms and conditions which are standard in a transaction of the nature of the Arrangement.

As contemplated by the Arrangement Agreement, the Arrangement will be approved by the selling shareholder, as the sole shareholder of the Company, prior to the completion of this offering. Subject to the conditions contained in the Arrangement Agreement and to the Interim Order, we will be bound by the terms and conditions of the Arrangement Agreement, including an obligation to implement the Arrangement in accordance with the terms of the Arrangement Agreement, as the Plan of Arrangement and the Arrangement Agreement may be amended from time to time in accordance with their respective terms. It is therefore important for you to note that the Tax Ruling being sought from the CRA and the Plan of Arrangement may be amended by BHC in its sole and absolute discretion, without the consent or approval of the other parties to the Arrangement Agreement at any time prior to the implementation of the Arrangement, and that BHC may make any necessary conforming changes to the Arrangement Agreement, in each case in accordance with the terms of the Arrangement Agreement.

The terms and conditions of the Arrangement Agreement include, among other things:

Covenants. The Arrangement Agreement contains certain customary covenants of BHC and the Company that they will, subject to the terms of the Arrangement Agreement, use their respective commercially reasonable efforts to consummate the Arrangement. The Arrangement Agreement also contains certain covenants to support the treatment of the Distribution as a "butterfly" reorganization pursuant to Section 55 of the Tax Act, with no material Canadian federal income tax payable by BHC and its shareholders, and the Company and its shareholders.

Among other things, we and/or BHC (as applicable) have covenanted and agreed, subject to certain limited exceptions, that:

- we will (i) not, on or before the effective date of the Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our

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control to be taken or performed or to occur, that, in each case, could reasonably be considered to interfere or be inconsistent with the Tax Ruling; (ii) not take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our control to be taken or performed or to occur, in each case, that would cause BHC to cease to be a "specified corporation" within the meaning of the Tax Act on or prior to the effective date of the Arrangement, except as specifically contemplated by the Arrangement Agreement and in the Tax Ruling; and (iii) fulfill all representations and undertakings provided by us (or by any of our subsidiaries), or on our behalf (or on behalf of any of our subsidiaries) with our knowledge and consent, in the Tax Ruling.

- we and BHC will (a) not, for a period of three years after the effective date of the Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our control to be taken or performed or to occur, that, in each case, could reasonably be expected to cause the Arrangement and/or any transaction contemplated by the Arrangement and/or this Agreement to be taxed in a manner inconsistent with that provided for in the Tax Ruling; (b) (i) file tax returns and make all other filings, notifications, designations and elections (including section 85 elections under the Tax Act, and the corresponding provisions of any applicable provincial tax legislation) pursuant to the Tax Act and/or applicable provincial or foreign tax legislation, that are contemplated in the Tax Ruling, the Arrangement and/or the Arrangement Agreement, and (ii) make adjustments to stated capital accounts in accordance with the terms of the Plan of Arrangement following the effective date; (c) cooperate in the preparation, execution and filing, in the form and within the time limits prescribed or otherwise contemplated in the Tax Act, of all tax returns, filings, notifications, designations and elections under the Tax Act as contemplated in the Tax Ruling, the Plan of Arrangement and/or the Arrangement Agreement (and any similar tax returns, elections, notifications or designations that may be required under applicable provincial or foreign tax legislation); and (d) cooperate in obtaining the Tax Ruling and the U.S. Tax Opinion and making such amendments to the Arrangement Agreement and the Plan of Arrangement as may be necessary to obtain the Tax Ruling and U.S. Tax Opinion and implement the Arrangement Agreement in accordance with such ruling and opinion.

Indemnification. Generally, the Arrangement Agreement provides that BHC and the Company will each indemnify, defend and hold harmless the other and that other party's subsidiaries and their respective officers, employees and agents from and against any and all losses relating to, arising out of or resulting from, directly or indirectly, a breach of our and their respective tax-related covenants in the Arrangement Agreement.

BHC and the Company will also provide customary indemnities in favour of one another in respect of misrepresentations or alleged misrepresentations contained in the meeting materials prepared in connection with the seeking of applicable shareholder approvals of the Arrangement and in respect of any order, inquiry, investigation or proceeding by a governmental authority to the extent it is based on any such misrepresentation or alleged misrepresentation.

Conditions. The Arrangement Agreement provides that, subject to the other terms of the Arrangement Agreement, the respective obligations of BHC and the Company to complete the transactions contemplated by the Arrangement Agreement will be subject to the satisfaction or waiver by each of them (in whole or in part, each acting reasonably) of certain customary conditions precedent at or prior to the effective time of the Arrangement including the receipt of the Interim Order and the Final Order on terms consistent with the Arrangement Agreement. The obligation of BHC to complete the transactions contemplated by the Arrangement Agreement will be subject to the satisfaction or waiver of certain other conditions precedent, which may only be waived, in whole or in part, by BHC, including:

- customary bring-down certifications by B+L in respect of the representations and warranties made by B+L and B+L's fulfillment of or compliance with its covenants in the Arrangement Agreement that are to have been fulfilled or complied with prior to the effective time of the Arrangement.

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- the resolution approving the Arrangement will have been approved by the BHC shareholders at the BHC special shareholder's meeting in accordance with the Interim Order.
- the Tax Ruling shall have been received by BHC, in such form and substance acceptable to BHC in its sole discretion, and such Tax Ruling shall not have been withdrawn, modified or rescinded and will remain in full force and effect as of the effective time of the Arrangement.
- the U.S. Tax Opinion shall have been received by BHC in a form satisfactory to BHC, and will not have been withdrawn or modified and will remain in full force and effect as of the effective time of the Arrangement.
- an independent appraisal firm acceptable to BHC shall have delivered one or more opinions to the BHC board of directors confirming the solvency and financial viability of BHC prior to the Arrangement and of BHC and Amalco 2 (as defined below) after consummation of the Arrangement, and such opinions shall be acceptable to BHC in form and substance in BHC's sole discretion and such opinion(s) shall not have been withdrawn, modified or rescinded as of the effective time of the Arrangement.
- there not, as of the effective date of the Arrangement, be BHC shareholders that hold, in the aggregate, in excess of a prescribed percentage of all outstanding BHC common shares that have validly exercised statutory dissent rights under applicable corporate law and not withdrawn such exercise.
- no other events or developments shall exist or shall have occurred subsequent to the completion of this offering that, in the judgment of the BHC Board, in its sole and absolute discretion, makes it inadvisable to effect the Arrangement.

The obligation of the Company to complete the transactions contemplated by the Arrangement Agreement will be subject to the satisfaction or waiver of certain other conditions precedent, which may only be waived, in whole or in part, by the Company.

Amendments. The Arrangement Agreement provides that, subject to the provisions of the Interim Order, the Plan of Arrangement and applicable law, at any time and from time to time before the effective time of the Arrangement: (i) the Arrangement Agreement and the Plan of Arrangement may be amended, modified or supplemented by written agreement of BHC and the Company, without further notice to or authorization on the part of the BHC shareholders; and (ii) BHC may, in its sole and absolute discretion, without the consent or approval of the other parties, the BHC shareholders or the B+L shareholders, if applicable, amend the Tax Ruling and/or the Plan of Arrangement and may make any necessary conforming amendments to the Arrangement Agreement, provided in each case that BHC has determined, acting reasonably, that such amendment(s) are not materially adverse to the Company or its shareholders from a financial perspective, provided that BHC will provide the Company with a reasonable opportunity to comment on such proposed amendments and shall give reasonable consideration to any comments received from the Company in respect of such amendments.

Termination. The Arrangement Agreement provides that it may, at any time before or after the holding of the BHC special meeting of shareholders to consider the Arrangement but prior to implementation of the Arrangement, be unilaterally terminated by BHC, in its sole and absolute discretion, on written notice to the Company, but without the consent of any of the other Parties (including the Company) or the BHC shareholders or B+L shareholders, if applicable, and without liability to any of them except as provided in the Arrangement Agreement. The Company will have a limited right to terminate the Arrangement Agreement if the effective date of the Arrangement has not occurred on or before the outside date to be specified in the Arrangement Agreement, unless BHC and the Company agree in writing to extend such date.

Arrangement Steps. The Plan of Arrangement pursuant to which the Arrangement will be implemented is appended as a schedule to the Arrangement Agreement. The following is a summary of the steps of the Arrangement as of the date of the Arrangement Agreement which is qualified in its entirety by reference to the full text of the Plan of Arrangement appended to the Arrangement Agreement. The Plan of Arrangement may be amended at any time by BHC in accordance with the terms of the Plan of Arrangement and the Arrangement

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Agreement and the steps outlined below are subject to amendment at any time and from time to time following the completion of the offering and prior to the implementation of the Plan of Arrangement and may change without notice to the Company's shareholders. Capitalized terms used in this Section but not otherwise defined in this prospectus have the respective meanings given to them in the Plan of Arrangement. References to TC and TC Sub are to entities incorporated by BHC to facilitate the steps required to implement the Plan of Arrangement, and TC is the sole shareholder of TC Sub.

If all of the conditions to the implementation of the Arrangement have been satisfied or waived in accordance with the Arrangement Agreement and the other Separation Agreements, the Arrangement will become effective at the Effective Time (as defined in the Plan of Arrangement), and the steps set out in the Plan of Arrangement will occur in the order and at the intervals specified in the Plan of Arrangement without any further act or formality required by BHC or the Company.

The steps in the Arrangement are highly technical and are generally intended to ensure that the Arrangement is implemented as a "butterfly reorganization" pursuant to Section 55 of the Tax Act. Most of these steps do not directly involve the Company or its shareholders and are necessary to effect the transfer of the interest in the Company then held by BHC through the selling shareholder to the then-current shareholders of BHC, and to facilitate certain exchanges of options, RSUs and PSUs of BHC for options and RSUs of the Company.

Pursuant to the Plan of Arrangement, among other things, it is currently expected that:

- certain then-outstanding BHC Options, BHC RSUs and BHC PSUs will be deemed to be exchanged for options and RSUs, as the case may be, of Numberco (which is the selling shareholder under this offering), with the number of such options and RSUs to be calculated using the applicable conversion ratio set out in the Plan of Arrangement. See "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement" for a description of the adjustments that will be made to BHC Options, BHC RSUs and BHC PSUs after giving effect to the transactions contemplated by the Plan of Arrangement;
- the authorized share capital of BHC will be reorganized and its articles amended to create and authorize the issuance of a new class of common shares (the BHC Class A Shares) and a new class of special shares (the BHC Special Shares), and each BHC shareholder (other than a dissenting BHC shareholder) will be deemed to exchange such holder's existing BHC common share for one BHC Class A Share and that number of BHC Special Shares that is calculated using the applicable conversion ratio set out in the Plan of Arrangement;
- each holder of BHC Special Shares will be deemed to transfer each BHC Special Share to TC for a number of TC Shares that is calculated in the manner set out in the Plan of Arrangement, with the objective being to provide that each BHC shareholder at the relevant time will hold a number of TC Shares that will effectively represent their pro rata share of the common shares of the Company held by Numberco at such time. Following this step, all of the TC Shares will be held by the former holders of BHC Special Shares;
- BHC will be deemed to transfer to TC Sub all of the Numberco Shares held by it in consideration for the issuance to BHC of TC Sub Shares. Following this step, Numberco will be wholly-owned by TC Sub, and Numberco will continue to be the holder of all of the common shares of the Company formerly indirectly owned by BHC;
- BHC will be deemed to purchase for cancellation all of the BHC Special Shares held by TC in consideration for the issuance by BHC to TC of a promissory note (the BHC Repurchase Note);
- TC Sub will be deemed to purchase for cancellation all of the TC Sub Shares held by BHC in consideration for the issuance by TC Sub to BHC of a promissory note (the TC Sub Repurchase Note);
- TC Sub will wind up in accordance with section 210 of the CBCA and as a consequence of that winding up will distribute all of its assets, rights and properties to TC, including TC Sub's interest in the Numberco Shares, and all of the liabilities and obligations of TC Sub, including the liability of TC Sub under the TC Sub Repurchase Note. Following this step, Numberco will be wholly-owned by TC;

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- The TC Sub Repurchase Note (held by BHC, and now a liability of TC) will be deemed to be set-off against the BHC Repurchase Note (held by TC).
- TC and Numberco will amalgamate under section 181 of the CBCA to form a successor corporation ("Amalco"). Following this step, Amalco will own all of the common shares of the Company formerly indirectly owned by BHC, and all of the BHC Options, BHC RSUs and BHC PSUs that were previously exchanged for options and RSUs of Numberco will be options and RSUs respectively, of Amalco. The sole shareholders of Amalco will be the BHC shareholders whose BHC Special Shares were exchanged for TC Shares;
- the Company and Amalco will amalgamate pursuant to section 181 of the CBCA to form a successor corporation ("Amalco 2"). Amalgamations are a Canadian corporate law process by which the two amalgamating companies combine into a new company, without either losing its corporate existence. Therefore, pursuant to this step:
  - the then-current shareholders of the Company will have their shares converted into an equivalent number of common shares of Amalco 2, and all of the BHC shareholders whose BHC Special Shares were exchanged for TC Shares will have their Amalco Shares converted into an equivalent number of common shares of Amalco 2. These conversions will result in each of the Company's then-current shareholders holding the same pro rata interest in Amalco 2 (on a non-diluted basis) as such shareholder held in the Company immediately prior to the Plan of Arrangement, with the remaining common shares of Amalco 2 being held by the then-current BHC shareholders who will hold the same pro rata interest in Amalco 2 (on a non-diluted basis) as Numberco held in the Company immediately prior to the Amalgamation.
  - each of the options and RSUs of Amalco will be exchanged for an equivalent number of Amalco 2 options and RSUs, respectively. These exchanges will result in these options, and, to the extent applicable, the RSUs and PSUs, having the same "in the money" amount as the corresponding BHC Options, RSUs and PSUs immediately prior to the implementation of the Arrangement, and in such options and RSUs being exercisable or settled for common shares of Amalco 2 following the Arrangement. These options and RSUs will, upon their exercise or vesting for common shares of Amalco 2 result in a pro rata dilution of all holders of Amalco 2 common shares at such time.
  - Amalco 2 will possess all of the property of the Company and TC held immediately before the amalgamation and will, following the amalgamation, be subject to all of the liabilities of those predecessor companies immediately before the amalgamation. Consequently, Amalco 2 will continue to hold all of the assets that were held by the Company immediately prior to the amalgamation and in the same manner that such assets were held by the Company immediately prior to the amalgamation.
  - Amalco 2 will be authorized to apply to British Columbia to continue under the BCBCA, following which Amalco 2 is expected to complete the Continuance and continue under the BCBCA, following which it would be subject to the BCBCA and not to the CBCA.

For additional information on the treatment of BHC Options, BHC RSUs and BHC PSUs in connection with the Distribution, see "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement."

Transition Services Agreement

In connection with the completion of this offering, we have entered into the Transition Services Agreement with BHC to provide each other, on a transitional basis, certain administrative, human resources, treasury and support services and other assistance, for a limited time to help ensure an orderly transition following the Separation. The Transition Services Agreement specifies the calculation of our costs for these services. The cost of these services will be negotiated between us and BHC.

Under the Transition Services Agreement, Bausch + Lomb will receive certain services, including information technology services, technical and engineering support, application support for operations, legal, payroll, finance, tax and accounting, general administrative services and other support services. As costs for these services historically were

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included in our operating results through expense allocations from BHC, we do not expect the costs associated with the Transition Services Agreement to be materially different and, therefore, we do not expect such costs to materially affect our results of operations or cash flows after becoming a standalone company.

Subsequent to the Separation, we will incur expenditures consisting primarily of employee-related costs, costs to establish certain standalone functions and information technology systems and other transaction-related costs. Additionally, we will incur increased costs as a result of becoming an independent, publicly traded company, primarily from establishing or expanding the corporate support for our businesses, including information technology, human resources, treasury, tax, internal audit, risk management, stock-based compensation programs, accounting and financial reporting, investor relations, governance, legal, procurement and other services. Our preliminary estimates of these additional recurring costs expected to be incurred annually are approximately $ million to $ million greater than the expenses historically allocated to us from BHC, and primarily relate to Selling, general and administrative ("SG&A") expenses. We believe our cash flow from operations will be sufficient to fund these additional corporate expenses.

Services under the Transition Services Agreement begin on the date of the closing of this offering and will cover a period generally not expected to exceed 24 months following the Separation.

Tax Matters Agreement

We have entered into the Tax Matters Agreement with BHC that governs the parties' respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. In general, under the Tax Matters Agreement:

- BHC will be responsible for any U.S. federal, state, local or non-U.S. income and non-income taxes (and any related interest, penalties or audit adjustments and including those taxes attributable to our business) reportable on a consolidated, combined or unitary return that includes BHC or any of its subsidiaries (including us and/or any of our subsidiaries), and on any other tax return of BHC or any of its subsidiaries (including us and/or any of our subsidiaries) that includes tax items relating to Parent Assets and Parent Liabilities (whether or not such tax return also includes items relating to the Business), for any periods or portions thereof ending prior to this offering.
- BHC will be responsible for certain specified non-U.S. taxes directly resulting from certain aspects of the Separation.
- We will be responsible for any U.S. federal, state, local or non-U.S. income and non-income taxes (and any related interest, penalties or audit adjustments) that are reportable on returns that include only us and/or any of our subsidiaries (and do not include any tax items related to Parent Assets and Parent Liabilities) for all tax periods or portions thereof ending prior to this offering.

We will generally be responsible for all of the taxes imposed on us and our subsidiaries for taxable periods (or portions thereof) that begin after the date of this offering.

We will not generally be entitled to receive payment from BHC in respect of any of our tax attributes or tax benefits or any reduction of taxes of BHC. Neither party's obligations under the Tax Matters Agreement is limited in amount or subject to any cap. The Tax Matters Agreement also assigns responsibilities for administrative matters, such as the filing of returns, payment of taxes due, retention of records and conduct of audits, examinations or similar proceedings. In addition, the Tax Matters Agreement provides for cooperation and information sharing with respect to tax matters.

BHC will be primarily responsible for preparing and filing any tax return with respect to any BHC affiliated, consolidated, combined, unitary or similar group for U.S. federal, state, or local or non-U.S. income or non-income tax purposes that includes BHC or any of its subsidiaries, including those tax returns that also include us and/or any of our subsidiaries, and any other tax return of BHC or its subsidiaries (including us and/or any of our

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subsidiaries) that includes tax items relating to Parent Assets and Liabilities (whether or not such tax return also includes items relating to the Business). We will generally be responsible for preparing and filing any tax returns that include only us and/or any of our subsidiaries (and do not include any tax items related to Parent Assets and Parent Liabilities).

The party responsible for preparing and filing a given tax return will generally have exclusive authority to control tax contests related to any such tax return. We will generally have exclusive authority to control tax contests with respect to tax returns that include only us and/or any of our subsidiaries.

In addition, in order to preserve the tax-free treatment of the Distribution as currently anticipated, if effected in the manner currently anticipated, for U.S. federal income tax purposes, under the Tax Matters Agreement, we will be restricted from taking certain actions, including, during the two-year period after the Distribution, discontinuing the active conduct of our trade or business, merging or amalgamating with any other person (other than in connection with the Distribution), redeeming or otherwise acquiring our shares (other than pursuant to certain open-market repurchases of less than 20% of our common shares, in the aggregate), soliciting, participating or supporting any acquisition of our shares by any person or business combination having a similar effect, or otherwise taking any action that could reasonably be expected to adversely affect the tax-free treatment of the Distribution for U.S. federal income tax purposes. Notwithstanding the foregoing, we may be permitted to take certain of these actions if we receive a tax ruling or opinion of counsel, acceptable to BHC, to the effect that the action will not adversely affect the tax-free treatment of the Distribution for U.S. federal income tax purposes. Regardless of whether we are so permitted to take such action, under the Tax Matters Agreement we will be required to indemnify BHC for any tax-related losses that result from the taking of any such action.

Employee Matters Agreement

We have entered into the Employee Matters Agreement with BHC, which governs our relationship with BHC with respect to employment, compensation and benefits matters. The Employee Matters Agreement governs, among other things, the allocation of employee-related liabilities, the mechanics for the transfer of Bausch + Lomb employees, the treatment of outstanding equity awards and the treatment of Bausch + Lomb employees' participation in BHC's retirement and health and welfare plans.

Employee-related liabilities. In connection with the Separation, we will generally assume responsibility for all employment, compensation and benefits-related liabilities relating to current employees of the B+L Business (whether active or on certain specified leaves of absences) and former employees who were last actively employed primarily with respect to the B+L Business, whom we collectively refer to as "B+L Employees," regardless of whether such liabilities arise before, on or after the closing of this offering. BHC will retain all employment, compensation and benefits-related liabilities relating to each current or former employee of BHC who is not a B+L Employee, whom we refer to as a "BHC Employee."

Transfers of B+L Employees. Effective on or prior to the closing of this offering, to the extent not already employed by us or one of our subsidiaries, the employment of each B+L Employee will generally be transferred to us or one of our subsidiaries. The transfer of the employment of B+L Employees who are employed in certain non-U.S. jurisdictions may occur following the closing of this offering (the "Post-Separation Transfer Employees"). Prior to their transfer date, BHC will make available to us the services of the Post-Separation Transfer Employees, to the extent employed by BHC at such time. We or one of our subsidiaries will generally assume responsibility for any individual employment or similar agreements between any B+L Employee and BHC or any of its subsidiaries. We will bear the cost of compensation, benefit and other employment related liabilities incurred for Post-Separation Transfer Employees prior to their applicable transfer date.

Compensation and benefit plans generally. Effective as of January 1, 2022 (or, in the case of Post-Separation Transfer Employees, the date such employees transfer to us), which we refer to as the "Benefits Commencement Date," as a general matter, B+L Employees will be eligible to participate in compensation and benefit plans established by us or one of our subsidiaries, and such plans will generally recognize all of such employee's service with BHC and its affiliates prior to the applicable Benefits Commencement Date for purposes of eligibility, vesting and benefit accruals. However, such service will not be recognized to the extent that such

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recognition would result in a duplication of benefits. BHC will bear the cost of designing or establishing any of our or our subsidiaries' compensation or benefit plans; however, we will reimburse BHC for any costs and expenses incurred by BHC to administer such plans.

401(k) plan. As a general matter, effective as of a date mutually identified by the parties (but not later than six months after the closing of this offering), each B+L Employee who participates in the BHC 401(k) plan will cease active participation in the BHC 401(k) plan and will be eligible to participate in a 401(k) plan maintained by us or one of our subsidiaries. Following such effective date of participation, the account balance of each B+L Employee who is an active participant in the BHC 401(k) plan will be transferred to, and assumed by, the B+L 401(k) plan.

B+L Retirement Benefits Pension Plan. Effective as of the closing of this offering, the Bausch & Lomb Retirement Benefits Plan (the "Legacy U.S. Pension Plan"), including The Bausch & Lomb Retirement Benefits Trust, will be retained by us in accordance with its terms. Following such date, each BHC Employee who participates in the Legacy U.S. Pension Plan will cease active participation in the Legacy U.S. Pension Plan (including the accrual of any additional benefits, if any, under the Legacy U.S. Pension Plan). Any liabilities arising from or relating to the Legacy U.S. Pension Plan and The Bausch & Lomb Retirement Benefits Trust will be retained by B+L and its subsidiaries.

Biovail Americas Corp. Executive Deferred Compensation Plan. Effective as of the closing of this offering, the Biovail Americas Corp. Executive Deferred Compensation Plan will be retained by BHC in accordance with its terms, and any liabilities arising from or relating to the such plan will be retained by BHC and its subsidiaries.

B+L Supplemental Retirement Income Plan Effective as of the closing of this offering, the B+L Supplemental Retirement Income Plan, including each of the secular trusts established thereunder, will be retained by us in accordance with its terms, and any liabilities arising from or relating to such plan will be retained by us and our subsidiaries.

Health and welfare benefit plans. Effective as of the closing of this offering, we will generally assume all costs, expenses or liabilities relating to health and welfare coverage or claims incurred on or after the closing of this offering by each B+L Employee under any of our or BHC's health and welfare benefit plans. However, following the closing of this offering and prior to the applicable Benefits Commencement Date, B+L Employees will generally continue to participate in BHC's health and welfare benefit plans, and any claims incurred by B+L Employees prior to the applicable Benefits Commencement Date will continue to be covered under BHC's health and welfare benefit plans; provided that, any costs relating to such participation in BHC's health and welfare plans will be borne by us.

Treatment of annual cash incentive awards. Each B+L Employee participating in any cash incentive plan or program for the 2021 performance year (including any annual bonus program or sales incentive program) will remain eligible to receive such cash bonus award, subject to the terms of the applicable bonus plan and actual achievement of applicable performance goals determined as of the end of the performance period. The actual 2021 cash bonuses payable to B+L Employees will be paid by us in accordance with the terms of the applicable cash bonus plan, and BHC will generally bear the cost of the aggregate actual amount (or an estimated amount, depending on the timing of the offering) of such 2021 cash bonuses. For the 2022 performance year, all B+L Employees will participate in a B+L cash bonus or incentive plan, the cost of which will be borne entirely by us.

B+L Separation Bonuses. Each B+L Employee who is eligible to receive a cash bonus award under the Bausch + Lomb Separation Bonus Opportunity program, regardless of when payable, will remain eligible to receive his or her cash bonus award based on continued employment with us, subject to the terms of the applicable agreement or program. The actual cash bonus awards under the Bausch + Lomb Separation Bonus Opportunity program will be paid by us in accordance with the terms of the applicable agreement or program (including terms relating to the timing of payment) and BHC will bear the cost of the aggregate amount of such cash bonus award.

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Treatment of Outstanding Equity Awards. Effective as of immediately prior to the Distribution, each outstanding BHC equity award will be treated as set forth below.

Stock Options

Each outstanding BHC stock option award (each, a "BHC Option") held by a current B+L Employee will be converted into an option to acquire Company common shares (each, a "B+L Option"). The number of Company common shares subject to such B+L Option will be determined by *multiplying* (i) the number of BHC common shares subject to the corresponding BHC Option *by* (ii) a fraction, (A) the numerator of which is the fair market value of a BHC common share before the Distribution (as determined by the BHC Board (or an applicable committee thereof)) and (B) the denominator of which is the fair market value of a Company common share after the Distribution (as determined by the BHC Board (or an applicable committee thereof)) (such fraction, the "B+L Concentration Ratio"), rounded down to the nearest whole share. The exercise price per Company common share applicable to such B+L Option will be determined by *dividing* (i) the exercise price per BHC common share applicable to the corresponding BHC Option *by* (ii) the B+L Concentration Ratio, rounded up to the nearest whole cent.

Each outstanding BHC Option held by a current or former BHC Employee or a former B+L Employee will be converted into an adjusted BHC Option (each, an "Adjusted BHC Option"). The number of BHC common shares subject to such Adjusted BHC Option will be determined by *multiplying* (i) the number of BHC common shares subject to the corresponding BHC Option *by* (ii) a fraction, (A) the numerator of which is the fair market value of a BHC common share before the Distribution (as determined by the BHC Board (or an applicable committee thereof)) and (B) the denominator of which is the fair market value of a BHC common share after the Distribution (as determined by the BHC Board (or an applicable committee thereof)) (such fraction, the "BHC Concentration Ratio"), rounded down to the nearest whole share. The exercise price per BHC common share applicable to such Adjusted BHC Option will be determined by *dividing* (i) the exercise price per BHC common share applicable to the corresponding BHC Option *by* (ii) the BHC Concentration Ratio, rounded up to the nearest whole cent.

The B+L Options and Adjusted BHC Options will be subject to the same terms and conditions (including vesting and expiration schedules) as applicable to the corresponding BHC Option immediately prior to the above described conversions.

RSUs and PSUs

Each outstanding BHC RSU and BHC PSU that (1) was granted prior to January 1, 2022, or in the case of any BHC matching share restricted stock units (" MRSUs"), was granted at any time, (2) is not a New Hire Grant (as defined below), (3) is not the CEO Grants (as defined below) and (4) is held by either (x) a current BHC Employee, (y) a current B+L Employee or (z) "Dual Director" (i.e., a non-employee director serving on the Board of Directors of both the Company and BHC at and immediately following the time of the Distribution), in each case, will be adjusted as follows (such adjustment, the "Basketing Adjustment"):

- the holder will continue to hold the same number of BHC RSUs or BHC PSUs, as applicable; and
- the holder will receive a number of B+L RSUs (i.e., not subject to performance conditions), determined by *multiplying* (i) the number of BHC RSUs or BHC PSUs *by* (ii) the "basket ratio" (i.e., a conversion ratio that will be determined by the BHC Board (or an applicable committee thereof) prior to the Distribution in a manner intended to preserve the aggregate value of the applicable outstanding equity awards), rounded down to the nearest whole share.

Each outstanding BHC RSU (other than a Deferred BHC RSU, as defined below) and BHC PSU that (1) is held by a current BHC Employee and (x) was granted on or following January 1, 2022 (other than any BHC MRSUs), (y) was an "initial" or "sign-on" BHC RSU or BHC PSU granted to any current B+L Employee or BHC Employee on or following September 1, 2021 in connection with such applicable employee's external new hire into an executive role with the Company or BHC (a "New Hire Grant") or (z) was granted on September 1,

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2021 to the BHC Employee who is intended to become the CEO of BHC effective as of the closing of this Offering (including the awards of both BHC RSUs and BHC PSUs granted to such BHC Employee on September 1, 2021) (the "CEO Grants"), (2) is held by (i) a former BHC Employee, (ii) a former B+L Employee, (iii) an employee of Solta Medical Corporation or its subsidiaries or business ("Solta"), (iv) a non-employee director of BHC (who does not also serve on our Board of Directors) or (v) a non-employee director of Solta (who does not also serve on our Board of Directors) (in each case, regardless of when granted) or (3) is held by a BHC service provider that is employed in a jurisdiction where the "basketing" treatment set forth above is not permitted, in each case, will be converted into an adjusted award of BHC RSUs or BHC PSUs, as applicable, determined by multiplying (a) the number of such BHC RSUs or BHC PSUs by (b) the "BHC Concentration Ratio", rounded down to the nearest whole share.

Each outstanding BHC RSU and BHC PSU that (1) is held by a current B+L Employee and (x) was granted on or following January 1, 2022 (other than any BHC MRSUs) or (y) is a New Hire Grant or (2) is held by a Company service provider that is employed in a jurisdiction where the "basketing" treatment set forth above is not permitted, in each case, will be converted into an award of B+L RSUs determined by *multiplying* (i) the number of such BHC RSUs or BHC PSUs *by* (ii) the B+L Concentration Ratio, rounded down to the nearest whole share.

Each outstanding BHC RSU (other than a Deferred BHC RSU) that is held by a non-employee director of the Company (who does not also serve on the Board of Directors of BHC at and immediately following the time of Distribution) will not be converted into an award of B+L RSUs, and will instead vest on a prorata basis and be settled prior to the Distribution in accordance with, and subject to the terms of the applicable award agreement governing such BHC RSUs.

In addition, and notwithstanding the above described adjustments, each deferred BHC RSU that is held by a Dual Director or a non-employee director serving on either the Board of Directors of the Company or BHC at the time of the Distribution (a "Deferred BHC RSU") will be adjusted pursuant to the Basketing Adjustments described above.

The adjusted BHC RSUs and BHC PSUs and B+L RSUs will generally have the same terms and conditions (including vesting schedule) as the corresponding BHC awards prior to the adjustments, except that, in the case of any BHC PSUs, the corresponding B+L RSUs will not be subject to any performance-based vesting conditions following the adjustments.

Effective as of the Distribution, the Company will assume the obligation to settle and deliver the shares of the Company underlying all BHC equity awards converted into Company equity awards. For purposes of vesting for all equity awards, continued employment with or service to BHC or the Company, as applicable, will be treated as continued employment with or service to both BHC and the Company.

The Company will be responsible for the settlement of cash dividend equivalents on any adjusted BHC awards and any Company equity awards held by a B+L Employee, and BHC will be responsible for the settlement of cash dividend equivalents on any adjusted BHC awards and any Company equity awards held by current or former BHC Employees. However, with respect to (i) Company equity awards held by BHC Employees, prior to the date any such settlement is due, the Company will pay BHC in cash amounts required to settle any dividend equivalents accrued following the Distribution and (ii) adjusted BHC equity awards held by B+L Employees, prior to the date any such settlement is due, BHC will pay the Company in cash amounts required to settle any dividend equivalents accrued following the Distribution.

Intellectual Property Matters Agreement

We have entered into the Intellectual Property Matters Agreement pursuant to which we have granted to BHC a non-exclusive, worldwide, royalty free license to use the "BAUSCH" name and marks, and certain other marks (which we refer to as the "Licensed Trademarks") for a transitional period beginning on the date of the Separation and extending for a transitional period after the date of the Distribution to allow for the renaming and

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rebranding of BHC. The Intellectual Property Matters Agreement includes certain customary quality control provisions which impose obligations and restrictions on BHC's use of the Licensed Trademarks.

The Intellectual Property Matters Agreement also includes certain provisions whereby we have made arrangements to provide BHC certain rights to continue to control certain domain names containing the word "BAUSCH HEALTH" during the term of the applicable trademark license and we mutually agree with BHC to any additional arrangements that may be reasonably required to transition BHC away from use of the domains.

The Intellectual Property Matters Agreement also includes an intellectual property cross-license which provides BHC and Bausch + Lomb with reciprocal, non-exclusive cross-licenses under certain intellectual property rights transferred to us and certain intellectual property rights retained by BHC in order to provide each of BHC and Bausch + Lomb freedom to operate their respective businesses

Real Estate Matters Agreement

In connection with the Separation, we have entered into the Real Estate Matters Agreement, pursuant to which certain leased and owned property will be shared between us and BHC. The Real Estate Matters Agreement describes the manner in which the specified leased and owned properties are shared, including the following types of transactions: (i) if mutually agreed leases to either party of portions of specified properties that the other party owns; and (ii) if mutually agreed subleases to either party of portions of specified properties leased by the other party. The Real Estate Matters Agreement also contemplates that we and BHC will share certain properties for a limited period until a formal arrangement is entered into or one of the parties exits the property and that we may provide each other with certain services with respect to specified leased and owned properties for a limited time to help ensure an orderly transition following the Separation.

Registration Rights Agreement

In connection with the Separation, we have entered into the Registration Rights Agreement with BHC pursuant to which we agree that, upon the request of BHC, we will use our commercially reasonable efforts to effect the registration under applicable U.S. federal and state securities laws of any of our common shares retained by BHC and certain of its subsidiaries following the completion of this offering, and to file any required Canadian prospectuses relating to such registration.

Demand registration. BHC will be able to request registration under the Securities Act or qualification by a Canadian prospectus under applicable Canadian securities laws of all or any portion of our common shares that are not freely sellable under Rule 144 under the Securities Act and we will be obligated, subject to certain customary exceptions, to register or qualify such shares. BHC may make up to four demand registrations in any twelve month period.

Piggy-back registration. If we at any time intend to file a registration statement and/or Canadian prospectus in connection with a public offering of any of our securities on a form and in a manner that would permit the registration or qualification for offer and sale of our common shares held by BHC, BHC will have the right to include common shares it owns in that offering, subject to certain customary limitations.

Registration expenses. We will be generally responsible for all registration expenses in connection with the performance of our obligations under the registration rights provisions in the Registration Rights Agreement. BHC will generally be responsible for any applicable underwriting discounts, commissions and transfer taxes.

Indemnification. The agreement contains customary indemnification and contribution provisions by us for the benefit of BHC and, in limited situations, by BHC for the benefit of us with respect to the information provided by BHC included in any registration statement, prospectus, Canadian prospectus or related document.

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Term. The registration rights remain in effect with respect to any shares held by BHC until:

- such shares have been sold pursuant to an effective registration statement under the Securities Act;
- such shares have been sold to the public pursuant to Rule 144 under the Securities Act;
- such shares have ceased to be outstanding; or
- such shares may be sold to the public pursuant to Rule 144 under the Securities Act without any limitations on volume or manner of sale pursuant to such rule.

Incurrence of Debt

We expect to enter into the Credit Facilities in connection with the consummation of this offering. Upon the completion of this offering, we anticipate having an aggregate of approximately $ million principal amount of outstanding indebtedness and that the proceeds of such indebtedness will be used to repay the BHC Purchase Debt. See "Management Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," "Unaudited Pro Forma Condensed Combined Financial Statements" and "Description of Material Indebtedness" included elsewhere in this prospectus for additional details related to this indebtedness.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On August 6, 2020, BHC announced its intention to separate our eye health business into an independent publicly traded entity from the remainder of BHC (as described in "The Separation and the Distribution" (the "Separation")).

The following unaudited pro forma condensed combined financial statements of Bausch + Lomb give effect to the Separation and related adjustments in accordance with Article 11 of the Securities and Exchange Commission's Regulation S-X, as amended by the final rule, Release No. 33-10786.

The unaudited condensed combined pro forma balance sheet gives effect to the Separation and related transactions described below as if they had occurred on September 30, 2021. The pro forma adjustments to the unaudited condensed combined statements of operations for the nine months ended September 30, 2021 and the year ended December 31, 2020 assume that the Separation and related transactions occurred as of January 1, 2020.

The unaudited pro forma condensed combined balance sheet as of September 30, 2021 has been derived from the unaudited historical combined balance sheet of Bausch + Lomb as of September 30, 2021. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020 has been derived from the audited historical combined statement of operations of Bausch + Lomb for the year ended December 31, 2020. The unaudited condensed combined statement of operations for the nine months ended September 30, 2021 has been derived from the unaudited historical combined statement of operations for the nine months ended September 30, 2021.

The unaudited pro forma condensed combined balance sheet at September 30, 2021, and the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2021 and the year ended December 31, 2020, are presented to give effect to:

Transaction accounting adjustments, including:

- the reclassification of BHC's net investment in Bausch + Lomb into additional paid-in capital and common shares to reflect the number of common shares of Bausch + Lomb expected to be outstanding at the effective date of this registration statement, the issuance of the BHC Purchase Debt and the completion of the other separation transactions, as described in "The Separation and the Distribution;" and
- the anticipated (i) incurrence of $ million of indebtedness under Bausch + Lomb's new Credit Facilities, as described in "Description of Material Indebtedness", and (ii) repayment by Bausch + Lomb to BHC of $ million in respect of the BHC Purchase Debt (collectively, the "Financing Transactions").

Autonomous entity adjustments, including:

- the impact of the Master Separation Agreement and the Transition Services Agreement (the "Transition Services Agreement"), between Bausch + Lomb and BHC and the provisions contained therein, as well as dis-synergies related to certain contracts with vendors which have been executed on behalf of Bausch + Lomb.

Additionally, Management Adjustments are presented in the explanatory footnotes to the unaudited pro forma condensed combined statements of income for the nine months ended September 30, 2021 and the year ended December 31, 2020 to provide supplemental information to understand the synergies and dis-synergies that are expected to result from the Separation, primarily comprising incremental costs that Bausch + Lomb expects to incur as a standalone entity.

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We will not receive any proceeds from the sale of our common shares in this offering. All of the proceeds from this offering will be received by the selling shareholder, our sole shareholder and a wholly-owned subsidiary of BHC. Prior to this offering, we are an indirect, wholly-owned subsidiary of BHC. The selling shareholder owns the common shares being sold in this offering. As the proceeds from this offering are to be received by our parent company, in exchange for the common shares being sold by the selling shareholder in this offering, this offering has no impact on our capitalization including the number of common shares outstanding, and would have no impact on our combined financial statements.

The unaudited pro forma condensed combined financial statements are for informational purposes only and does not purport to represent what Bausch + Lomb's financial position and results of operations actually would have been had the Separation occurred on the date indicated, or to project Bausch + Lomb's financial performance for any future period. The audited annual combined financial statements of Bausch + Lomb have been derived from BHC's historical accounting records and reflect certain allocation of expenses. All of the allocations and estimates in such financial statements are based on assumptions that BHC's management believes are reasonable. The historical combined financial statements of Bausch + Lomb do not necessarily represent the financial position or results of operations of Bausch + Lomb had it been operated as a standalone company during the periods or at the dates presented. As a result, autonomous entity adjustments have been reflected in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information reported below should be read in conjunction with Bausch + Lomb's "Management Discussion and Analysis of Financial Condition and Results of Operations," and the audited combined financial statements included elsewhere in this prospectus.

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BAUSCH + LOMB
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(in millions, except per share amounts)

	Historical	Transaction Accounting Adjustments for the: Separation		Transaction Accounting Adjustments for the: Financing Transactions		Autonomous Entity Adjustments		Pro Forma
Revenues								
Product sales	$ 2,743	$		$		$		$
Other revenues	21							
	2,764							
Expenses								
Cost of goods sold (excluding amortization and impairments of intangible assets)	1,056							
Cost of other revenues	8							
Selling, general and administrative	1,024	4	(e)			1	(l)	
Research and development	201							
Amortization of intangible assets	225							
Other expense, net	13							
	2,527	4				1		
Operating income	237	(4)				(1)		
Interest income	—							
Interest expense	—				(j)			
Foreign exchange and other	(5)							
Income before (provision for) benefit from income taxes	232	(4)						
(Provision) for benefit from income taxes	(93)	1	(f)		(k)	0	(m)	
Net income (loss)	139	(3)				(1)		
Net income attributable to noncontrolling interest	(8)							
Net income (loss) attributable to Bausch + Lomb	$ 131	$ (3)		$		$ (1)		$
Pro forma basic income per share								$ (n)
Pro forma basic common shares outstanding								(n)
Pro forma diluted income per share								$ (n)
Pro forma diluted common shares outstanding								(n)

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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BAUSCH + LOMB
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(in millions, except per share amounts)

	Historical	Transaction Accounting Adjustments for the: Separation		Transaction Accounting Adjustments for the: Financing Transactions		Autonomous Entity Adjustments		Pro Forma	
Revenues									
Product sales	$ 3,381	$		$		$		$	
Other revenues	31								
	3,412								
Expenses									
Cost of goods sold (excluding amortization and impairments of intangible assets)	1,269								
Cost of other revenues	16								
Selling, general and administrative	1,253	5	(e)			5	(l)		
Research and development	253								
Amortization of intangible assets	323								
Other expense, net	38								
	3,152	5				5			
Operating income	260	(5)				(5)			
Interest income	3								
Interest expense	—				(j)				
Foreign exchange and other	27								
Income before (provision for) benefit from income taxes	290	(5)				(5)			
(Provision for) benefit from income taxes	(307)	1	(f)		(k)	1	(m)		
Net (loss) income	(17)	(4)				(4)			
Net income attributable to noncontrolling interest	(1)								
Net (loss) income attributable to Bausch + Lomb	$ (18)	$ (4)		$		$ (4)		$	
Pro forma basic income per share								$	(n)
Pro forma basic common shares outstanding									(n)
Pro forma diluted income per share								$	(n)
Pro forma diluted common shares outstanding									(n)

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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BAUSCH + LOMB
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2021
(in millions, except share amounts)

	Historical	Transaction Accounting Adjustments for the: Separation		Financing Transactions		Autonomous Entity Adjustments	Pro Forma
Assets							
Current assets:							
Cash and cash equivalents	$ 130	$ (6)	(d)	$	(g),(h),(i)	$	$
Restricted cash	3						
Trade receivables, net	655						
Inventories, net	606						
Prepaid expenses and other current assets	167	1	(d)				
Total current assets	1,561	(5)					—
Property, plant and equipment, net	1,186	47	(b)				
Intangible assets, net	2,318						
Goodwill	4,610						
Deferred tax assets, net	1,184	(8)	(b)				
Other non-current assets	178	5	(d)		(h)		
Total assets	$ 11,037	$		$		$	$
Liabilities							
Current liabilities:							
Accounts payable	$ 252	$		$		$	$
Accrued and other current liabilities	872	10	(c)				
Total current liabilities	1,124	10					—
Non-current portion of long-term debt					(g),(h)		
BHC Purchase Debt			(a)		(i)		
Deferred tax liabilities, net	176						
Other non-current liabilities	343						
Total liabilities	1,643						—
Equity							
BHC investment	10,345		(a)				
Common shares, no par value, shares authorized, and issued and outstanding on a pro forma basis	—		(a)				
Additional paid-in capital	—		(a),(b),(c)				
Accumulated other comprehensive loss	(1,020)						
Net BHC investment	9,325						—
Noncontrolling interest	69						
Total equity	9,394						—
Total liabilities and equity	$ 11,037	$		$		$	$ —

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Transaction accounting adjustments for the Separation:

a. Reflects the reclassification of BHC's investment in Bausch + Lomb from "BHC investment" to "Common shares," "Additional Paid-in-Capital" and "BHC Purchase Debt." In connection with the Separation, BHC will transfer to Bausch + Lomb the entities, assets, liabilities and obligations that Bausch + Lomb will hold following the separation of the Bausch + Lomb business from BHC's other businesses. In exchange, Bausch + Lomb has issued to BHC additional common shares and the BHC Purchase Debt.

As the proceeds from this offering are to be received by the selling shareholder, our sole shareholder and a wholly-owned subsidiary of BHC, in exchange for the common shares the selling shareholder is selling in this offering, this offering has no impact on the Business' capitalization including the number of common shares outstanding, and would have no impact on the Business' combined financial statements.

b. Reflects the transfer of the BHC corporate airplane and other assets legally assumed by Bausch + Lomb upon Separation. Included in the unaudited pro forma condensed combined balance sheet are adjustments for $47 million to Property, plant and equipment, net representing the net book value of the BHC corporate airplane and other assets transferred to Bausch + Lomb at the date of the Separation, $8 million to Deferred tax assets, net associated with the differences in the book basis and tax basis of the transferred assets and $39 million to Additional paid in capital for the net transfer.

c. Reflects the assumption of certain benefit and insurance obligations that will be legally assumed by Bausch + Lomb upon Separation as defined in the Master Separation Agreement. Included in the unaudited pro forma condensed combined balance sheet is an adjustment of $10 million to Accrued and other current liabilities and to Additional paid in capital representing the value of those obligations at the date of the Separation.

d. Reflects the cash payment by Bausch + Lomb associated with a director and officer insurance policy related to the Separation. The insurance premium is $6 million, and the policy has a six-year coverage period effective January 1, 2022. Included in the unaudited pro forma condensed combined balance sheet are adjustments to Cash for $6 million, Prepaid expenses and other current assets for $1 million and Other non-current assets for $5 million related to the expected payment for the insurance policy upon Separation.

e. Reflects the net incremental Selling, general and administrative expenses expected to be incurred in connection with the Separation. Included in the unaudited pro forma condensed combined statements of operations are adjustments to Selling, general and administrative expenses of $4 million and $5 million for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively. These adjustments represent the following:

- Depreciation associated with the corporate airplane and other assets legally assumed by Bausch + Lomb upon Separation as defined in the Master Separation Agreement discussed in (b) above of $5 million and $6 million partially offset by reductions for the corporate allocations associated with the airplane of $2 million and $2 million, included in the historical Bausch + Lomb results for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively.
- Amortization related to the prepaid director and officer policy discussed in (d) above of $1 million for each of the nine months ended September 30, 2021 and the year ended December 31, 2020.

f. Reflects the income tax effect of the net incremental Selling, general and administrative expenses discussed in (e) above. Included in the unaudited pro forma condensed combined statements of operations are adjustments to (Provision for) benefit from income taxes of $1 million for each of the

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nine months ended September 30, 2021 and the year ended December 31, 2020, determined using the applicable statutory tax rates for the periods then ended.

Transaction accounting adjustments for the Financing Transactions:

g. Reflects the incurrence of $ million of indebtedness under Bausch + Lomb's new senior term loan facility and the entry into of Bausch + Lomb's revolving credit facility (expected to be undrawn) as described under "Description of Material Indebtedness."

h. Reflects the payment of $ million of costs associated with the Financing Transactions, of which $ million are reflected as a reduction of long-term debt and $ million is reflected as Other non-current assets.

i. Reflects the repayment to BHC of $ million in respect of the BHC Purchase Debt from the proceeds received from the issuance of the debt discussed in (g) above and an adjustment to reflect $ million of cash at the balance sheet date, which is the approximate amount of cash Bausch + Lomb will have following the completion of the Separation.

j. Reflects interest expense related to the Financing Transactions. The weighted average interest rate on the issued debt is expected to be approximately %. The pro forma condensed combined statements of operations reflects estimated interest expense of $ million for the nine months ended September 30, 2021 and $ million for the year ended December 31, 2020 related to the debt and amortization of deferred issuance costs. Interest expense was calculated assuming constant debt levels throughout the period. A 1/8% change to the annual interest rate would change interest expense by $ million for the nine months ended September 30, 2021 and $ million for the year ended December 31, 2020.

k. Reflects the income tax effect of the interest expense discussed in (j) above. Included in the unaudited pro forma condensed combined statements of operations are adjustments to (Provision for) benefit from income taxes of $ million and $ million for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively, determined using the applicable statutory tax rates for the periods then ended.

Autonomous entity adjustments:

l. Reflects the net incremental transition services costs associated with the Transition Services Agreement that Bausch + Lomb and BHC have entered into prior to this offering and dis-synergies related to contracts with vendors which have already been executed on behalf of Bausch + Lomb. Included in the unaudited pro forma condensed combined statements of operations are adjustments to Selling, general and administrative expenses of $1 million and $5 million for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively. These adjustments include:

- Net incremental transition services costs associated with the Transition Services Agreement of $0 and $1 million for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively. These incremental costs are primarily associated with certain general and administrative functions, including finance, human resources and information technology ("IT"), as well as research and development, commercial and manufacturing services which will be provided to Bausch + Lomb by BHC, offset by services associated with finance (primarily headcount costs) and IT services (primarily application maintenance and support) which will be provided by Bausch + Lomb to BHC. Individual services provided under the Transition Services Agreement are scheduled for a specific period, generally ranging from six to twelve months, depending on the nature of the services. The incremental cost presented as an autonomous entity adjustment was calculated based on the monthly duration of each service and reflects a 5% markup on costs that have been included in the historical financial statements. The net fees paid to BHC will be variable based on the services provided and the duration of these services, and these

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fees may be lower than the costs that would be incurred by Bausch + Lomb if it was a fully separated business. As the individual services provided under the Transition Services Agreement are generally not expected to extend beyond twelve months after the Separation, no corresponding autonomous entity pro forma adjustment has been made for the nine months ended September 30, 2021, however additional costs have been presented as part of the Management Adjustments to reflect the anticipated cost structure of the new Bausch + Lomb entity.

- Dis-synergy costs related to contracts with IT vendors that were entered into on behalf of Bausch + Lomb in anticipation of the Separation of $1 million and $4 million for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively.

m. Reflects the income tax effect of the net incremental Selling, general and administrative expenses discussed in (l) above. Included in the unaudited pro forma condensed combined statements of operations are adjustments to (Provision for) benefit from income taxes of $0 and $1 million for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively, determined using the applicable statutory tax rates for the periods then ended.

n. Pro forma basic income per share and Pro forma basic common shares outstanding is based on the number of common shares of Bausch + Lomb expected to be outstanding immediately following the effectiveness of this registration statement of which this prospectus is a part of. The number of shares used to compute Pro forma diluted income per share is based on the number of basic common shares of Bausch + Lomb, plus incremental shares assuming exercise of dilutive outstanding options and vesting of other outstanding stock awards expected to be issued by Bausch + Lomb replacement awards to BHC employees transferring to Bausch + Lomb or otherwise under the Plan of Arrangement.

Management adjustments:

We expect to have incremental costs related to certain expenses previously allocated from BHC to be incurred by Bausch + Lomb as a standalone public company. Our historical combined financial statements include expense allocations for certain research and development services and support functions that are provided on a centralized or regional basis within BHC, including expenses for executive oversight, treasury, accounting, audit, legal, human resources, compliance, procurement, information technology and other corporate functions and services. We will also incur new costs relating to our public reporting and compliance obligations as a standalone public company.

These incremental costs of Bausch + Lomb are based on its expected organization chart and Bausch + Lomb's expected cost structure as a standalone company, adjusted for the allocated costs historically recorded within the financial statements, which vary by year. In order to determine these dis-synergies, Bausch + Lomb prepared a detailed assessment of the resources and associated costs required as a baseline to stand up Bausch + Lomb as a standalone company. With respect to expected headcount increases, internal resources were matched to job roles to meet the required baseline.

In addition to internal resources, third party support costs in each function were considered, which included business support functions and corporate overhead charges previously shared with BHC. This process was used by all functions resulting in incremental costs when compared to the corporate allocations included in the historical financial statements

Any shortfall to required resource needs will be filled through external hiring or will be supported by BHC through a new transition services agreement. From a timeframe standpoint, these incremental costs will begin to materialize at the date of this offering. Management believes the resource transfers and costs which were used as the basis for the management adjustments below are reasonable and representative of the baseline to stand up Bausch + Lomb as a standalone company. Both the resource and vendor cost baseline would be impacted by additional costs and investments that Bausch + Lomb may incur as it pursues its growth strategies. In addition,

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other adverse effects and limitations including those discussed in the section entitled "Risk Factors" to this document may impact actual costs incurred.

Primarily as a result of the above items, the management adjustments presented below, which are incremental to the autonomous entity pro forma adjustments, show additional incremental expenses compared to the allocated expenses from BHC included in our historical Combined Statements of Operations related to dis-synergies resulting from the contemplated organizational structure. The total adjustments for the nine months ended September 30, 2021 and for the year ended December 31, 2020 are $62 million and $120 million, respectively. Included in these amounts are one-time expenses of $6 million for the nine months ended September 30, 2021 and $46 million for the year ended December 31, 2020. One-time costs for the nine months ended September 30, 2021 primarily reflect IT related system costs that are expected to be incurred for more than 12 months following the Separation. One-time costs for the year ended December 31, 2020 primarily reflect costs to rebrand and rename our Bausch + Lomb entities, product listings and product labeling upon Separation and IT related system costs. The additional expenses have been estimated based on assumptions that management believes are reasonable. However, actual additional costs that will be incurred could be different from the estimates and would depend on several factors, including the economic environment and strategic decisions made in areas following the Separation, such as selling and marketing, research and development, IT and infrastructure.

Management believes the presentation of these adjustments are necessary to enhance an understanding of the pro forma effects of the transaction. The pro forma financial information below reflects all adjustments that are, in the opinion of management necessary to provide a fair statement of the pro forma financial information, aligned with the assessment described above. If Bausch + Lomb decides to increase or reduce resources or invest more heavily in certain areas in the future, that will be part of its future decisions and have not been included in the management adjustments below.

These management adjustments include forward-looking information. See "Cautionary Statements Concerning Forward Looking Statements." The tax effect has been determined by applying the applicable statutory tax rates to the aforementioned adjustments for the periods presented.

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The below table includes each category of management adjustment as well as the basis for each adjustment and specific method used to estimate the adjustment:

	Nine Months Ended September 30, 2021		
	Pro forma Net Income	Pro forma Basic income per share	Pro forma diluted income per share
	(in millions)		
Pro forma*	$	$	$
Management adjustments (pre-tax)			
Revenue (1)	(4)		
Cost of goods sold (2)	(3)		
Selling, general and administrative (3)	(51)		
Research and development (4)	(4)		
Total Management adjustments (pre-tax)	(62)		
Tax effect of Management adjustments (5)	16		
Pro forma net income after Management adjustments	$	$	$
Weighted average common shares			

	Year Ended December 31, 2020		
	Pro forma Net Income	Pro forma Basic income per share	Pro forma diluted income per share
	(in millions)		
Pro forma*	$	$	$
Management adjustments (pre-tax)			
Revenue (1)	(5)		
Cost of goods sold (2)	(5)		
Selling, general and administrative (3)	(101)		
Research and development (4)	(9)		
Total Management adjustments (pre-tax)	(120)		
Tax effect of Management adjustments (5)	31		
Pro forma net income after Management adjustments	$	$	$
Weighted average common shares			

* As shown in the unaudited Pro Forma Condensed Combined Statement of Operations

(1) Reflects a reduction in revenue due to estimated incremental fees paid under our distribution services agreements with customers.

(2) Includes incremental costs primarily related to employee costs within the manufacturing and supply chain functions. Employee costs were based on standalone function estimates which resulted in incremental headcount as a standalone public company and leveraged benchmark salary information based on location and title and responsibilities of each employee.

(3) Primarily includes: (i) incremental costs to perform reporting and regulatory compliance, audit fees, tax, legal, information technology, human resources, investor relations, risk management, treasury and other overhead functions and (ii) recurring amortization of capitalized IT costs and leasehold improvements. Employee costs were based on standalone function estimates which resulted in incremental headcount as a standalone public company and leveraged benchmark salary information based on location, title and responsibilities of each employee. Non-employee costs (third party vendor support costs) were based on pricing estimates obtained from current vendors.

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(4) Includes incremental costs related to research and development, regulatory and quality functions. Employee costs were based on standalone function estimates which resulted in incremental headcount as a standalone public company and leveraged benchmark salary information based on location, title and responsibilities of each employee. Non-employee costs (third party vendor support costs) were based on pricing estimates obtained from current vendors

(5) Reflects the tax effect of Management adjustments using the applicable statutory tax rates for the applicable period.

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition together with the audited and unaudited historical combined financial statements (referred to as the "combined financial statements") and the notes thereto included in this prospectus as well as the discussion in the "Business" section of this prospectus and the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements."

This discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in "Risk Factors" and "Cautionary Statements Concerning Forward-Looking Statements" included elsewhere in this prospectus.

The combined financial statements included in this prospectus have been prepared from Bausch Health Companies Inc.'s ("BHC") historical accounting records and are presented on a standalone basis and are derived from the consolidated financial statements and accounting records of the Bausch + Lomb business of BHC. The combined financial statements reflect our financial position, results of operations and cash flows as we were historically managed, in conformity with United States of America (the "U.S.") generally accepted accounting principles ("U.S. GAAP"). Our combined financial statements include all revenues and costs directly attributable to Bausch + Lomb, including costs for facilities, functions and services used by Bausch + Lomb. Costs for certain functions and services performed by centralized BHC organizations are directly charged to Bausch + Lomb based on specific identification when possible or based on a reasonable allocation driver such as net sales, headcount, square footage usage or other allocation methods depending on the nature of the services and/or costs. The results of operations include allocations of costs for administrative functions and services performed on behalf of Bausch + Lomb by centralized groups within BHC. The financial information discussed below and included in this prospectus may not necessarily reflect what our financial condition, results of operations or cash flow would have been had we been a standalone company during the periods presented or what our financial condition, results of operations and cash flows may be in the future.

Our accompanying unaudited interim Combined Financial Statements as of September 30, 2021 and for the nine months ended September 30, 2021 and 2020 have been prepared in accordance with U.S. GAAP and the rules and regulations of the SEC for interim financial statements, and should be read in conjunction with our Combined Financial Statements for the year ended December 31, 2020, which are included in this prospectus. In our opinion, the unaudited interim Combined Financial Statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of the financial condition, results of operations and cash flows for the periods indicated. All currency amounts are expressed in U.S. dollars unless otherwise noted.

Overview

Bausch + Lomb ("we," "us," "our" or the "Business") is a leading global eye health company dedicated to protecting and enhancing the gift of sight for millions of people around the world—from the moment of birth through every phase of life. Our mission is simple, yet powerful: helping you see better, to live better.

Our comprehensive portfolio of over 400 products is fully integrated and built to serve our customers across the full spectrum of their eye health needs throughout their lives. Our iconic brand is built on the deep trust and loyalty of our customers established over our nearly 170-year history. We have a significant global research, development, manufacturing and commercial footprint of approximately 12,500 employees and a presence in approximately 100 countries, extending our reach to billions of potential customers across the globe. We have long been associated with many of the most significant advances in eye health, and we believe we are well positioned to continue leading the advancement of eye health in the future.

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Our iconic and enduring brands are among the most recognized and most trusted in the industry. Since our beginnings in 1853 as an optical goods shop in Rochester, New York, we have remained focused on advancing eye health for people all over the world. Among our many innovations over the years, we introduced the first optical glass in the United States, the lenses used on cameras to take the first satellite picture of the moon, and the first mass-produced soft contact lens in 1971. As part of our longstanding commitment to eye care professionals and the patients they serve, we invest in physician training, patient and customer education, disease prevention and other initiatives through both traditional and digital platforms to continue to advance eye health. As a result of this legacy, we believe our brand is synonymous with eye health among patients, consumers and professionals around the world.

Our brands are leaders within their respective segments and collectively represent a leading portfolio of trusted assets that we believe makes us the eye health brand of choice. With one of the broadest product portfolios in the market, we are designed to address numerous large, underserved and growing markets with significant commercial potential. Our widespread complementary portfolio spans vision care, consumer health care, ophthalmic pharmaceuticals and surgical. We have well-established lines of contact lenses, intraocular lenses ("IOL"), medical devices, surgical systems, vitamin and mineral supplements, lens care products, prescription eye-medications and over-the-counter ("OTC") eye health consumer products. We believe the breadth of our eye health portfolio is unmatched in the industry and uniquely positions us to compete in all areas of the eye health market.

We offer one of the most comprehensive product portfolios in the eye health industry which fall into three operating and reportable segments—Vision Care/Consumer Health Care, Ophthalmic Pharmaceuticals and Surgical. For additional discussion of these segments, see the discussion in "Business—Our Business."

Our Segments

We operate our business in the following three reportable segments:

- ***The Vision Care / Consumer Health Care segment*** consists of: (i) sales of contact lenses that span the spectrum of wearing modalities, including daily disposable and frequently replaced contact lenses and (ii) sales of contact lens care products and OTC eye drops, eye vitamins and mineral supplements that address various conditions including eye allergies, conjunctivitis and dry eye.
- ***The Ophthalmic Pharmaceuticals segment*** consists of sales of a broad line of proprietary and generic pharmaceutical products for post-operative treatments and the treatment of a number of eye conditions such as glaucoma, ocular hypertension and retinal diseases and contact lenses that are indicated for therapeutic use and can also provide optical correction during healing if required.
- ***The Surgical segment*** consists of sales of tools and technologies for the treatment of cataracts, and vitreous and retinal eye conditions and includes intraocular lenses and delivery systems, phacoemulsification equipment and other surgical instruments and devices.

For additional discussion of our reportable segments, see the discussion in "Business—Segment Information," Note 20, "SEGMENT INFORMATION" to our audited combined financial statements and Note 17, "SEGMENT INFORMATION" to our unaudited combined financial statements for further details on these reportable segments.

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Our comprehensive product portfolio bolsters our strong financial profile. For the nine months ended September 30, 2021 and the year ended December 31, 2020, our comprehensive product portfolio generated $2,764 million and $3,412 million of total revenues, respectively. The following table provides a summary of our financial performance and key metrics for the nine months ended September 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018.

	Nine Months Ended September 30,			Years Ended December 31,				
(in millions)	2021	2020	2021 vs 2020	2020	2019	2018	2020 vs 2019	2020 vs 2018
Total revenues	$2,764	$2,468	$ 296	$3,412	$3,778	$3,665	$ (366)	$ (253)
Gross profit	$1,475	$1,306	$ 169	$1,804	$2,103	$1,975	$ (299)	$ (171)
Contribution (non-GAAP)	$1,687	$1,543	$ 144	$2,112	$2,428	$2,328	$ (316)	$ (216)
Net income (loss) attributable to Bausch + Lomb	$ 131	$ 191	$ (60)	$ (18)	$ 298	$ 710	$ (316)	$ (728)
Adjusted net income (non-GAAP)	$ 333	$ 417	$ (84)	$ 285	$ 652	$1,034	$ (367)	$ (749)
Adjusted EBITDA (non-GAAP)	$ 605	$ 586	$ 19	$ 824	$ 992	$ 957	$ (168)	$ (133)
Cash flows from operations	$ 711	$ 388	$ 323	$ 522	$ 799	$ 763	$ (277)	$ (241)
Free cash flows (non-GAAP)	$ 580	$ 210	$ 370	$ 269	$ 619	$ 662	$ (350)	$ (393)
Gross profit margin	53.4%	52.9%	50 bps	52.9%	55.7%	53.9%	(280) bps	(100) bps
Contribution margin (non-GAAP)	61.0%	62.5%	(150) bps	61.9%	64.3%	63.5%	(240) bps	(160) bps
Net income (loss) margin	4.7%	7.7%	(300) bps	(0.5)%	7.9%	19.4%	(840) bps	(1990) bps
Adjusted EBITDA margin (non-GAAP)	21.9%	23.7%	(180) bps	24.2%	26.3%	26.1%	(210) bps	(190) bps

For a complete discussion of the non-GAAP measures used above and for reconciliations of these non-GAAP measures to their most directly comparable U.S. GAAP financial measures, please refer to "—Non-GAAP Information."

Separation from Bausch Health Companies Inc.

On August 6, 2020, BHC announced its intention to separate its eye health business into an independent publicly traded entity from the remainder of BHC (as described in "The Separation and the Distribution"). Bausch + Lomb Corporation was incorporated under the Canadian Business Corporations Act on August 19, 2020 and was formed to ultimately hold the Bausch + Lomb business of BHC. Completion of the Separation is subject to certain conditions which are described more fully in "The Separation and The Distribution."

Trends and Factors Impacting Our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of this prospectus titled "Risk Factors."

Consumer, Patient and Eye Health Professional Demand for our Products

Our business is largely impacted by the demands of our customers, including consumers, patients and eye health professionals. Our success depends on our ability to anticipate and respond to changes in consumer preferences, as well as changing eye health needs and as a result, we continually look for key trends in the eye-health market for investment. Once we have identified areas for investment, we allocate resources to extend our market share through new launches, sales force expansion and increases to our production capacity to meet the expected customer demand. The outcome of this process allows us to better drive value in our product portfolio, drive growth and generate operational efficiencies.

For additional discussion of our growth strategies, see "Business—Our Markets."

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Invest in Our Business to Drive Growth

Our capital allocation is driven by our long-term growth strategies. We allocate resources to extend our market share through new launches and meet the expected customer demand through: (i) internal product development initiatives, (ii) strategic licensing agreements and (iii) strategic acquisitions.

Internal Product Development Initiatives

Our internal research and development ("R&D") effort is coordinated with approximately 600 engineers, scientists and other specialized personnel principally located at 23 sites in 10 countries.

Strategic Licensing Agreements

To supplement our internal R&D initiatives and to build-out and refresh our product portfolio, we also search for opportunities to augment our pipeline through arrangements that allow us to gain access to unique products and investigational treatments, by strategically aligning ourselves with other innovative product solutions. In the normal course of business, we will enter into select licensing and collaborative agreements for the commercialization and/or development of unique products primarily in the U.S. and Canada. These products are sometimes investigational treatments in early stage development that target unique conditions.

We are and we will continue to consider further strategic licensing opportunities to address the unmet needs of the consumer, patient and eye health professional, some of which could be material in size.

Strategic Acquisitions

We selectively consider any acquisition that we believe align well with our current organization and strategic plan. We seek to enter into only those acquisitions that provide us with significant synergies with our existing business, thereby minimizing risks to our core businesses and providing long-term growth opportunities. Recently, we have entered into transactions that although not immediately impactful to our operating results, are expected to be accretive to our bottom line in future years and contribute to our long-term growth strategies.

We are considering further acquisition opportunities within our core therapeutic areas, some of which could be material in size.

For additional discussion of our internal product development initiatives, licensing agreements and acquisitions see "Business—Our Product Portfolio."

Investments in our Global Organization

Sales Force Expansion

We have an established sales network that uniquely positions us to meet customers' demands across the geographies we serve, building deeply loyal and enduring relationships. Through our teams, we are engaged with various physician and patient associations across the world. These professional relationships are the foundation of our proven track record of converting innovation into trusted products with high sales and provide us additional patient insights and consumer feedback that virtuously informs the innovation effort. We look for opportunities to strategically expand our sales force in specific geographies as need and in support of new product launches, most recently in support of our launches of our Bausch + Lomb INFUSE®, Biotrue® ONEday and Bausch + Lomb ULTRA® contact lenses in order to drive growth and maximize the return on our product portfolio.

e-Commerce

We see an opportunity in e-Commerce for growth, which now represents more than 10% of our Vision Care / Consumer Health Care revenues. We believe that the trend of using e-Commerce platforms to shop for our products will continue to affect our business due to the convenience of online ordering and subscription delivery.

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We believe that our products are well suited to sales through e-Commerce channels as they are shelf stable, inexpensive to ship as our products are light in weight, and easy to transport. Additionally, the recurring purchase cycles for many of our products will position them to capitalize on continued growth of subscription services. We continue to look for additional opportunities to invest in these platforms to meet consumer demand and drive growth.

Manufacturing

In support of our recent product launches and customer demand for specific products, we have and continue to make strategic investments in our infrastructure. To address the expected global demand for our Biotrue® ONEday lenses, in July 2017, we placed into service a $175 million multi-year strategic expansion project of the Waterford facility to (i) develop new technology to manufacture, automatically inspect and package contact lenses, (ii) bring that technology to full validation and (iii) increase the size of the Waterford facility. To address the expected global demand for our Bausch + Lomb ULTRA® contact lens, in December 2017, we completed a multi-year, $220 million strategic upgrade to our Rochester facility which increased production capacity in support of our Bausch + Lomb ULTRA® and SiHy Daily AQUALOX™ product lines. To address the expected global demand for our SiHy Daily disposable contact lenses, in November 2018, we initiated $300 million of additional expansion projects to add multiple production lines to our Rochester and Waterford facilities. Construction on these production lines has recently been completed and we expect to start commercial production of our latest contact lenses, Bausch + Lomb INFUSE® and Bausch + Lomb ULTRA® ONE DAY, at these facilities in early 2022.

To meet the expected demand for our contact lenses, in 2020, we initiated an expansion of the Business' Lynchburg distribution center which is expected to create new jobs over the next five years and expand the overall site to 190,000 square feet, which will provide distribution capabilities for medical devices, primarily contact lens products, and be the main point of distribution for these products in the U.S. This expansion program is expected to be completed in the first half of 2022.

In July 2021, we announced plans to invest an additional €90 million to increase capacity at our Waterford facility to meet the expected demand for our Biotrue® ONEday range of daily disposable contact lenses. The new production lines are expected to be completed in 2023.

If completed as planned, the recently announced expansion of our Waterford facility will be the fifth major expansion of our Bausch + Lomb manufacturing facilities in support of our efforts to increase market share in the contact lens market in the seven years ending 2023.

We believe the investments in our Waterford, Rochester and Lynchburg facilities and related expansion of labor forces further demonstrates the growth potential we see in our Bausch + Lomb products.

For more details regarding these investments see "Business—Manufacturing and Supply."

Our Competitive Environment

We operate in a marketplace with many competitors and face competition from competitors' products and new products entering the market. We also face the threat of competition from new entrants to our markets as well as from existing competitors, including those overseas who may have lower production costs. In order to protect and grow our market share we: (i) actively manage our pricing, (ii) refresh our product portfolio with innovative new products and (iii) manage our product portfolio to address generic competition.

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Pricing

As is customary in the eye health industry, gross product sales are subject to a variety of deductions in arriving at net product sales. Provisions for these deductions are recognized concurrently with the recognition of gross product sales. These provisions include cash discounts and allowances, chargebacks, and distribution fees, which are paid or credited to direct customers, as well as rebates and returns, which can be paid or credited to direct and indirect customers. We actively manage these offerings, focusing on the incremental costs of our patient assistance programs, the level of discounting to non-retail accounts and identifying opportunities to minimize product returns. We also concentrate on managing our relationships with our payors and wholesalers, reviewing the ranges of our offerings and being disciplined as to the amount and type of incentives we negotiate.

Product Development

We are focused on bringing innovative products to market to serve doctors, patients, and consumers in the pursuit of helping people see better to live better all over the world. We consistently look for key trends in the eye health market to meet changing doctor, patient, and consumer needs and identify areas for investment to expand our market share and maintain our leading positions across business segments. Our leadership team actively manages our pipeline in order to identify what we believe are innovative and realizable projects that meet the unmet needs of consumer, patient and eye health professionals and are expected to provide incremental and sustainable revenues and growth into the future. We believe that our current pipeline is strong enough to meet these objectives and provide future sources of revenues, in our core businesses, sufficient enough to sustain our growth and corporate health as other products in our established portfolio face generic competition and lose momentum.

For additional discussion of our internal product development initiatives, licensing agreements and acquisitions see “Business—Our Product Portfolio.”

Generic Competition

Certain of our products have no patent, marketing or regulatory exclusivity or will face the expiration of their patent or regulatory exclusivity in 2022 or in later years, following which we anticipate generic competition of these products. Generic competition is a fact of the eye health industry and is not specific to our operations or product portfolio. It is not avoidable, but we believe it is manageable. Our leadership team continually evaluates the impact that generic competition may have on future profitability and operations. In addition to aggressively defending our patents and other intellectual property, our leadership team makes operational and investment decisions regarding these products and businesses at risk, not the least of which are decisions regarding our pipeline. We believe that we have a well-established product portfolio that is diversified within our core businesses. We also believe that we have a robust pipeline that not only provides for the next generation of our existing products, but also brings new solutions into the market.

Business Trends

In addition to the actions previously outlined, the events described below have affected and may affect our business trends:

Impacts of COVID-19 Pandemic

The unprecedented nature of the COVID-19 pandemic has, and continues to, adversely impact the global economy. The COVID-19 pandemic and the reactions of governments, private sector participants and the public in an effort to contain the spread of the COVID-19 virus and/or address its impacts had significant direct and indirect effects on businesses and commerce. This includes, but is not limited to, disruption to supply chains, employee base and transactional activity, facilities closures and production suspensions.

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We believe we responded quickly to these and other human and commercial challenges brought on by the COVID-19 pandemic and that our actions allowed us to: (i) maintain a reliable supply of our products, (ii) protect the health, safety and well-being of our employees, (iii) reduce operating expenses and preserve cash through profit protection measures initiated in response to the COVID-19 pandemic, (iv) limit the disruptions to our product development pipeline and (v) ensure affordability of and access to our products. We will continue to monitor the impacts of the COVID-19 pandemic and related responses from governments and private sector participants on the Business, our customers, supply chain, third-party suppliers, project development timelines, costs, revenue, margins, liquidity and financial condition and our planned actions and responses to this pandemic.

During the pandemic, the public has been advised to engage in certain "social restrictions" such as: (i) remaining at home or shelter-in-place, (ii) limiting social interaction, (iii) closing non-essential businesses and (iv) postponing certain surgical and elective medical procedures in order to prioritize/conserve available health care resources During the three months ended March 31, 2020, these factors negatively impacted, most notably, the revenues of our vision care and surgical businesses in Asia, where the COVID-19 pandemic originated. Beginning in March 2020 and throughout most of the second quarter of 2020, the Business experienced steeper declines in these revenues and the revenues of other businesses, as social restrictions expanded worldwide, particularly in the U.S. and Europe. Social restrictions negatively impacted the Business' revenues for contact lenses, intraocular lenses, medical devices, surgical systems and certain pre- and post-operative eye-medications of our ophthalmic pharmaceuticals business, as the offices of many health care providers were closed and certain surgeries and elective medical procedures were deferred.

However, as governments began lifting social restrictions, allowing offices of certain health care providers to reopen and certain surgeries and elective medical procedures to proceed, the negative trend in the revenues of certain businesses began to level off and stabilize prior to our third quarter of 2020 and continued into our fourth quarter of 2020 and first half of 2021 Further, during our first quarter of 2020, certain customers engaged in "pantry-loading", which, positively impacted the volumes of many of our consumer business products during that quarter but negatively impacted the volumes of our consumer business products for our second quarter of 2020.

As a result, our revenues in 2020 across all of our segments were most negatively impacted during our second quarter by the social restrictions and other precautionary measures taken in response to the COVID-19 pandemic. Our revenues for the three months ended March 31, June 30, September 30, and December 31, 2020 were $876 million, $676 million, $916 million and $944 million, respectively. This trend in our quarterly revenues reflects the significant impacts that the COVID-19 pandemic had on our second quarter revenues in 2020. However, as governments began lifting social restrictions, allowing offices of certain health care providers to reopen and certain surgeries and elective medical procedures to proceed, the negative trend in the revenues of certain businesses began to level off and stabilize prior to our third quarter of 2020.

Our revenues were $2,764 million and $2,468 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $296 million, or 12%, and primarily reflects the positive impacts from the recovery from the COVID-19 pandemic. In the U.S., the recovery in our surgical, vision care and ophthalmic pharmaceutical businesses continues to progress as offices of certain health care providers reopen and certain surgeries and elective medical procedures proceed, while our consumer business had been less impacted by the COVID-19 pandemic. The recovery of our businesses in China seems to be further along than the rest of our business in Asia, as the revenues of many of our businesses in China have returned to their pre-pandemic levels. Although certain social restrictions were lifted in Europe during the summer of 2020, recovery in this region has been more gradual, as consumers have been slower to return to their pre-pandemic habits. Further, various geographies reinstituted lockdowns or partial lockdowns as needed in response to resurgence of the original COVID-19 virus and as variant strains thereof, such as the Delta and Omicron variants, were identified. For instance, parts of Europe, such as England, Germany, France and Ireland, and parts of Canada, parts of Southeast Asia and Japan returned to lockdowns of various lengths and enacted or are still considering enacting other social restrictions. During the first half of 2021, the daily average number of new COVID-19 cases in the U.S. declined and vaccinations in certain U.S. geographies reached sufficiently high levels such that many government and

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social restrictions were lifted. However variant strains of the virus particularly the Delta and Omicron variants, have been identified in the U.S. and a portion of the country's residents have demonstrated reluctance to get vaccinated. Further, for various logistical, regulatory, economical, governmental and/or other availability factors, certain geographies outside the U.S. have limited access to effective vaccines allowing the spread of the original virus and any variant strains thereof such as the Delta variant, to develop. These factors are challenges to achieving herd immunity in the U.S. and globally and could lead to a resurgence and new lockdowns or other social restrictions globally.

Presuming there continues to be increased availability of effective vaccines and any resurgence of the COVID-19 virus and variant strains thereof, such as the Delta and Omicron variants, do not have a material adverse impact on efforts to contain the COVID-19 virus, the Company anticipates an ongoing, gradual global recovery from the significant macroeconomic and health care impacts of the pandemic. However, the rates of recovery for each business will vary by geography and will be dependent upon, among other things, the availability and effectiveness of vaccines for the COVID-19 virus and variant strains thereof, government responses, rates of economic recovery, precautionary measures taken by patients and customers, the rate at which remaining social restrictions are lifted and, once lifted, the presumption that social restrictions will not be materially reenacted in the event of a resurgence of the virus or variant strains thereof and other actions taken in response to the COVID-19 pandemic.

At the current pace of the recovery, we anticipate that our revenues will likely return to pre-pandemic levels for many of our businesses and geographies in 2021 and for the remaining businesses and geographies in 2022. However, as our revenues were most negatively impacted by the social restrictions and other precautionary measures taken in response to the COVID-19 pandemic during our second quarter of 2020, we expect the rate of growth for the remainder of 2021 to be lower than the year-over-year revenue growth for the nine months ended September 30, 2021.

Although we put in place procedures to mitigate the risks associated with closures and disruptions at our manufacturing facilities, the COVID-19 pandemic temporarily impacted the manner in which we managed our inventories and inventory levels. The negative impact of the COVID-19 pandemic on the demand for many of our products necessitated that we, among other things, shorten production runs to reduce inventories and mitigate inventory losses. The shorter production runs, the costs associated with idling certain facilities during government mandated lockdowns and the costs of the precautionary measures taken at our manufacturing facilities in response to the COVID-19 pandemic resulted in manufacturing variances, which temporarily depressed our contribution (which we define as revenues less cost of goods sold excluding amortization and impairments of intangible assets) margins in 2020. However, in 2021, as demand increased and our retailers and distributors replenished their inventories, the pressures on our manufacturing processes experienced during 2020 have been alleviated and we have avoided many of the COVID-19 pandemic induced manufacturing variances during the nine months ended September 30, 2021.

As we monitor the direction and pace of the recovery in each business and geography, we are also continually monitoring the effectiveness of the profit protection measures we initiated to manage and reduce our operating expenses and preserve cash during the COVID-19 pandemic. These profit protection measures were successful in expanding the profit margins in many of our businesses, as referenced in the discussion of our operating results below. In 2021, we began allocating more resources to selling and other promotional activities in support of our existing products, product launches and products in development. As a result, our SG&A and R&D expenses increased 11% and 7%, respectively, during the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020, respectively. As the recovery continues, we expect to continue to see our operating expenses for the remainder of 2021 to exceed our operating expenses over the same period in 2020.

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We believe our diverse portfolio of durable products and strong brands has served us well through the COVID-19 pandemic and we continue to be well-positioned to grow market share and return to growth as the world recovers. However, this situation remains very fluid and we continue to monitor the availability and effectiveness of vaccines and any resurgence of the COVID-19 virus, the Delta variant and other variant strains thereof on our operations, businesses and primary goals. Given these circumstances, we continue to focus on: (i) revising our go-to-market and sales force strategies to address the changing business dynamics created by the COVID-19 pandemic, (ii) building out our e-commerce presence to enable us to reach customers in new ways, (iii) investing in our key promoted brands and product launches to increase market share, (iv) optimizing our cost structure and (v) looking for key trends in the market to meet changing consumer/patient needs and identify areas for investment and growth. We believe focusing on these priorities will best enable us to effectively manage the changing business dynamics created by the COVID-19 pandemic, best prepare us for a possible resurgence of the virus and any variant strains thereof and return us to growth during the recovery from the COVID-19 pandemic.

The changes in our segment revenues and segment profits, including the impacts of COVID-19 pandemic related matters for the year ended December 31, 2020 and the nine months ended September 30, 2021, are discussed in further detail in "—Annual Results of Operations —Reportable Segment Revenues and Profits" and "— Interim Results of Operations — Reportable Segment Revenues and Profits," respectively. For a further discussion of these and other COVID-19 related risks, see "Risk Factors—Risk Relating to COVID-19."

Health Care Reform

The U.S. federal and state governments continue to propose and pass legislation designed to regulate the health care industry. In March 2010, the Patient Protection and Affordable Care Act (the "ACA") was enacted in the U S The ACA contains several provisions that impact our business, including: (i) an increase in the minimum Medicaid rebate to states participating in the Medicaid program, (ii) the extension of the Medicaid rebates to Managed Care Organizations that dispense drugs to Medicaid beneficiaries, (iii) the expansion of the 340(B) Public Health Services drug pricing program, which provides outpatient drugs at reduced rates, to include additional hospitals, clinics and health care centers and (iv) a fee payable to the federal government based on our prior-calendar-year share relative to other companies of branded prescription drug sales to specified government programs.

In addition, in 2013 federal subsidies began to be phased in for brand-name prescription drugs filled in the Medicare Part D coverage gap. The ACA also included provisions designed to increase the number of Americans covered by health insurance. In 2014, the ACA's private health insurance exchanges began to operate. The ACA also allows states to expand Medicaid coverage with most of the expansion's cost paid for by the federal government.

For 2020, 2019 and 2018, we incurred costs of $3 million, $3 million and $5 million, respectively, related to the annual fee assessed on prescription drug manufacturers and importers that sell branded prescription drugs to specified U.S. government programs (e.g., Medicare and Medicaid). For 2020, 2019 and 2018, we also incurred costs of $20 million, $16 million and $13 million, respectively, on Medicare Part D utilization incurred by beneficiaries whose prescription drug costs cause them to be subject to the Medicare Part D coverage gap (i.e., the "donut hole").

The financial impact of the ACA will be affected by certain additional developments over the next few years, including pending implementation guidance and certain health care reform proposals. Additionally, policy efforts designed specifically to reduce patient out-of-pocket costs for medicines could result in new mandatory rebates and discounts or other pricing restrictions. Also, it is possible, as discussed further below, that legislation will be passed by Congress repealing the ACA in whole or in part. Adoption of legislation at the federal or state level could materially affect demand for, or pricing of, our products.

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In 2018, we faced uncertainties due to federal legislative and administrative efforts to repeal, substantially modify or invalidate some or all of the provisions of the ACA. However, we believe there is low likelihood of repeal of the ACA, given the recent failure of the Senate's multiple attempts to repeal various combinations of ACA provisions and the recent change in administration. There is no assurance that any replacement or administrative modifications of the ACA will not adversely affect our business and financial results, particularly if the replacing legislation reduces incentives for employer-sponsored insurance coverage, and we cannot predict how future federal or state legislative or administrative changes relating to the reform will affect our business.

In 2019, the U.S. Health and Human Services Administration announced a preliminary plan to allow for the importation of certain lower-cost drugs from Canada. The preliminary plan excludes insulin, biological drugs, controlled substances and intravenous drugs. The preliminary plan relies on individual states to develop proposals for safe importation of those drugs from Canada and submit those proposals to the federal government for approval. Although the preliminary plan has some support from the prior administration, at this time, studies to evaluate the related costs and benefits, evaluate the reasonableness of the logistics, and measure the public reaction of such a plan have not been performed. While we do not believe this will have a significant impact on our future cash flows, we cannot provide assurance as to the effect or impact of such a plan.

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

In July 2020, former U.S. President Donald Trump signed four Executive Orders related to drug pricing, including orders addressing: (i) Part D rebate reform, (ii) the provision of deeply discounted insulin and/or an EpiPen to patients of Federally Qualified Health Centers, (iii) drug importation from Canada and (iv) most favored nation pricing for Medicare. In November 2020, former U.S. President Donald Trump announced the Most Favored Nation Model for Medicare Part B Payment which was to be implemented by the Centers for Medicare & Medicaid Services Innovation Center on January 1, 2021; however, it has not been implemented, as it is currently being challenged in court. It is also uncertain whether the Biden administration intends to reverse these measures or adopt similar policy initiatives. However, U.S. President Joseph Biden and several members of the current U.S. Congress have indicated that lowering drug prices is a legislative and political priority, and some have introduced proposals that seek to address drug pricing. We are currently reviewing those Executive Orders and the Most Favored Nation Model, the impact of which is uncertain at this time.

In December 2020, as part of a series of drug pricing-related rules issued by the Trump Administration, the Center for Medicare & Medicaid Services issued a Final Rule that makes significant modifications to the Medicaid Drug Rebate Program regulations in several areas, including with respect to the definition of key terms "line extension" and "new formulation" and best price (BP) reporting relating to certain value-based purchasing (VBP) arrangements (which take effect on January 1, 2022) and the price reporting treatment of manufacturer-sponsored patient benefit programs (which take effect on January 1, 2023). We are currently reviewing the Final Rule, the impact of which is uncertain at this time.

In March 2021, the U.S. Congress enacted the American Rescue Plan Act of 2021. One of the provisions included within the American Rescue Plan Act of 2021 eliminated the Maximum Rebate Amount for Single Source drugs and Innovator Multiple Source drugs in the Medicaid Drug Rebate Program. We are currently reviewing the Final Rule, the impact of which is uncertain at this time.

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Other legislative efforts relating to drug pricing have been enacted and others have been proposed at the U.S. federal and state levels. For instance, certain states have enacted legislation related to prescription drug pricing transparency. Several states have passed importation legislation and Florida is working with the U.S. government to implement an importation program from Canada. We also anticipate that Congress, state legislatures and third-party payors may continue to review and assess alternative health care delivery and payment systems and may in the future propose and adopt legislation or policy changes or implementations affecting additional fundamental changes in the health care delivery system. We continually review newly enacted and proposed U.S. federal and state legislation, as well as proposed rulemaking and guidance published by the Department of Health and Human Services and the FDA; however, at this time, it is unclear the effect these matters may have on our businesses.

U.S. Tax Reform

In April 2021, U.S. President Joseph Biden proposed changes to the U.S. tax system. Since that date, both houses of Congress have released their own proposals for changes to the U.S. tax system, which proposals differ in a number of respects from the President's proposal. The proposals under discussion have included changes to the U.S. corporate tax system that would increase U.S. corporate tax rates, although the most recent proposals do not include any such rate increase, and changes that would raise the tax rate on and make other changes to the taxation of Global Intangible Low Tax Income earned by foreign subsidiaries. Also under consideration are modifications to the BEAT, which would tax certain payments, including some that are related to inventory, made to affiliates that are subject to an effective tax rate of less than specified rates. Certain proposals also include limitations on the participation exemption for foreign dividends received and interest expense. In addition, certain proposals include additional limitations on the deduction of interest expense and carryforwards of unused interest expense, as well as an excise tax on certain pharmaceutical products that are non-compliant with the proposed drug pricing legislation We are unable to predict which, if any, U S tax reform proposals will be enacted into law, and what effects any enacted legislation might have on our liability for U.S. corporate tax. However, it is possible that the enactment of changes in the U.S. corporate tax system could have a material adverse effect on our liability for U.S. corporate tax and our consolidated effective tax rate.

Global Minimum Corporate Tax Rate

On October 8, 2021, the OECD/G20 Inclusive Framework published a statement updating and finalizing the key components of a two-pillar plan on global tax reform originally agreed on July 1, 2021, and a timetable for implementation by 2023. The Inclusive Framework plan has now been agreed to by 141 OECD members, including several countries which did not agree to the initial plan. Under pillar one, taxing rights over multinational businesses with global turnover above €20 billion and a profit margin above 10% will generally be re-allocated to market jurisdictions. Under pillar two, the Inclusive Framework has agreed on a global minimum corporate tax rate of 15% for companies with revenue above €750 million, calculated on a country-by-country basis. On October 30, 2021, the G20 formally endorsed the new global minimum corporate tax rate rules. The Inclusive Framework agreement must now be implemented by the OECD Members who have agreed to the plan, effective in 2023. On December 20, 2021, the OECD published model rules to implement the pillar two rules, which are generally consistent with agreement reached by the Inclusive Framework in October 2021. We will continue to monitor the implementation of the Inclusive Framework agreement by the countries in which we operate. While we currently expect our effective tax rate to be in the range of 12-14% over the long-term, we are unable to predict when and how the Inclusive Framework agreement will be enacted into law in these countries, and it is possible that the implementation of the Inclusive Framework agreement, including the global minimum corporate tax rate could have a material effect on our liability for corporate taxes and our consolidated effective tax rate.

Variability of Results

Due to variability in sales of certain of our products throughout the year, for the historical periods presented in this prospectus, revenues have generally been the lowest in the first quarter of the calendar year and reach its

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highest level in the fourth quarter of the calendar year. This trend was disrupted in 2020 as a result of the COVID-19 pandemic, but resumed in 2021 and is expected to continue in the near term. Our historical results are not necessarily indicative of the results that may be expected in the future. We expect that Adjusted EBITDA (non-GAAP) will generally develop in a manner that is consistent with the revenue trend described above in 2022.

Financial Performance Highlights

The following table provides financial performance highlights for the nine months ended September 30, 2021 and 2020:

	Nine Months Ended September 30,		
(in millions)	2021	2020	Change
Revenues	$2,764	$2,468	$ 296
Operating income	$ 237	$ 177	$ 60
Income before (provision for) benefit from income taxes	$ 232	$ 187	$ 45
Net income attributable to Bausch + Lomb	$ 131	$ 191	$ (60)

Summary of Nine Months Ended September 30, 2021 Compared with Nine Months Ended September 30, 2020

Revenues for the nine months ended September 30, 2021 and 2020 were $2,764 million and $2,468 million, respectively, an increase of $296 million, or 12%. The increase was primarily driven by: (i) an increase in volumes across all our businesses primarily due to the positive impacts from the recovery from the COVID-19 pandemic and the easing of certain social restrictions, as previously discussed, partially offset by: (a) the impacts of a third-party supplier quality issue, as discussed below, and (b) the impact of generic competition as certain of our Lotemax® products lost exclusivity and (ii) the favorable effect of foreign currencies, primarily in Europe and Asia. These increases were partially offset by: (a) a decrease in net realized pricing and (b) the impact of divestitures and discontinuations related to several products. The changes in our segment revenues and segment profits are discussed in further detail in the subsequent section titled "—Reportable Segment Revenues and Profits".

Operating income for the nine months ended September 30, 2021 and 2020 was $237 million and $177 million, respectively, an increase of $60 million which reflects, among other factors:

- an increase in contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of intangible assets) of $144 million primarily driven by the increase in revenues, as previously discussed;
- an increase in SG&A expenses of $102 million primarily attributable to the impacts of the non-recurrence of certain profit protection measures taken in 2020 to manage and reduce operating expenses during the COVID-19 pandemic, as previously discussed;
- an increase in R&D of $14 million;
- a decrease in Amortization of intangible assets of $22 million, primarily due to fully amortized intangible assets no longer being amortized in 2021; and
- a decrease in Other expense, net of $7 million, primarily attributable to a decrease in adjustments to Litigation and other matters.

Operating income for the nine months ended September 30, 2021 and 2020 was $237 million and $177 million, respectively, and includes non-cash charges for Depreciation and amortization of intangible assets of $315 million and $336 million and Share-based compensation of $45 million and $38 million, respectively.

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Income before income taxes for the nine months ended September 30, 2021 and 2020 was $232 million and $187 million, respectively, an increase of $45 million and is primarily attributable to the increase in our operating results of $60 million, as previously discussed, partially offset by an unfavorable net change in Foreign exchange and other of $13 million.

Net income attributable to Bausch + Lomb for the nine months ended September 30, 2021 and 2020 was $131 million and $191 million, respectively, a decrease of $60 million and was primarily due to an unfavorable change in Income taxes of $97 million, partially offset by the increase in Income before income taxes of $45 million, as previously discussed.

The following table provides financial performance highlights for each of the last three years:

	Years Ended December 31,			Change	
(in millions)	2020	2019	2018	2019 to 2020	2018 to 2019
Revenues	$3,412	$3,778	$3,665	$(366)	$ 113
Operating income	$ 260	$ 396	$ 416	$(136)	$ (20)
Income before (provision for) benefit from income taxes	$ 290	$ 399	$ 417	$(109)	$ (18)
Net (loss) income attributable to Bausch + Lomb	$ (18)	$ 298	$ 710	$(316)	$(412)

Summary of 2020 Compared with 2019

Revenues for 2020 and 2019 were $3,412 million and $3,778 million, respectively, a decrease of $366 million, or 10%. The decrease was primarily driven by: (i) lower volumes driven by: (a) social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as previously discussed, and (b) the impact in the U.S. of the loss of exclusivity ("LOE") of certain of our Lotemax® products, (ii) the unfavorable effect of foreign currencies, primarily in Latin America, and (iii) the impact of divestitures and discontinuations. The decreases in revenue were partially offset by higher net realized pricing. The changes in our segment revenues and segment profits are discussed in further detail in the subsequent section titled "—Reportable Segment Revenues and Profits."

Operating income for 2020 and 2019 was $260 million and $396 million, respectively, a decrease of $136 million which reflects, among other factors:

- a decrease in contribution of $316 million. The decrease was primarily driven by the decrease in revenues, as previously discussed;
- a decrease in SG&A expenses of $129 million, primarily attributable to profit protection measures taken to manage and reduce operating expenses during the COVID-19 pandemic, as previously discussed;
- a decrease in Amortization of intangible assets of $25 million, primarily due to fully amortized intangible assets no longer being amortized in 2020; and
- a decrease in Other expense, net of $29 million, primarily attributable to decreases in: (i) Asset impairments and (ii) Litigation and other matters.

Operating income for 2020 and 2019 was $260 million and $396 million, respectively, and includes non-cash charges for Depreciation and amortization of intangible assets of $442 million and $469 million, Asset impairments of $1 million and $16 million and Share-based compensation of $50 million and $50 million, respectively.

Income before (provision for) benefit from income taxes for 2020 and 2019 was $290 million and $399 million, respectively, a decrease of $109 million and is primarily attributable to the decrease in our

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operating results of $136 million, as previously discussed, partially offset by a favorable net change in Foreign exchange and other of $25 million.

Net loss attributable to Bausch + Lomb for 2020 was $18 million as compared to Net income attributable to Bausch + Lomb of $298 million for 2019, a decrease in our results of $316 million and was primarily due to: (i) an unfavorable change in the (Provision for) benefit from income taxes of $211 million and (ii) the decrease in Income before (provision for) benefit from income taxes of $109 million, as previously discussed.

Summary of 2019 Compared with 2018

Revenues for 2019 and 2018 were $3,778 million and $3,665 million, respectively, an increase of $113 million, or 3%. The increase was primarily driven by (i) higher volumes and (ii) higher net realized pricing These increases were partially offset by (i) the unfavorable effect of foreign currencies, primarily in Europe, Asia and Latin America, and (ii) the impact of divestitures and discontinuations.

Operating income for 2019 and 2018 was $396 million and $416 million, respectively, a decrease of $20 million which reflects, among other factors:

- an increase in contribution of $100 million primarily driven by the increase in revenues, as previously discussed;
- an increase in SG&A of $55 million, primarily attributable to: (i) higher advertising and promotion expenses and (ii) higher compensation costs. These increases were partially offset by the favorable impact of the effect of foreign currencies;
- an increase in R&D of $37 million;
- a decrease in Amortization of intangible assets of $29 million, primarily attributable to: (i) fully amortized intangible assets no longer being amortized in 2019 and (ii) impairments to certain intangible assets in 2018; and
- an increase in Other expense, net of $56 million, primarily attributable to: (i) Acquired in-process research and development costs in 2019, (ii) Acquisition-related contingent consideration in 2018, (iii) Litigation and other matters in 2019 and (iv) the Net gain on sales of assets in 2018 and was partially offset by a decrease in Asset impairments.

Operating income for 2019 and 2018 of $396 million and $416 million, respectively, includes non-cash charges for Depreciation and amortization of intangible assets of $469 million and $495 million. Asset impairments of $16 million and $52 million and Share-based compensation of $50 million and $43 million, respectively.

Income before (provision for) benefit from income taxes for 2019 and 2018 was $399 million and $417 million, respectively, a decrease of $18 million, primarily attributable to the decrease in our operating results of $20 million, as previously discussed.

Net income attributable to Bausch + Lomb for 2019 and 2018 was $298 million and $710 million, respectively, a decrease of $412 million, primarily attributable to: (i) the unfavorable change in (Provision for) benefit from income taxes of $398 million and (ii) the decrease in Income before (provision for) benefit from income taxes of $18 million, as previously discussed.

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Interim Results of Operations

Our results for the nine months ended September 30, 2021 and 2020 were as follows:

(in millions)	Nine Months Ended September 30, 2021	2020	Change 2020 to 2021
Revenues			
Product sales	$ 2,743	$ 2,444	$ 299
Other revenues	21	24	(3)
	2,764	2,468	296
Expenses			
Cost of goods sold (excluding amortization and impairments of intangible assets)	1,056	901	155
Cost of other revenues	8	14	(6)
Selling, general and administrative	1,024	922	102
Research and development	201	187	14
Amortization of intangible assets	225	247	(22)
Other expense, net	13	20	(7)
	2,527	2,291	236
Operating income	237	177	60
Interest income	—	2	(2)
Foreign exchange and other	(5)	8	(13)
Income before (provision for) benefit from income taxes	232	187	45
(Provision for) benefit from income taxes	(93)	4	(97)
Net income	139	191	(52)
Net income attributable to noncontrolling interest	(8)	—	(8)
Net income attributable to Bausch + Lomb	$ 131	$ 191	$ (60)

Nine Months Ended September 30, 2021 Compared with the Nine Months Ended September 30, 2020

Revenues

Our revenues were $2,764 million and $2,468 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $296 million, or 12%. The increase was primarily driven by: (i) an increase in volumes across all our businesses of $279 million primarily due to the positive impacts from the recovery from the COVID-19 pandemic and the easing of certain social restrictions, as discussed in the previous section titled "—Business Trends — Impacts of COVID-19 Pandemic", partially offset by: (a) the impact of generic competition as certain of our Lotemax® products lost exclusivity and (b) the impacts of a third-party supplier quality issue on the revenues of certain Consumer products, as discussed below, and (ii) the favorable effect of foreign currencies of $69 million, primarily in Europe and Asia. These increases were partially offset by: (a) a decrease in net realized pricing of $44 million due to higher sales deductions in our Ophthalmic Pharmaceuticals business and (b) the impact of divestitures and discontinuations of $8 million, related to several products. The net increase in volumes was most notable in our Surgical and Vision Care businesses, and geographically can primarily be attributable to increases in Asia, the U.S. and Europe.

As previously discussed, during 2020 our volumes were most negatively impacted by the COVID-19 pandemic during our second quarter. However, as governments began lifting social restrictions, the negative trend in the revenues of these businesses began to level off and stabilize prior to our third quarter and continued

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into our fourth quarter of 2020 and first quarter of 2021. Although we experienced COVID-19 pandemic related declines in year-over-year revenues in certain products and geographies in 2021, revenues for the three months ended September 30, 2021, June 30, 2021 and March 31, 2021 increased 4%, 38% and 1%, respectively, when compared to the three months ended September 30, 2020, June 30, 2020 and March 31, 2020. At the current pace of the recovery, we anticipate that our revenues will likely return to pre-pandemic levels for many of our businesses and geographies in 2021 and for the remaining businesses and geographies in 2022. However, as our revenues were most negatively impacted by the social restrictions and other precautionary measures taken in response to the COVID-19 pandemic during our second quarter of 2020, we expect the rate of growth for the remainder of 2021 to be lower than the year-over-year revenue growth for the nine months ended September 30, 2021. For a detailed discussion of the impacts of the COVID-19 pandemic on our businesses and our expectations for a recovery, please refer to the previous section titled "—Business Trends - Impacts of COVID-19 Pandemic".

The changes in our segment revenues and segment profits, including the impact of COVID-19 pandemic related matters for the nine months ended September 30, 2021 and 2020, are discussed in further detail in the respective subsequent sections titled "—Reportable Segment Revenues and Profits".

Cash Discounts and Allowances, Chargebacks and Distribution Fees

Provisions recorded to reduce gross product sales to net product sales and revenues for the nine months ended September 30, 2021 and 2020 were as follows:

	Nine Months Ended September 30,			
	2021		2020	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$3,696	100.0%	$3,296	100.0%
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	250	6.8%	232	7.0%
Returns	58	1.6%	54	1.6%
Rebates	389	10.4%	323	9.9%
Chargebacks	243	6.6%	232	7.0%
Distribution service fees	13	0.4%	11	0.3%
	953	25.8%	852	25.8%
Net product sales	$2,743	74.2%	$2,444	74.2%

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 25.8% and 25.8% for the nine months ended September 30, 2021 and 2020, respectively.

Operating Expenses

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

Cost of goods sold was $1,056 million and $901 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $155 million, or 17%. The increase was primarily driven by the: (i) net increase in volumes, as previously discussed, and (ii) unfavorable impact of foreign currencies partially offset by lower manufacturing variances. The lower manufacturing variances were primarily due to the non-recurrence of certain variances driven by the impacts of the COVID-19 pandemic in 2020, as discussed in the previous section titled "—Business Trends — Impacts of COVID-19 Pandemic", partially offset by: (i) charges related to a quality issue at a third-party supplier, as discussed below, and (ii) inflationary pressures related to certain manufacturing costs, as discussed below.

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We were notified by a third-party supplier of sterilization services for our lens care solution bottles and caps at our Milan, Italy facility, of inconsistencies in the sterilization data versus certificates of conformance previously submitted to us by that supplier. Based on our internal Health and Safety Analysis, it was determined that this issue did not affect the safety or performance of any of our products and is limited to a specific number of lots for certain consumer products within our Vision Care/Consumer Health Care segment. However, out of an abundance of caution and working with the appropriate notified body and responsible health authorities, we have contained and/or recalled down to the consumer level the limited number of affected lots of products resulting in $8 million of manufacturing variances and $6 million of returns during the nine months ended September 30, 2021. Further, although our Greenville, South Carolina facility increased production to support some of the demand in the near term, due to the limited availability of qualified materials, production at the Milan, Italy facility could not keep up with demand, which negatively impacted our sales for the affected products in this region during the nine months ended September 30, 2021. At this time, we have removed this supplier from our Approved Supplier List and qualified another sterilization supplier, who, along with an existing secondary supplier, have and will provide bottle sterilization, thereby allowing our Milan, Italy facility to return to full production capacity. Although it is possible additional charges may be incurred, at this time, we believe no additional charges will be necessary.

As the recovery from the COVID-19 pandemic begins and businesses reopen, many companies are reporting unexpected price increases for certain costs, such as labor, materials, shipping and utilities. The increased costs have resulted in additional manufacturing variances and have had a negative impact on our contribution margins during the nine months ended September 30, 2021. Through the date of this filing, we are unable to determine if these inflationary factors are transitory or should be expected over a long term.

Cost of goods sold as a percentage of Product sales was 38 5% and 36 9% for the nine months ended September 30, 2021 and 2020, respectively, an increase of 1.6 percentage points. Costs of goods sold as a percentage of Product sales revenue was unfavorably impacted by the decrease in net realized pricing, as previously discussed.

Selling, General and Administrative Expenses

SG&A expenses were $1,024 million and $922 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $102 million, or 11%. The increase was primarily attributable to: (i) the impacts of the non-recurrence of certain profit protection measures taken in 2020 to manage and reduce operating expenses during the COVID-19 pandemic, as previously discussed, which resulted in year-over-year increases primarily in: (a) selling expenses and (b) advertising and promotion expenses and (ii) the unfavorable impact of foreign currencies.

Research and Development Expenses

R&D expenses were $201 million and $187 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $14 million, or 7%. R&D expenses as a percentage of Product sales were approximately 7% and 8% for the nine months ended September 30, 2021 and 2020, respectively. The increase in R&D expenses is attributable to the non-recurrence of the temporary suspension in certain R&D activities and clinical trials in 2020 due to social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as previously discussed.

Amortization of Intangible Assets

Amortization of intangible assets was $225 million and $247 million for the nine months ended September 30, 2021 and 2020, respectively, a decrease of $22 million, or 9% and was primarily attributable to fully amortized intangible assets no longer being amortized in 2021.

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See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim combined financial statements for further details related to our intangible assets.

Other expense, net

Other expense, net for the nine months ended September 30, 2021 and 2020 consists of the following:

	Nine Months Ended September 30,	
(in millions)	2021	2020
Asset impairments	$ 11	$ —
Restructuring and integration costs	1	1
Litigation and other matters	—	2
Acquired in-process research and development costs	1	17
Other expense, net	$ 13	$ 20

Acquired in-process research and development costs for the nine months ended September 30, 2020 includes the $10 million upfront payment for an option to acquire all ophthalmology assets of Allegro Ophthalmics, LLC, as discussed in Note 5, "LICENSING AGREEMENTS" to our unaudited interim Consolidated Financial Statements.

Foreign Exchange and Other

Foreign exchange and other was a net loss of $5 million and a net gain of $8 million for the nine months ended September 30, 2021 and 2020, respectively, an unfavorable net change of $13 million. Foreign exchange and other for the nine months ended September 30, 2021 and 2020 includes a loss of $1 million and a gain of $2 million due to the change in fair value of foreign currency exchange contracts, respectively.

Income Taxes

Provision for income taxes was $93 million for the nine months ended September 30, 2021 as compared to a benefit from income taxes of $4 million for the nine months ended September 30, 2020, an unfavorable change in income taxes of $97 million. The unfavorable change is primarily to: (i) the increase in income before income taxes and (ii) discrete tax effects of internal restructurings in 2020.

See Note 15, "INCOME TAXES" to our unaudited interim combined financial statements for further details regarding income taxes.

Reportable Segment Revenues and Profits

Our revenues fall into the following 3 reportable segments:

- ***The Vision Care / Consumer Health Care segment*** consists of: (i) sales of contact lenses that span the spectrum of wearing modalities, including daily disposable and frequently replaced contact lenses and (ii) sales of contact lens care products and OTC eye drops, eye vitamins and mineral supplements that address various conditions including eye allergies, conjunctivitis and dry eye.
- ***The Ophthalmic Pharmaceuticals segment*** consists of sales of a broad line of proprietary and generic pharmaceutical products for post-operative treatments and the treatment of a number of eye conditions such as glaucoma, ocular hypertension and retinal diseases and contact lenses that are indicated for therapeutic use and can also provide optical correction during healing if required.

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- ***The Surgical segment*** consists of sales of tools and technologies for the treatment of cataracts, and vitreous and retinal eye conditions and includes intraocular lenses and delivery systems, phacoemulsification equipment and other surgical instruments and devices.

Segment profit is based on operating income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets, Asset impairments, In-process research and development costs, Restructuring and integration costs, Acquisition-related contingent consideration costs and Other expense (income), net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. See Note 20, "SEGMENT INFORMATION" to our audited combined financial statements for a reconciliation of segment profit to Income before (provision for) benefit from income taxes.

The following table presents segment revenues, segment revenues as a percentage of total revenues and the period over period changes in segment revenues for the nine months ended September 30, 2021 and 2020. The following table also presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for the nine months ended September 30, 2021 and 2020.

	Nine Months Ended September 30,					
	2021		2020		Change	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenue						
Vision Care/Consumer Health Care	$1,717	62%	$1,528	62%	$ 189	12%
Ophthalmic Pharmaceuticals	527	19%	546	22%	(19)	(3)%
Surgical	520	19%	394	16%	126	32%
Total revenues	$2,764	100%	$2,468	100%	$ 296	12%
Segment Profits						
Vision Care/Consumer Health Care	$ 431	25%	$ 419	27%	$ 12	3%
Ophthalmic Pharmaceuticals	208	39%	233	43%	(25)	(11)%
Surgical	55	11%	—	— %	55	— %

Organic Revenues and Organic Growth Rates (non-GAAP)

Organic growth, a non-GAAP metric, is defined as a change on a period-over-period basis in revenues on a constant currency basis (if applicable) excluding the impact of recent acquisitions, divestitures and discontinuations. Organic revenue growth (non-GAAP) is growth in GAAP Revenue (its most directly comparable GAAP financial measure), adjusted for certain items, of businesses that have been owned for one or more years. Organic revenue (non-GAAP) is impacted by changes in product volumes and price. The price component is made up of two key drivers: (i) changes in product gross selling price and (ii) changes in sales deductions. The Business uses organic revenue (non-GAAP) and organic revenue growth (non-GAAP) to assess performance of its reportable segments, and the Business in total, without the impact of foreign currency exchange fluctuations and recent acquisitions, divestitures and product discontinuations. The Business believes that such measures are useful to investors as they provide a supplemental period-to-period comparison.

Organic revenue growth (non-GAAP) reflects adjustments for: (i) the impact of period-over-period changes in foreign currency exchange rates on revenues and (ii) the revenues associated with acquisitions, divestitures and discontinuations of businesses divested and/or discontinued. These adjustments are determined as follows:

Foreign currency exchange rates: Although changes in foreign currency exchange rates are part of our business, they are not within management's control. Changes in foreign currency exchange rates, however, can mask positive or negative trends in the underlying business performance. The impact for changes in foreign

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currency exchange rates is determined as the difference in the current period reported revenues at their current period currency exchange rates and the current period reported revenues revalued using the monthly average currency exchange rates during the comparable prior period.

Acquisitions, divestitures and discontinuations: In order to present period-over-period organic revenues (non-GAAP) on a comparable basis, revenues associated with acquisitions, divestitures and discontinuations are adjusted to include only revenues from those businesses and assets owned during both periods. Accordingly, organic revenue growth (non-GAAP) excludes from the current period all revenues attributable to each acquisition for the twelve months subsequent to the day of acquisition, as there are no revenues from those businesses and assets included in the comparable prior period. Organic revenue growth (non-GAAP) excludes from the prior period (but not the current period), all revenues attributable to each divestiture and discontinuance during the twelve months prior to the day of divestiture or discontinuance, as there are no revenues from those businesses and assets included in the comparable current period

The following table presents a reconciliation of GAAP revenues to organic revenues (non-GAAP) and the period-over-period changes in organic revenue (Non-GAAP) for the nine months ended September 30, 2021 and 2020.

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020			Change in Organic Revenue	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Organic Revenue (Non-GAAP)	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP)	Amount	Pct.
Vision Care/Consumer Health Care								
U.S.	$ 733	$ —	$ 733	$ 662	$ (1)	$ 661	$ 72	11%
International	984	(35)	949	866	(2)	864	85	10%
Segment Total	1,717	(35)	1,682	1,528	(3)	1,525	157	10%
Ophthalmic Pharmaceuticals								
U.S.	326	—	326	371	—	371	(45)	(12)%
International	201	(12)	189	175	(1)	174	15	9%
Segment Total	527	(12)	515	546	(1)	545	(30)	(6)%
Surgical								
U.S.	152	—	152	128	(4)	124	28	23%
International	368	(22)	346	266	—	266	80	30%
Segment Total	520	(22)	498	394	(4)	390	108	28%
Total	$ 2,764	$ (69)	$ 2,695	$ 2,468	$ (8)	$ 2,460	$ 235	10%
U.S.	$ 1,211	$ —	$ 1,211	$ 1,161	$ (5)	$ 1,156	$ 55	5%
International	1,553	(69)	1,484	1,307	(3)	1,304	180	14%
Total	$ 2,764	$ (69)	$ 2,695	$ 2,468	$ (8)	$ 2,460	$ 235	10%

Vision Care/Consumer Health Care Segment:

Vision Care/Consumer Health Care Segment Revenue

The Vision Care/Consumer Health Care segment revenue was $1,717 million and $1,528 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $189 million, or 12%. The increase was driven by: (i) an increase in volumes of $139 million, primarily due to the positive impacts from the recovery from the COVID-19 pandemic and the easing of certain social restrictions, as discussed in the previous

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section titled "—Business Trends — Impacts of COVID-19 Pandemic", partially offset by the impacts of a third-party supplier quality issue on the revenues of certain Consumer products, previously discussed, (ii) the favorable effect of foreign currencies of $35 million, primarily in Europe and Asia, and (iii) an increase in net realized pricing of $18 million primarily in the U.S. markets. These increases were partially offset by the impact of divestitures and discontinuations of $3 million.

The year-over-year increase in U.S revenues demonstrates the steady recovery from the COVID-19 pandemic and is primarily attributable to increased volumes in our: (i) Vision Care products, such as Biotrue® ONEday and Bausch + Lomb ULTRA®, and the launch of SiHy Daily lens INFUSE® (August 2020) and (ii) Consumer Health Care products, such as Ocuvite® and Preservision® eye vitamins and Lumify®. The increase in our international volumes is primarily attributable to our Vision Care products BioTrue® ONEday, Bausch + Lomb ULTRA® and the Soflens® family partially offset by the impacts from a third party supplier quality issue on the revenues of certain Consumer products in Europe, as previously discussed

At the current pace of the recovery, we anticipate that our Vision Care/Consumer Health Care revenues will likely return to pre-pandemic levels for many of our products and geographies in 2021 and for the remaining products and geographies in 2022. However, as our revenues were most negatively impacted by the COVID-19 pandemic during our second quarter of 2020, we expect the rate of growth for the remainder of 2021 to be lower than the year-over-year revenue growth for the nine months ended September 30, 2021.

Vision Care/Consumer Health Care Segment Profit

The Vision Care/Consumer Health Care segment profit was $431 million and $419 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $12 million, or 3%. The increase was primarily driven by the increase in contribution attributable to the net increase in volumes, as previously discussed, partially offset by the impacts of a third-party supplier quality issue on the revenues of certain Consumer products, as previously discussed. The increase in contribution was partially offset by: (i) the impacts of the non-recurrence of certain profit protection measures taken in 2020 to manage and reduce operating expenses during the COVID-19 pandemic, as previously discussed, which resulted in year-over-year increases primarily in: (a) selling expenses and (b) advertising and promotion expenses, (ii) an increase in R&D expenses which was primarily attributable to the non-recurrence of the temporary suspension in certain R&D activities and clinical trials in 2020 due to social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as previously discussed and (iii) the unfavorable effect of foreign currencies. For a detailed discussion of the impacts of the COVID-19 pandemic on our businesses and our expectations for a recovery, please refer to the previous section titled "—Business Trends - Impacts of COVID-19 Pandemic".

Ophthalmic Pharmaceuticals Segment:

Ophthalmic Pharmaceuticals Segment Revenue

The Ophthalmic Pharmaceuticals segment revenue was $527 million and $546 million for the nine months ended September 30, 2021 and 2020, respectively, a decrease of $19 million, or 3%. The decrease was driven by: (i) a decrease in net realized pricing of $59 million and (ii) the impact of divestitures and discontinuations of $1 million. These decreases were partially offset by: an increase in volume of $29 million, primarily due to the positive impacts from the recovery from the COVID-19 pandemic and the easing of certain social restrictions, as discussed in the previous section titled "—Business Trends — Impacts of COVID-19 Pandemic" and (ii) the favorable effect of foreign currencies of $12 million.

As previously discussed, during 2020, our volumes were most negatively impacted by the social restrictions and other precautionary measures taken in response to the COVID-19 pandemic during our second quarter of 2020. During the second quarter of 2020, we saw rapid and dramatic declines for several of our key ophthalmic prescription brands as eye surgeries were postponed due to the COVID-19 pandemic. The increase in volumes

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for 2021 as compared to 2020 is driven by the rebound in key promoted brands such as Prolensa®, Besivance®, Lotemax® SM and Vyzulta®. Further, we have been successful in expanding access and Medicare Part D coverage for Vyzulta® and Lotemax® SM. Although this increases the level of rebates associated with these products, we believe the improved access will better position Vyzulta® and Lotemax® SM for growth. The increases in volumes were partially offset by the impact of the LOE of certain of our Lotemax® products. Revenues for our Lotemax® products impacted by LOE for the nine months ended September 30, 2021 and 2020 were $8 million and $20 million, respectively.

At the current pace of the recovery, we anticipate that our Ophthalmic Pharmaceuticals revenues will likely return to pre-pandemic levels for many of our products and geographies in 2021 and for the remaining products and geographies in 2022. However, as our revenues were most negatively impacted by the COVID-19 pandemic during our second quarter of 2020, we expect the rate of growth for the remainder of 2021 to be lower than the year over year revenue growth for the nine months ended September 30, 2021

Ophthalmic Pharmaceuticals Segment Profit

The Ophthalmic Pharmaceuticals segment profit was $208 million and $233 million for the nine months ended September 30, 2021 and 2020, respectively, a decrease of $25 million, or 11%. The decrease was primarily driven by the decrease in revenues, as previously discussed. For a detailed discussion of the impacts of the COVID-19 pandemic on our businesses and our expectations for a recovery, please refer to the previous section titled "—Business Trends - Impacts of COVID-19 Pandemic".

Surgical Segment:

Surgical Segment Revenue

The Surgical segment revenue was $520 million and $394 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $126 million, or 32%. The increase was driven by: (i) an increase in volume of $111 million, primarily due to the positive impacts from the recovery from the COVID-19 pandemic and the easing of certain social restrictions, as discussed in the previous section titled "—Business Trends — Impacts of COVID-19 Pandemic", and (ii) the favorable effect of foreign currencies of $22 million. These increases were partially offset by: (i) the impact of divestitures and discontinuations of $4 million and (ii) a decrease in net realized pricing of $3 million.

As previously discussed, during 2020, the volumes of our Surgical segment were most negatively impacted by the social restrictions and other precautionary measures taken in response to the COVID-19 pandemic during our second quarter of 2020, however, as governments began lifting social restrictions, the negative trend in the revenues began to level off and stabilize prior to our third quarter and continued into our fourth quarter of 2020 and first quarter of 2021. The increases in our U.S. and international revenue reflect the steady recovery from the COVID-19 pandemic and the resumption of elective surgeries which were substantially impacted by deferral prior to the second half of 2020. The year-over-year increases in our U.S. and international surgical revenues were driven by strength in the anterior disposables along with a steady recovery in most regions led by Asia and Europe.

At the current pace of the recovery, we anticipate that our Surgical segment revenues will likely return to pre-pandemic levels for many of our products and geographies in 2021 and for the remaining products and geographies in 2022. However, as our revenues were most negatively impacted by the COVID-19 pandemic during our second quarter of 2020, we expect the rate of growth for the remainder of 2021 to be lower than the year-over-year revenue growth for the nine months ended September 30, 2021.

Surgical Segment Profit

The Surgical segment profit was $55 million and $0 for the nine months ended September 30, 2021 and 2020, respectively, an increase of $55 million. The increase was primarily driven by the increase in contribution

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as a result of: (i) the net increase in volumes, as previously discussed, and (ii) lower manufacturing variances primarily due to the non-recurrence of certain variances driven by the impacts of the COVID-19 pandemic in 2020, as discussed in the previous section titled "Business"—Business Trends — Impacts of COVID-19 Pandemic." These increase were partially offset by the impacts of: (i) the non-recurrence of certain profit protection measures taken in 2020 to manage and reduce operating expenses during the COVID-19 pandemic, as previously discussed, which resulted in year-over-year increases in SG&A expenses and (ii) foreign currencies. For a detailed discussion of the impacts of the COVID-19 pandemic on our businesses and our expectations for a recovery, please refer to the previous section titled "—Business Trends - Impacts of COVID-19 Pandemic".

Annual Results of Operations

Our results for the years 2020, 2019 and 2018 were as follows:

	Years Ended December 31,			Change	
(in millions)	2020	2019	2018	2019 to 2020	2018 to 2019
Revenues					
Product sales	$3,381	$3,729	$3,615	$(348)	$ 114
Other revenues	31	49	50	(18)	(1)
	3,412	3,778	3,665	(366)	113
Expenses					
Cost of goods sold (excluding amortization and impairments of intangible assets)	1,269	1,301	1,287	(32)	14
Cost of other revenues	16	26	26	(10)	—
Selling, general and administrative	1,253	1,382	1,327	(129)	55
Research and development	253	258	221	(5)	37
Amortization of intangible assets	323	348	377	(25)	(29)
Other expense, net	38	67	11	(29)	56
	3,152	3,382	3,249	(230)	133
Operating income	260	396	416	(136)	(20)
Interest income	3	1	—	2	1
Foreign exchange and other	27	2	1	25	1
Income before (provision for) benefit from income taxes	290	399	417	(109)	(18)
(Provision for) benefit from income taxes	(307)	(96)	302	(211)	(398)
Net (loss) income	(17)	303	719	(320)	(416)
Net income attributable to noncontrolling interest	(1)	(5)	(9)	4	4
Net (loss) income attributable to Bausch + Lomb	$ (18)	$ 298	$ 710	$(316)	$(412)

2020 Compared with 2019

Revenues

Our revenues are primarily generated from product sales in the therapeutic areas of eye health that consist of: (i) branded prescription eye-medications and pharmaceuticals, (ii) generic and branded generic prescription eye medications and pharmaceuticals, (iii) OTC vitamin and supplement products and (iv) medical devices (contact lenses, intraocular lenses and ophthalmic surgical equipment). Other revenues include alliance and service revenue from the licensing and co-promotion of products and contract service revenue. Contract service revenue is derived primarily from contract manufacturing for third parties and is not material.

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Our revenues were $3,412 million and $3,778 million for 2020 and 2019, respectively, a decrease of $366 million, or 10%. The decrease was primarily driven by: (i) lower volumes of $353 million primarily due to: (a) social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as discussed in the previous section titled "—Business Trends—Impacts of COVID-19 Pandemic" and (b) the impact in the U.S. of the LOE of certain of our Lotemax® products, (ii) the unfavorable effect of foreign currencies of $16 million, primarily in Latin America and (iii) the impact of divestitures and discontinuations of $15 million. The decreases in our revenues were partially offset by higher net realized pricing of $18 million.

The changes in our segment revenues and segment profits, including the impact of COVID-19 pandemic related matters for the year ended December 31, 2020, are discussed in further detail in the respective subsequent sections titled "—Reportable Segment Revenues and Profits."

Cash Discounts and Allowances, Chargebacks and Distribution Fees

As is customary in the health care industry, gross product sales are subject to a variety of deductions in arriving at net product sales. Provisions for these deductions are recognized concurrently with the recognition of gross product sales. These provisions include cash discounts and allowances, chargebacks, and distribution fees, which are paid or credited to direct customers, as well as rebates and returns, which can be paid or credited to direct and indirect customers. Provision balances relating to amounts payable to direct customers are netted against trade receivables and balances relating to indirect customers are included in accrued liabilities.

We actively manage these offerings, focusing on the incremental costs of our patient assistance programs, the level of discounting to non retail accounts and identifying opportunities to minimize product returns. We also concentrate on managing our relationships with our payors and wholesalers, reviewing the ranges of our offerings and being disciplined as to the amount and type of incentives we negotiate. Provisions recorded to reduce gross product sales to net product sales and revenues for 2020 and 2019 were as follows:

	Years Ended December 31,			
	2020		2019	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$4,542	100.0%	$4,983	100.0%
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	323	7.1%	363	7.3%
Returns	77	1.7%	79	1.6%
Rebates	445	9.8%	474	9.5%
Chargebacks	301	6.6%	318	6.4%
Distribution service fees	15	0.4%	20	0.4%
	1,161	25.6%	1,254	25.2%
Net product sales	$3,381	74.4%	$3,729	74.8%

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 25.6% and 25.2% in 2020 and 2019, respectively an increase of 0.4 percentage points.

Operating Expenses

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

Cost of goods sold primarily includes: manufacturing and packaging; the cost of products we purchase from third parties; royalty payments we make to third parties; depreciation of manufacturing facilities and equipment; and lower of cost or market adjustments to inventories. Cost of goods sold typically vary between periods as a result of product mix, volume, royalties, changes in foreign currency and inflation. Cost of goods sold excludes the amortization and impairments of intangible assets.

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Cost of goods sold was $1,269 million and $1,301 million for 2020 and 2019, respectively, a decrease of $32 million, or 2%. The decrease was primarily driven by lower volumes, as previously discussed, partially offset by higher manufacturing variances primarily due to the impacts of the COVID-19 pandemic as discussed in the previous section titled "—Business Trends – Impacts of COVID-19 Pandemic."

Cost of goods sold as a percentage of Product sales was 37.5% and 34.9% for 2020 and 2019, respectively, an increase of 2.6 percentage points. Costs of goods sold as a percentage of Product sales revenue was unfavorably impacted as a result of: (i) product mix and (ii) higher manufacturing variances primarily due to the impacts of the COVID-19 pandemic. These factors were partially offset by higher average net selling prices.

Selling, General and Administrative Expenses

SG&A expenses primarily include: employee compensation associated with sales and marketing, finance, legal, information technology, human resources and other administrative functions; certain outside legal fees and consultancy costs; product promotion expenses; overhead and occupancy costs; depreciation of corporate facilities and equipment; and other general and administrative costs.

SG&A expenses were $1,253 million and $1,382 million for 2020 and 2019, respectively, a decrease of $129 million, or 9%. The decrease was primarily attributable to: (i) the impacts of social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as previously discussed, and (ii) profit protection measures taken to manage and reduce operating expenses during the COVID-19 pandemic and resulted in decreases primarily in: (a) advertising and promotion expenses and (b) selling expenses. The profit protection measures have been successful in expanding the profit margins in many of our businesses. As the pace of recovery in each geography accelerates, we expect to allocate more resources to selling and other promotional activities to drive our return to sustainable revenue and profit growth. Therefore, if the recovery continues, we expect our operating expenses to increase in support of our existing products, product launches and products in development and expect to see our operating expenses in 2021 exceed our operating expenses in 2020 as a result.

Research and Development Expenses

Included in Research and development are costs related to our product development and quality assurance programs. Expenses related to product development include: employee compensation costs; overhead and occupancy costs; depreciation of research and development facilities and equipment; clinical trial costs; clinical manufacturing and scale-up costs; and other third-party development costs. Quality assurance are the costs incurred to meet evolving customer and regulatory standards and include: employee compensation costs; overhead and occupancy costs; amortization of software; and other third-party costs.

R&D expenses were $253 million and $258 million for 2020 and 2019, respectively, a decrease of $5 million, or 2%. R&D expenses as a percentage of Product sales were approximately 7% and 7% for 2020 and 2019, respectively.

Amortization of Intangible Assets

Intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives, generally 1 to 17 years. Management continually assesses the useful lives related to the Business' long-lived assets to reflect the most current assumptions.

Amortization of intangible assets was $323 million and $348 million for 2020 and 2019, respectively, a decrease of $25 million, or 7% and was primarily attributable to fully amortized intangible assets no longer being amortized in 2020.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our audited combined financial statements for further details related to our intangible assets.

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Other expense, net

Other expense, net for 2020 and 2019 consists of the following:

(in millions)	2020	2019
Asset impairments	$ 1	$ 16
Restructuring and integration costs	2	8
Litigation and other matters	6	16
Acquired in-process research and development costs	28	31
Other, net	1	(4)
Other expense, net	$ 38	$ 67

In 2020 and 2019, Acquired in-process research and development costs primarily consist of costs associated with the upfront payments to enter into certain exclusive licensing agreements.

Foreign Exchange and Other

Foreign exchange and other primarily includes translation gains/losses on intercompany loans and third-party liabilities and the gain/loss due to the change in fair value of foreign currency exchange contracts. Foreign exchange and other was a net gain of $27 million and $2 million for 2020 and 2019, respectively, a favorable net change of $25 million. Foreign exchange and other for 2020 and 2019 includes $3 million and $0 of gains due to the change in fair value of foreign currency exchange contracts, respectively.

Income Taxes

Income taxes are accounted for under the liability method. Deferred tax assets and liabilities are recognized for the temporary differences between the financial statement and income tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets for outside basis differences in investments in subsidiaries are only recognized if the difference will be realized in the foreseeable future. Provision for income taxes was $307 million and $96 million in 2020 and 2019, respectively, an increase in the Provision for income taxes of $211 million, which was primarily due to the treatment of certain tax matters identified below.

Our consolidated foreign rate differential reflects the net total tax cost or benefit on income earned or losses incurred in jurisdictions outside of Canada as compared to the net total tax cost or benefit of such income (on a jurisdictional basis) at the Canadian statutory rate of 26.9%. Tax costs below the Canadian statutory rate generate a beneficial foreign rate differential as do tax benefits generated in jurisdictions where the statutory tax rate exceeds the Canadian statutory tax rate. The net total foreign rate differentials generated in each jurisdiction in which we operate is not expected to bear a direct relationship to the net total amount of foreign income (or loss) earned outside of Canada.

In 2020 and 2019, our effective tax rate differs from the statutory Canadian income tax rate primarily due to: (i) the deferred tax effects of transfers of certain assets among the Business' subsidiaries, (ii) the tax benefit generated from our annualized mix of earnings by jurisdiction, (iii) the release of a valuation allowance, (iv) changes in uncertain tax positions and (v) net tax costs due to the filing of certain tax returns.

We record a valuation allowance against our deferred tax assets to reduce their net carrying value to an amount that we believe is more likely than not to be realized. In determining our deferred tax asset valuation allowance, we estimate our ability to utilize future sources of income to realize the benefits of our temporary income tax differences including: (i) NOL carryforwards in each jurisdiction, primarily in Canada, the U.S. and Ireland, (ii) research and development tax credit carryforwards, (iii) scientific research and experimental development pool carryforwards and (iv) investment tax credit carryforwards. When we establish/increase or reduce/decrease the valuation allowance, the provision for income taxes will increase or decrease, respectively,

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in the period such determination is made. Our valuation allowance against deferred tax assets as of December 31, 2020 and 2019 was $15 million and $83 million, respectively. The valuation allowance against deferred tax assets decreased by $68 million during 2020 primarily due to the Business' German subsidiary joining its German consolidated group.

See Note 16, "INCOME TAXES" to our audited combined financial statements for further details regarding income taxes.

Reportable Segment Revenues and Profits

The following table presents segment revenues, segment revenues as a percentage of total revenues and the year over year changes in segment revenues for 2020 and 2019 The following table also presents segment profits, segment profits as a percentage of segment revenues and the year over year changes in segment profits for 2020 and 2019.

	Years Ended December 31,				Change	
	2020		2019		2019 to 2020	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenue						
Vision Care/Consumer Health Care	$2,109	62%	$2,221	59%	$ (112)	(5)%
Ophthalmic Pharmaceuticals	726	21%	859	23%	(133)	(15)%
Surgical	577	17%	698	18%	(121)	(17)%
Total revenues	$3,412	100%	$3,778	100%	$ (366)	(10)%
Segment Profits / Segment Profit Margins						
Vision Care/Consumer Health Care	$ 579	27%	$ 606	27%	$ (27)	(4)%
Ophthalmic Pharmaceuticals	302	42%	412	48%	(110)	(27)%
Surgical	18	3%	75	11%	(57)	(76)%

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Organic Revenues and Organic Growth Rates (non-GAAP)

The following table presents a reconciliation of GAAP revenues to organic revenues (non-GAAP) and the year over year changes in organic revenue (Non-GAAP) for 2020 and 2019.

	Year Ended December 31, 2020			Year ended December 31, 2019			Change in Organic Revenue	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Organic Revenue (Non-GAAP)	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP)	Amount	Pct.
Vision Care/Consumer Health Care								
U.S.	$ 891	$ —	$ 891	$ 840	$ —	$ 840	$ 51	6%
International	1,218	16	1,234	1,381	(3)	1,378	(144)	(10)%
Total Segment	2,109	16	2,125	2,221	(3)	2,218	(93)	(4)%
Ophthalmic Pharmaceuticals								
U.S.	486	—	486	583	(1)	582	(96)	(16)%
International	240	2	242	276	(6)	270	(28)	(10)%
Total Segment	726	2	728	859	(7)	852	(124)	(15)%
Surgical								
U.S.	181	—	181	209	(3)	206	(25)	(12)%
International	396	(2)	394	489	(2)	487	(93)	(19)%
Segment Total	577	(2)	575	698	(5)	693	(118)	(17)%
Total	$ 3,412	$ 16	$ 3,428	$ 3,778	$ (15)	$ 3,763	$ (335)	(9)%
U.S.	$ 1,558	$ —	$ 1,558	$ 1,632	$ (4)	$ 1,628	$ (70)	(4)%
International	1,854	16	1,870	2,146	(11)	2,135	(265)	(12)%
Total	$ 3,412	$ 16	$ 3,428	$ 3,778	$ (15)	$ 3,763	$ (335)	(9)%

Vision Care/Consumer Health Care Segment:

Vision Care/Consumer Health Care Segment Revenue

The Vision Care/Consumer Health Care segment revenue was $2,109 million and $2,221 million for 2020 and 2019, respectively, a decrease of $112 million, or 5%. The decrease was driven by: (i) a decrease in volume of $113 million, primarily due decreases in volumes in our international markets primarily due to social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as discussed in the previous section titled "—Business Trends—Impacts of COVID-19 Pandemic" partially offset by an increase in volumes in the U.S., (ii) the unfavorable effect of foreign currencies of $16 million and (iii) the impact of divestitures and discontinuations of $3 million. These decreases were partially offset by an increase in net realized pricing of $20 million primarily in our international markets.

Vision Care/Consumer Health Care Segment Profit

The Vision Care/Consumer Health Care segment profit was $579 million and $606 million for 2020 and 2019, respectively, a decrease of $27 million, or 4%. The decrease was primarily driven by a decrease in contribution as a result of social restrictions and other precautionary measures taken in response to the

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COVID-19 pandemic, partially offset by lower: (i) SG&A expenses primarily attributable to profit protection measures taken in response to the COVID-19 pandemic and (ii) lower R&D expenses. For a detailed discussion of the impacts of the COVID-19 pandemic on our businesses and our expectations for a recovery, please refer to the previous section titled "—Business Trends—Impacts of COVID-19 Pandemic."

Ophthalmic Pharmaceuticals Segment:

Ophthalmic Pharmaceuticals Segment Revenue

The Ophthalmic Pharmaceuticals segment revenue was $726 million and $859 million for 2020 and 2019, respectively, a decrease of $133 million, or 15%. The decrease was driven by: (i) a decrease in volume of $124 million, primarily due to: (a) social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as discussed in the previous section titled "—Business Trends—Impacts of COVID-19 Pandemic," and (b) the impact in the U.S. of the LOE of certain of our Lotemax® products, (ii) the impact of divestitures and discontinuations of $7 million and (iii) the unfavorable effect of foreign currencies of $2 million. Revenues for our Lotemax® products impacted by LOE for the years 2020 and 2019 were $26 million and $87 million, respectively. Net realized pricing for the Ophthalmic Pharmaceuticals segment was flat.

Ophthalmic Pharmaceuticals Segment Profit

The Ophthalmic Pharmaceuticals segment profit was $302 million and $412 million for 2020 and 2019, respectively, a decrease of $110 million, or 27%. The decrease was primarily driven by: (i) a decrease in contribution as a result of social restrictions and other precautionary measures taken in response to the COVID-19 pandemic and (ii) higher R&D expenses, partially offset by lower SG&A expenses primarily attributable to profit protection measures taken in response to the COVID-19 pandemic. For a detailed discussion of the impacts of the COVID-19 pandemic on our businesses and our expectations for a recovery, please refer to the previous section titled "—Business Trends—Impacts of COVID-19 Pandemic."

Surgical Segment:

Surgical Segment Revenue

The Surgical segment revenue was $577 million and $698 million for 2020 and 2019, respectively, a decrease of $121 million, or 17%. The decrease was driven by: (i) a decrease in volume of $116 million, primarily due to social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, as discussed in the previous section titled "—Business Trends—Impacts of COVID-19 Pandemic," (ii) the impact of divestitures and discontinuations of $5 million and (iii) a decrease in net realized pricing of $2 million. These decreases were partially offset by the favorable effect of foreign currencies of $2 million.

Surgical Segment Profit

The Surgical segment profit was $18 million and $75 million for 2020 and 2019, respectively, a decrease of $57 million, or 76%. The decrease was primarily driven by a decrease in contribution as a result of social restrictions and other precautionary measures taken in response to the COVID-19 pandemic partially offset by lower SG&A expenses primarily attributable to profit protection measures taken in response to the COVID-19 pandemic. For a detailed discussion of the impacts of the COVID-19 pandemic on our businesses and our expectations for a recovery, please refer to the previous section titled "—Business Trends—Impacts of COVID-19 Pandemic."

2019 Compared with 2018

Revenues

Our revenue was $3,778 million and $3,665 million for 2019 and 2018, respectively, an increase of $113 million, or 3% primarily in our Vision Care/Consumer Health Care and Ophthalmic Pharmaceuticals

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segments. The increase was primarily attributable to: (i) the increase in volume of $186 million and (ii) higher net realized pricing of $37 million. These increases in revenue were partially offset by: (i) the unfavorable effect of foreign currencies of $88 million, primarily in Europe, Asia and Latin America, and (ii) the impact of divestitures and discontinuations of $22 million.

The changes in our segment revenues and segment profits are discussed in further detail in the respective subsequent sections titled "—Reportable Segment Revenues and Profits."

Cash Discounts and Allowances, Chargebacks and Distribution Fees

	Years Ended December 31,			
	2019		2018	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$4,983	100.0%	$4,837	100.0%
Provisions to reduce gross product sales to net product sales:				
Discounts and allowances	363	7.3%	360	7.5%
Returns	79	1.6%	82	1.7%
Rebates	474	9.5%	447	9.2%
Chargebacks	318	6.4%	314	6.5%
Distribution service fees	20	0 4%	19	0 4%
	1,254	25.2%	1,222	25.3%
Net product sales	$3,729	74.8%	$3,615	74.7%

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 25.2% and 25.3% in 2019 and 2018, respectively, a decrease of 0.1 percentage points.

Operating Expenses

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

Cost of goods sold was $1,301 million and $1,287 million in 2019 and 2018, respectively, an increase of $14 million, or 1%. The increase was primarily attributable by: (i) better inventory management and (ii) the favorable impact of foreign currencies, partially offset by the increase in volumes.

Cost of goods sold as a percentage of Product sales was 34.9% and 35.6% for 2019 and 2018, respectively, a decrease of 0.7 percentage points and is primarily attributable to: (i) higher net realized pricing and (ii) better inventory management.

Selling, General and Administrative Expenses

SG&A expenses were $1,382 million and $1,327 million for 2019 and 2018, respectively, an increase of $55 million, or 4%. The increase was primarily attributable to: (i) higher advertising and promotion expenses and (ii) higher compensation costs. The increase was partially offset by the favorable impact of foreign currencies.

Research and Development Expenses

R&D expenses were $258 million and $221 million for 2019 and 2018, respectively, an increase of $37 million, or 17%.

Amortization of Intangible Assets

Amortization of intangible assets was $348 million and $377 million for 2019 and 2018, respectively, a decrease of $29 million, or 8%. The decrease is driven by: (i) fully amortized intangible assets no longer being amortized in 2019 and (ii) impairments to certain intangible assets in 2019 and 2018.

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Other expense, net

Other expense, net for 2019 and 2018 consists of the following:

(in millions)	2019	2018
Asset impairments	$ 16	$ 52
Restructuring and integration costs	8	3
Acquisition-related contingent consideration	—	(29)
Net gain on sales of assets	—	(13)
Litigation and other matters	16	(2)
Acquired in-process research and development costs	31	—
Other, net	(4)	—
Other expense, net	$ 67	$ 11

Litigation and other matters includes other amounts provided for certain matters discussed in Note 18, "LEGAL PROCEEDINGS" to our audited combined financial statements.

In 2019, Acquired in-process research and development costs primarily consist of costs associated with the upfront payments to enter into certain exclusive licensing agreements.

In 2018, Acquisition-related contingent consideration of $29 million reflects reduction of the estimated future milestone payments due over time, in accordance with certain acquisition agreements.

Foreign Exchange and Other

Foreign exchange and other was a net gain of $2 million and $1 million for 2019 and 2018, respectively, an unfavorable net change of $1 million.

Income Taxes

Provision for income taxes was $96 million for 2019, as compared to a Benefit from income taxes of $302 million for 2018, respectively, an unfavorable change of $398 million, which was primarily due to the treatment of certain tax matters identified below.

In 2019 and 2018, our effective tax rate differs from the statutory Canadian income tax rate primarily due to: (i) the deferred tax effects of transfers of certain assets among the Business' subsidiaries, (ii) the tax benefit generated from our annualized mix of earnings by jurisdiction, (iii) changes in uncertain tax positions, (iv) reduction in tax attributes and (v) release in valuation allowance.

See Note 16, "INCOME TAXES" to our audited combined financial statements for further details regarding income taxes.

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Reportable Segment Revenues and Profits

The following table presents segment revenues, segment revenues as a percentage of total revenues, and the year over year changes in segment revenues for 2019 and 2018. The following table also presents segment profits, segment profits as a percentage of segment revenues and the year over year changes in segment profits for 2019 and 2018.

	Years Ended December 31,				Change	
	2019		2018		2018 to 2019	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenue						
Vision Care/Consumer Health Care	$2,221	59%	$2,145	59%	$ 76	4%
Ophthalmic Pharmaceuticals	859	23%	823	22%	36	4%
Surgical	698	18%	697	19%	1	—%
Total revenues	$3,778	100%	$3,665	100%	$ 113	3%
Segment Profits / Segment Profit Margins						
Vision Care/Consumer Health Care	$ 606	27%	$ 627	29%	$ (21)	(3)%
Ophthalmic Pharmaceuticals	412	48%	357	43%	55	15%
Surgical	75	11%	78	11%	(3)	(4)%

Organic Revenues and Organic Growth Rates (non-GAAP)

The following table presents a reconciliation of GAAP revenues to organic revenues (non-GAAP) and the year over year changes in organic revenue (Non-GAAP) for 2019 and 2018.

	Year ended December 31, 2019			Year ended December 31, 2018			Change in Organic Revenue	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Organic Revenue (Non-GAAP)	Revenue as Reported	Divestitures and Discontinuations	Organic Revenue (Non-GAAP)	Amount	Pct.
Vision Care/Consumer Health Care								
U.S.	$ 840	$ —	$ 840	$ 776	$ (1)	$ 775	$ 65	8%
International	1,381	52	1,433	1,369	(15)	1,354	79	6%
Total Segment	2,221	52	2,273	2,145	(16)	2,129	144	7%
Ophthalmic Pharmaceuticals								
U.S.	583	—	583	548	—	548	35	6%
International	276	14	290	275	—	275	15	5%
Total Segment	859	14	873	823	—	823	50	6%
Surgical								
U.S.	209	—	209	214	(2)	212	(3)	(1)%
International	489	22	511	483	(4)	479	32	7%
Segment Total	698	22	720	697	(6)	691	29	4%
Total	$ 3,778	$ 88	$ 3,866	$ 3,665	$ (22)	$ 3,643	$ 223	6%
U.S.	$ 1,632	$ —	$ 1,632	$ 1,538	$ (3)	$ 1,535	$ 97	6%
International	2,146	88	2,234	2,127	(19)	2,108	126	6%
Total	$ 3,778	$ 88	$ 3,866	$ 3,665	$ (22)	$ 3,643	$ 223	6%

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Vision Care/Consumer Health Care Segment

Vision Care/Consumer Health Care Segment Revenue

The Vision Care/Consumer Health Care segment revenue was $2,221 million and $2,145 million for 2019 and 2018, respectively, an increase of $76 million, or 4%. The increase was attributable to: (i) an increase in volume of $136 million, primarily driven by our Biotrue® ONEday and Bausch + Lomb ULTRA® product lines, and (ii) an increase in net realized pricing of $8 million driven by net increases in our international markets, partially offset by net decreases in the U.S. The increase in revenue was partially offset by: (i) the unfavorable effect of foreign currencies of $52 million, primarily attributable to revenues in Europe, Asia and Latin America, and (ii) the impact of divestitures and discontinuations of $16 million.

Vision Care/Consumer Health Care Segment Profit

The Vision Care/Consumer Health Care segment profit was $606 million and $627 million for 2019 and 2018, respectively, a decrease of $21 million, or 3%. The decrease was primarily attributable to: (i) higher selling, advertising and promotional expenses and (ii) higher R&D expenses. The decrease in profit was partially offset by: (i) product mix, (ii) the favorable effect of foreign currencies on expenses and (iii) an increase net realized pricing.

Ophthalmic Pharmaceuticals Segment

Ophthalmic Pharmaceuticals Segment Revenue

The Ophthalmic Pharmaceuticals segment revenue was $859 million and $823 million for 2019 and 2018, respectively, an increase of $36 million, or 4%. The increase was driven by: (i) an increase in net realized pricing of $29 million driven by net increases in the U.S., and (ii) an increase in volume of $21 million, primarily driven by our VYZULTA® and Lotemax® SM product lines. The increase in revenue was partially offset by the unfavorable effect of foreign currencies of $14 million.

Ophthalmic Pharmaceuticals Segment Profit

The Ophthalmic Pharmaceuticals segment profit was $412 million and $357 million for 2019 and 2018, respectively, an increase of $55 million, or 15%. The increase was primarily driven by: (i) the increase in contribution as a result of: (a) the increases in volume and net realized pricing, as previously discussed and (b) lower manufacturing variances; and (ii) lower R&D expenses.

Surgical Segment

The Surgical segment revenue was $698 million and $697 million for 2019 and 2018, respectively, an increase of $1 million, or less than 1%. The increase was driven by an increase in volume of $29 million driven by net increases in our international markets which was almost fully offset by: (i) the unfavorable effect of foreign currencies of $22 million, primarily attributable to revenues in Europe, Asia and Latin America, and (ii) the impact of divestitures and discontinuations of $6 million. Net realized pricing for the segment was flat.

Surgical Segment Profit

The Surgical segment profit was $75 million and $78 million for 2019 and 2018, respectively, a decrease of $3 million, or 4%. The decrease was driven by: (i) product mix, (ii) higher SG&A expenses and (iii) the impact of divestitures and discontinuations. These decreases were partially offset by: (i) lower manufacturing variances and (ii) the favorable effect of foreign currencies on expenses.

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Non-GAAP Information

To supplement the financial measures prepared in accordance with U.S. GAAP, the Business uses certain non-GAAP financial measures, including: (i) Contribution (non-GAAP), (ii) Contribution margin (non-GAAP), (iii) Adjusted net income (non-GAAP), (iv) EBITDA (non-GAAP), (v) Adjusted EBITDA (non-GAAP), (vi) Adjusted EBITDA margin (non-GAAP) and (vii) Free cash flows (non-GAAP) to provide supplemental information to readers. Management believes that these non-GAAP measures, along with the U.S. GAAP measures used by management, reflect how the Business measures its business internally and sets operational goals and incentives. In particular, the Business believes that these non-GAAP measures are useful in evaluating current performance and focus management on the Business' underlying operational results. As a result, the Business uses these non-GAAP measures both to assess the actual financial performance of the Business and to forecast future results as part of its guidance.

However, these non-GAAP measures are not prepared in accordance with U.S. GAAP nor do they have any standardized meaning under U.S. GAAP. In addition, other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP measures may not be comparable to such similarly titled non-GAAP financial measures used by other companies. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider it with the most directly comparable GAAP measure. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation. These non-GAAP measures should be considered supplements to, not substitutes for, or superior to, the corresponding measures calculated in accordance with GAAP.

Contribution (non-GAAP) and Contribution margin (non-GAAP)

We define Contribution (non-GAAP) as U.S. GAAP Gross profit (its most directly comparable U.S. GAAP financial measure) adjusted for Other revenues, Cost of other revenues and Amortization of intangible assets. In accordance with U.S. GAAP, Gross profit represents total Revenues less Costs of goods sold (excluding amortization of intangible assets) less Cost of other revenues less Amortization of intangible assets as presented in the Business' Combined Statements of Income. Contribution margin (non-GAAP) is Contribution (non-GAAP) divided by Product sales. Contribution (non-GAAP) and Contribution margin (non-GAAP) are measures used by our management to understand and evaluate our operating performance and trends. Contribution (non-GAAP) excludes amortization of intangible assets, which is a non-cash charge that can be impacted by, among other things, the timing and magnitude of acquisitions. We believe that the assessment of our operations excluding non-cash charges for amortization of intangible assets is relevant to our assessment of internal operations and comparisons to the performance of our competitors.

The unaudited reconciliation of U.S. GAAP Gross profit to Contribution (non-GAAP) is presented below:

	Nine Months Ended September 30,		Years Ended December 31,		
(in millions)	2021	2020	2020	2019	2018
Total Revenues	**$ 2,764**	**$2,468**	**$ 3,412**	**$ 3,778**	**$ 3,665**
Costs of goods sold (excluding amortization of intangible assets)	(1,056)	(901)	(1,269)	(1,301)	(1,287)
Cost of other revenues	(8)	(14)	(16)	(26)	(26)
Amortization of intangible assets	(225)	(247)	(323)	(348)	(377)
Gross profit	**1,475**	**1,306**	**1,804**	**2,103**	**1,975**
Other revenues	(21)	(24)	(31)	(49)	(50)
Cost of other revenues	8	14	16	26	26
Amortization of intangible assets	225	247	323	348	377
Contribution (non-GAAP)	**$ 1,687**	**$1,543**	**$ 2,112**	**$ 2,428**	**$ 2,328**

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Adjusted Net Income (non-GAAP)

Adjusted net income (non-GAAP) is Net income (loss) attributable to Bausch + Lomb (its most directly comparable U.S. GAAP financial measure) adjusted for amortization of intangible assets, as described above, and further adjusted for asset impairments, restructuring and integration costs, acquisition-related contingent consideration, acquired in-process research and development costs, separation costs and separation-related costs and other non-GAAP adjustments, as these adjustments are described below:

- Asset impairments: The Business has excluded the impact of impairments of finite-lived and indefinite-lived intangible assets as such amounts are inconsistent in amount and frequency and are significantly impacted by the timing and/or size of acquisitions and divestitures. The Business believes that the adjustments of these items correlate with the sustainability of the Business' operating performance. Although the Business excludes impairments of intangible assets from measuring the performance of its business, the Business believes that it is important for investors to understand that intangible assets contribute to revenue generation.
- Restructuring and integration costs: The Business has incurred restructuring costs as it implemented certain strategies, which involved, among other things, improvements to its infrastructure and operations, internal reorganizations and impacts from the divestiture of assets and businesses. With regard to infrastructure and operational improvements which the Business has taken to improve efficiencies in the businesses and facilities, these tend to be costs intended to right size the business or organization that fluctuate significantly between periods in amount, size and timing, depending on the improvement project, reorganization or transaction. The Business believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Business' operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.
- Acquisition-related contingent consideration: The Business has excluded the impact of acquisition-related contingent consideration non-cash adjustments due to the inherent uncertainty and volatility associated with such amounts based on changes in assumptions with respect to fair value estimates, and the amount and frequency of such adjustments is not consistent and is significantly impacted by the timing and size of the Business' acquisitions, as well as the nature of the agreed-upon consideration.
- Acquired in-process research and development costs: The Business has also excluded expenses associated with Acquired in-process research and development, as these amounts are inconsistent in amount and frequency and are significantly impacted by the timing, size and nature of acquisitions. Furthermore, as these amounts are associated with research and development acquired, the Business does not believe that they are a representation of the Business' research and development efforts during any given period.
- Separation costs and separation-related costs: The Business has excluded certain costs incurred in connection with activities taken to: (i) separate the Bausch + Lomb business from the remainder of BHC and (ii) register the Bausch + Lomb business as an independent publicly traded entity. Separation costs are incremental costs directly related to effecting the Separation and include, but are not limited to, legal, audit and advisory fees, talent acquisition costs and costs associated with establishing a new Board of Directors and audit committee. Separation-related costs are incremental costs indirectly related to the Separation and include, but are not limited to, IT infrastructure and software licensing costs, rebranding costs and costs associated with facility relocation and/or modification. As these costs arise from events outside of the ordinary course of continuing operations, the Business believes that the adjustments of these items provide supplemental information with regard to the sustainability of the Business' operating performance, allow for a comparison of the financial results to historical operations and forward-looking guidance and, as a result, provide useful supplemental information to investors.
- Other Non-GAAP adjustments: The Business has also excluded other certain costs such as IT infrastructure investment, legal and professional fees (in connection with legal and governmental proceedings, investigations and information requests regarding certain of our legacy distribution,

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marketing, pricing, disclosure and accounting practices), litigation and other matters, net gain on sale of assets and certain other amounts that are the result of other, non-comparable events to measure operating performance. These events arise outside of the ordinary course of continuing operations. Given the unique nature of the matters relating to these costs, the Business believes these items are not routine operating expenses. For example, legal settlements and judgments vary significantly, in their nature, size and frequency, and, due to this volatility, the Business believes the costs associated with legal settlements and judgments are not routine operating expenses. The Business believes that the exclusion of such out-of-the-ordinary-course amounts provides supplemental information to assist in the comparison of the financial results of the Business from period to period and, therefore, provides useful supplemental information to investors. However, investors should understand that many of these costs could recur and that companies in our industry often face litigation.

Adjusted net income (non GAAP) excludes the impact of these certain items that may obscure trends in the Business' underlying performance Management uses Adjusted net income (non-GAAP) for strategic decision making, forecasting future results and evaluating current performance. The unaudited reconciliation of Net income (loss) attributable to Bausch + Lomb, which is a U.S. GAAP measure, to Adjusted net income (non-GAAP) is presented below:

	Nine Months Ended September 30,		Years Ended December 31,		
(in millions)	2021	2020	2020	2019	2018
Net income (loss) attributable to Bausch + Lomb	**$ 131**	**$ 191**	**$ (18)**	**$298**	**$ 710**
Adjustments:					
Amortization of intangible assets	225	247	323	348	377
Asset impairments	11	—	1	16	52
Restructuring and integration costs	1	1	2	8	3
Acquisition-related contingent consideration	—	—	—	—	(29)
Acquired in-process research and development costs	1	17	28	31	—
Separation costs and separation-related costs	2	—	—	—	—
IT infrastructure costs	6	7	9	11	—
Legal and professional fees	—	—	—	—	—
Litigation and other matters	—	2	6	16	(2)
Net gain on sale of assets	—	—	—	—	(13)
Other	—	—	—	(2)	—
Tax effect of non-GAAP adjustments	(44)	(48)	(66)	(74)	(64)
Adjusted net income (non-GAAP)	**$ 333**	**$ 417**	**$285**	**$652**	**$1,034**

EBITDA (non-GAAP), Adjusted EBITDA (non-GAAP) and Adjusted EBITDA margin (non-GAAP)

EBITDA (non-GAAP) is Net income attributable to Bausch + Lomb (its most directly comparable U.S. GAAP financial measure) adjusted for interest income, income taxes, depreciation and amortization. We define Adjusted EBITDA (non-GAAP) as EBITDA (non-GAAP) adjusted for asset impairments, restructuring and integration costs, acquisition-related contingent consideration, separation costs and separation-related costs and other non-GAAP adjustments, as these adjustments are described above, and share-based compensation as described below:

- Share based compensation The Business has excluded costs relating to share based compensation The Business believes that the exclusion of share-based compensation expense assists investors in the comparisons of operating results to peer companies. Share-based compensation expense is a recurring expense that can vary significantly from period to period based on the timing, size and nature of awards granted.

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Adjusted EBITDA (non-GAAP) is intended to show our unleveraged, pre-tax operating results and therefore reflects our financial performance based on operational factors. In addition, cash bonuses for the Business's executive officers and other key employees are based, in part, on the achievement of certain Adjusted EBITDA (non-GAAP) targets. Adjusted EBITDA margin (non-GAAP) is Adjusted EBITDA (non-GAAP) divided by Revenues. The unaudited reconciliation of Net income, which is a U.S. GAAP measure, to EBITDA (non-GAAP) and Adjusted EBITDA (non-GAAP) is presented below:

	Nine Months Ended September 30,		Years Ended December 31,		
(in millions)	2021	2020	2020	2019	2018
Net (loss) income attributable to Bausch + Lomb	**$ 131**	**$ 191**	**$ (18)**	**$ 298**	**$ 710**
Interest income	—	(2)	(3)	(1)	—
Provision for (benefit from) income taxes	93	(4)	307	96	(302)
Depreciation and amortization of intangible assets	315	336	442	469	495
EBITDA	**539**	**521**	**728**	**862**	**903**
Adjustments:					
Asset impairments	11	—	1	16	52
Share-based compensation	45	38	50	50	43
Restructuring and integration costs	1	1	2	8	3
Acquisition-related contingent consideration	—	—	—	—	(29)
Acquired in-process research and development costs	1	17	28	31	—
Separation and Separation-related costs	2	—	—	—	—
Other non-GAAP adjustments:					
IT infrastructure investment	6	7	9	11	—
Legal and other professional fees	—	—	—	—	—
Litigation and other matters	—	2	6	16	(2)
Net gain on sales of assets	—	—	—	—	(13)
Other	—	—	—	(2)	—
Adjusted EBITDA	**$ 605**	**$ 586**	**$ 824**	**$ 992**	**$ 957**

Free cash flows (non-GAAP)

We define Free cash flows (non-GAAP) as Cash flows from operating activities (its most directly comparable U.S. GAAP financial measure) less cash payments for capital expenditures. Management believes that Free cash flows (non-GAAP) is a useful measure of the Business's ability to generate cash to make investments, repay debt (if and when incurred) and return capital to shareholders. Free cash flows (non-GAAP) adjusts for cash items that are ultimately within management's discretion to direct, and therefore, may imply that there is less or more cash that is available than most comparable GAAP measures. The Business believes that Free cash flows (non-GAAP) focuses management on the Business's underlying operational results and business performance. As a result, the Business uses Free cash flows (non-GAAP) to assess the actual financial performance of the Business and help forecast future results as part of its guidance.

The unaudited reconciliation of Cash flows from operating activities, which is a U.S. GAAP measure, to Free cash flows (non-GAAP) is presented below:

	Nine Months Ended September 30,		Years Ended December 31,		
(in millions)	2021	2020	2020	2019	2018
Cash flows from operating activities	**$ 711**	**$ 388**	**$ 522**	**$ 799**	**$ 763**
Purchases of property, plant and equipment	(131)	(178)	(253)	(180)	(101)
Free cash flows (non-GAAP)	**$ 580**	**$ 210**	**$ 269**	**$ 619**	**$ 662**

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The non-GAAP measures as presented above have been prepared as if the Business's operations had been conducted independently from its parent, BHC and therefore includes certain BHC corporate and shared costs allocated to the Business. Prior to and in connection with the announcement of the proposed separation of B+L, BHC's management from time to time publicly provided a management view of certain non-GAAP measures. The management view of these non-GAAP measures, which is used internally by management to evaluate the Business's performance and financial results, does not include the BHC corporate and shared costs allocated to the Business discussed in Note 2, "Significant Accounting Policies" to our audited combined financial statements, which are included elsewhere in this prospectus and will differ from those presented above. Management believes the cost allocations are a reasonable reflection of the utilization of services provided to, or the benefit derived by, the Business during the periods presented, though the allocations may not be indicative of the actual costs that would have been incurred or are expected to be incurred, if the Business were to operate as a standalone public company.

Liquidity and Capital Resources

Interim Cash Flows

Summarized cash flow information for the nine months ended September 30, 2021 and 2020 is as follows:

	Nine Months Ended September 30,		Change
(in millions)	2021	2020	2020 to 2021
Net cash provided by operating activities	$ 711	$ 388	$ 323
Net cash used in investing activities	(133)	(177)	44
Net cash used in financing activities	(675)	(227)	(448)
Effect of exchange rate changes on cash and cash equivalents	(8)	3	(11)
Net decrease in cash and cash equivalents and restricted cash	(105)	(13)	(92)
Cash and cash equivalents and restricted cash, beginning of period	238	192	46
Cash and cash equivalents and restricted cash, end of period	$ 133	$ 179	$ (46)

Operating Activities

Net cash provided by operating activities was $711 million and $388 million for the nine months ended September 30, 2021 and 2020, respectively, an increase of $323 million. The increase is primarily attributable to: (i) the positive impacts from the recovery from the COVID-19 pandemic and the easing of certain social restrictions, as previously discussed, (ii) the timing of payments in the ordinary course of business and (iii) inventory management in 2021, partially offset by the timing of collections of accounts receivable.

Investing Activities

Net cash used in investing activities was $133 million and $177 million for the nine months ended September 30, 2021 and 2020, respectively, and was primarily driven by Purchases of property, plant and equipment of $131 million and $178 million, respectively.

Financing Activities

Net cash used in financing activities was $675 million and $227 million and primarily represents the Net transfers to BHC of $665 million and $222 million during the nine months ended September 30, 2021 and 2020, respectively. For further details regarding Net transfers to BHC, see Note 4, "RELATED PARTIES" to our unaudited interim combined financial statements, which are included elsewhere in this prospectus

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Annual Cash Flows

Summarized cash flow information for the years 2020, 2019 and 2018 is as follows:

	Years Ended December 31,			Change	
(in millions)	2020	2019	2018	2019 to 2020	2018 to 2019
Net cash provided by operating activities	$ 522	$ 799	$ 763	$ (277)	$ 36
Net cash used in investing activities	(256)	(186)	(74)	(70)	(112)
Net cash used in financing activities	(232)	(606)	(665)	374	59
Effect of exchange rate changes on cash and cash equivalents	12	(3)	(8)	15	5
Net increase in cash and cash equivalents	46	4	16	42	(12)
Cash and cash equivalents, beginning of year	192	188	172	4	16
Cash and cash equivalents, end of year	$ 238	$ 192	$ 188	$ 46	$ 4

Operating Activities

Net cash provided by operating activities was $522 million, $799 million and $763 million for the years 2020, 2019 and 2018, respectively.

Net cash provided by operating activities was $522 million and $799 million for the years 2020 and 2019, respectively, a decrease of $277 million. The decrease was primarily attributable to the: (i) negative impacts to our operating results associated with the social restrictions and other precautionary measures taken in response to the COVID-19 pandemic, (ii) timing of payments in the ordinary course of business and (iii) upfront payment of $10 million in 2020 with respect to an option to acquire all ophthalmology assets from Allegro (the option has since expired; see Note 4, "LICENSING AGREEMENTS AND ASSETS HELD FOR SALE," to our audited combined financial statements, included elsewhere in this prospectus, for further information), partially offset by better: (i) collections of accounts receivable and (ii) inventory management in 2020.

Net cash provided by operating activities was $799 million and $763 million for the years 2019 and 2018, respectively, an increase of $36 million. The increase was primarily driven by the timing of payments in the ordinary course of business partially offset by the: (i) buildup of inventories in 2019, (ii) decrease in our operating results, as previously discussed and (iii) buildup of accounts receivable in 2019.

Investing Activities

Net cash used in investing activities was $256 million, $186 million and $74 million in 2020, 2019 and 2018, respectively, and was primarily driven by Purchases of property, plant and equipment of $253 million, $180 million and $101 million, respectively. In 2018, Net cash used in investing activities was partially offset by Proceeds from the sale of assets and businesses, net of costs to sell of $27 million.

Financing Activities

Net cash used in financing activities was $232 million, $606 million and $665 million and primarily reflects Net transfers to BHC of $225 million, $593 million and $653 million during 2020, 2019 and 2018, respectively. For further details regarding Net transfers to BHC, see Note 3, "RELATED PARTIES" to our audited combined financial statements, which are included elsewhere in this prospectus.

Liquidity and Debt

Future Sources of Liquidity

We will not receive any proceeds from the sale of our common shares in this offering. All of the proceeds from this offering will be received by our parent company, BHC. Prior to the effectiveness of this registration

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statement of which this prospectus is a part, we are an indirect, wholly-owned subsidiary of BHC which owns the common shares being sold in this offering.

We participate and through the date that this registration statement is declared effective we will continue to participate, in BHC's cash management arrangements, and generally all of our excess cash is transferred to BHC periodically. Cash disbursements for operations and/or investing activities are funded as needed by BHC. Cash and cash equivalents as presented in this prospectus are amounts recorded on legal entities that are dedicated to Bausch + Lomb.

Our primary sources of liquidity following this offering will be our cash and cash equivalents, cash collected from customers, funds as available from the credit facilities as anticipated in this prospectus, and issuances of other long-term debt, additional equity and equity-linked securities not anticipated in this prospectus. We believe these sources will be sufficient to meet our current liquidity needs for the next twelve months.

While we believe our cash on hand, our operating cash flows and funds as available from the credit facilities as anticipated in this prospectus will be sufficient to support our future cash needs, we can provide no assurance that our liquidity and capital resources will meet future funding requirements. We expect that we will initially remain a restricted subsidiary under BHC's credit facilities and indentures, under which BHC had an aggregate amount of $22.6 billion in outstanding indebtedness as of September 30, 2021. Although neither we nor our subsidiaries will be guarantors of such debt, our status as a restricted subsidiary means that our ability to take certain actions upon completion of this offering, including the incurrence of debt, will be restricted by the terms of these credit facilities and indentures. We will remain a restricted subsidiary until BHC designates us as "unrestricted", which is expected to occur at or prior to the Distribution See "Risk Factors Risks Relating to the Separation and Our Relationship with BHC—We expect that we will initially remain a restricted subsidiary under certain of BHC's credit facilities and indentures upon completion of this offering and will be subject to various covenants under these facilities and indentures, which may adversely affect our operations." The global financial markets recently have undergone and may continue to experience significant volatility and disruption. The timing and sustainability of an economic recovery is uncertain and additional macroeconomic, business and financial disruptions may arise. As markets change, there can be no assurance that the challenging economic environment or a further economic downturn would not impact our liquidity or our ability to obtain future financing.

We will regularly evaluate market conditions, our liquidity profile, and various financing alternatives for opportunities to enhance our capital structure upon the completion of this offering. If opportunities are favorable, we may from time to time enter into new financing arrangements, refinance the credit facilities or repurchase debt, or issue additional equity and equity-linked securities. We believe our existing cash and cash generated from operations will be sufficient to service our current debt obligations in 2022.

Accounts Receivable

We regularly monitor our accounts receivable for collectability, particularly in markets where economic conditions remain uncertain. We believe that our allowance for doubtful accounts is appropriate. Our assessment is based on such factors as past due history, historical and expected collection patterns, the financial condition of our customers, the robust nature of our credit and collection practices and the economic environment.

Off-Balance Sheet Arrangements and Contractual Obligations

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

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Other Future Cash Requirements

Our other future cash requirements relate to working capital, capital expenditures, business development transactions (contingent consideration), restructuring and integration, benefit obligations and litigation settlements. In addition, we may use cash to enter into licensing arrangements and/or to make strategic acquisitions. We are considering further acquisition opportunities within our core therapeutic areas, some of which could be sizable.

In addition to our working capital requirements, as of September 30, 2021, we expect our primary cash requirements for the remainder of 2021 to include:

- *Capital expenditures*—We expect to make payments of approximately $70 million for property, plant and equipment for the remainder of 2021, and an aggregate of approximately $225 million in the near term (inclusive of the amount expected for the remainder of 2021);
- *Contingent consideration payments*—We expect to make contingent consideration and other development/approval/sales-based milestone payments of approximately $15 million for the remainder of 2021; and
- *Benefit obligations*—We expect to make aggregate payments under our pension and postretirement obligations of $4 million for the remainder of 2021. See Note 10, "PENSION AND POSTRETIREMENT EMPLOYEE BENEFIT PLANS" to our audited combined financial statements for further details of our benefit obligations.

Repay BHC Purchase Debt as Anticipated in this Prospectus

In connection with the consummation of this offering, Bausch + Lomb intends to incur approximately $ million of principal indebtedness, consisting of term loans and to enter into a $ million revolving credit facility (expected to be undrawn at closing) (collectively the "Credit Facilities"). In addition to the future cash requirements above, in connection with the completion of this offering we intend to use the proceeds of such indebtedness to repay the BHC Purchase Debt. Until the effectiveness of the registration statement of which this prospectus is a part, Bausch + Lomb will continue to be a wholly-owned subsidiary of BHC, which indirectly owns the common shares being sold in this offering. We will not receive any proceeds from the sale of the common shares in this offering. All of the proceeds from this offering will be received by a wholly-owned subsidiary of Bausch + Lomb's parent company, BHC.

Restructuring, Integration and Separation Costs

The Business evaluates opportunities to improve its operating results and implements cost savings programs to streamline its operations and eliminate redundant processes and expenses. Restructuring and integration costs primarily consist of costs associated with the implementation of cost savings programs to streamline operations and eliminate redundant processes and expenses. The expenses associated with the implementation of these cost savings programs include expenses associated with: (i) reducing headcount, (ii) eliminating real estate costs associated with unused or under-utilized facilities and (iii) implementing contribution margin improvement and other cost reduction initiatives. Although a specific plan does not exist at this time, the Business may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

In connection with the Separation, we will incur costs associated with activities taken to: (i) separate the Bausch + Lomb business from the remainder of BHC and (ii) register the Bausch + Lomb business as an independent publicly traded entity and these costs could be material. During 2022 and until the proposed Separation is completed, if completed, in addition to amounts paid for internal costs incurred in preparing for the separation of Bausch + Lomb from the remainder of BHC, we anticipate making cash payments for third-party

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costs. These third-party costs include amounts for, but not limited to; legal, consulting, accounting, IT infrastructure and certain other administrative services. While we have begun executing on our plan for the Separation, these payments cannot be reasonably estimated at this time and could be material.

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

Future Litigation

In the ordinary course of business, the Business is involved in litigation, claims, government inquiries, investigations, charges and proceedings. See Note 18, "LEGAL PROCEEDINGS" to our audited combined financial statements for further details of these matters. Our ability to successfully defend the Business against pending and future litigation may impact cash flows.

Future Licensing Payments

In the ordinary course of business, we may enter into select licensing and collaborative agreements for the commercialization and/or development of unique products primarily in the U.S. and Canada. In connection with these agreements, the Business may pay an upfront fee to secure the agreement. See Note 19, "COMMITMENTS AND CONTINGENCIES" and Note 5, "FAIR VALUE MEASUREMENTS" to our audited combined financial statements for further details related to these contingent payments.

Quantitative and Qualitative Disclosures About Market Risk

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

Foreign Currency Risk

In the year ended December 31, 2020, a majority of our revenue and expense activities and capital expenditures were denominated in U.S. dollars. We have exposure to multiple foreign currencies, including, among others, the Euro, Chinese yuan and Japanese yen. Our operations are subject to risks inherent in conducting business abroad, including price and currency exchange controls and fluctuations in the relative values of currencies. In addition, to the extent that we require, as a source of debt repayment, earnings and cash flows from some of our operations located in foreign countries, we are subject to risk of changes in the value of the U.S. dollar, relative to all other currencies in which we operate, which may materially affect our results of operations. Where possible, we manage foreign currency risk by managing same currency revenues in relation to same currency expenses. Further strengthening of the U.S. dollar and/or further devaluation of foreign currencies will have a negative impact on our reported revenue and reported results. As of December 31, 2020, a 1% change in foreign currency exchange rates would have impacted our shareholders' equity by approximately $33 million.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those policies and estimates that are most important and material to the preparation of our combined financial statements, and which require management's most

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

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance on recognizing revenue from contracts with customers. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying the revenue model to contracts within its scope, an entity will: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation. In addition to these provisions, the new standard provides implementation guidance on several other topics, including the accounting for certain revenue-related costs, as well as enhanced disclosure requirements. The new guidance requires entities to disclose both quantitative and qualitative information that enables users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Business adopted this guidance effective January 1, 2018 using the modified retrospective approach Based upon review of customer contracts, the Business concluded the implementation of the new guidance did not have a material quantitative impact on its 2018 Combined Financial Statements as the timing of revenue recognition for product sales did not significantly change. The new guidance did however result in additional disclosures as to the nature, amounts, and concentrations of revenue.

The development and application of the critical accounting policies associated with the current revenue recognition guidance, including the policies associated with each of our product sales provisions and the table showing the activity and ending balances for our product sales provisions, are discussed in more detail in Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our audited combined financial statements.

Other Revenues

We generate alliance revenue and service revenue from the licensing of products and from contract services. Contract service revenue is derived primarily from contract manufacturing for third parties.

Intangible Assets

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

- an adverse change in legal factors or in the business climate that could affect the value of an asset. For example, a successful challenge of our patent rights resulting in earlier than expected generic competition;
- an adverse change in the extent or manner in which an asset is used or is expected to be used. For example, a decision not to pursue a product line-extension strategy to enhance an existing product due to changes in market conditions and/or technological advances; or

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- current or forecasted reductions in revenue, operating income, or cash flows associated with the use of an asset. For example, the introduction of a competing product that results in a significant loss of market share.

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

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

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

Goodwill

Goodwill is recorded with the acquisition of a business and is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. A substantial portion of goodwill allocated to the Business is specific to the 2013 acquisition of the Business by BHC and has been allocated based on BHC's historical cost. Other goodwill amounts relate to other acquisitions by the Business. If a historical BHC acquisition contributed to both the Business and other BHC businesses, goodwill from the acquisition, based on BHC's historical cost, was allocated to the Business based on a relative fair value basis. Goodwill is not amortized but is tested for impairment at least annually as of October 1st at the reporting unit level. Goodwill impairment is measured as the amount by which a reporting unit's carrying value exceeds its fair value. A reporting unit is the same as, or one level below, an operating segment. An entity is permitted to first assess qualitatively whether it is necessary to perform a quantitative impairment test for any of its reporting units. The quantitative impairment test is required only when the Business concludes that it is more likely than not that a reporting unit's fair value is less than its carrying amount. In evaluating whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Business considers the totality of all relevant events or circumstances that affect the fair value or carrying amount of a reporting unit.

The discounted cash flow method relies on assumptions regarding revenue growth rates, gross profit, projected working capital requirements, selling, general and administrative expenses, research and development expenses, business restructuring costs, capital expenditures, income tax rates, discount rates and terminal growth rates. To estimate fair value, the Business discounts the forecasted cash flows of each reporting unit. The discount rate the Business uses represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in its reporting unit operations and the rate of return a market participant

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would expect to earn. To estimate cash flows beyond the final year of its model, the Business estimates a terminal value by applying an in-perpetuity growth assumption and discount factor to determine the reporting unit's terminal value. The Business incorporates the present value of the resulting terminal value into its estimate of fair value.

The Business forecasted cash flows for each of its reporting units and took into consideration economic conditions and trends, estimated future operating results, management's and a market participant's view of growth rates and product lives, and anticipated future economic conditions. Revenue growth rates inherent in these forecasts were based on input from internal and external market research that compare factors such as growth in global economies, recent industry trends and product life-cycles. Macroeconomic factors such as changes in economies, changes in the competitive landscape including the unexpected loss of exclusivity to the Business' product portfolio, changes in government legislation, product life-cycles, industry consolidations and other changes beyond the Business' control could have a positive or negative impact on achieving its targets Accordingly, if market conditions deteriorate, or if the Business is unable to execute its strategies, it may be necessary to record impairment charges in the future.

Goodwill is not amortized but is tested for impairment at least annually on October 1st at the reporting unit level. A reporting unit is the same as, or one level below, an operating segment. The Business performs its annual impairment test by first assessing qualitative factors. Where the qualitative assessment suggests that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative fair value test is performed for that reporting unit (Step 1).

The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants The Business estimates the fair values of a reporting unit using a discounted cash flow model which utilizes Level 3 unobservable inputs The discounted cash flow model relies on assumptions regarding revenue growth rates, gross profit, projected working capital needs, selling, general and administrative expenses, research and development expenses, capital expenditures, income tax rates, discount rates and terminal growth rates. To estimate fair value, the Business discounts the forecasted cash flows of each reporting unit. The discount rate the Business uses represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in its reporting unit operations and the rate of return a market participant would expect to earn. The quantitative fair value test is performed utilizing long-term growth rates and discount rates applied to the estimated cash flows in estimation of fair value. To estimate cash flows beyond the final year of its model, the Business estimates a terminal value by applying an in-perpetuity growth assumption and discount factor to determine the reporting unit's terminal value.

January 1, 2018 Goodwill Impairment Test

The Business conducted quantitative fair value testing of goodwill for impairment as of January 1, 2018, the earliest available reporting date, utilizing a long-term growth rate of 3% and discount rates of 7.5% and 11.0%, in estimation of the fair value of its reporting units. Based on the quantitative fair value tests, the fair value of each reporting unit exceeded its carrying value by more than 35% and as a result there was no impairment to goodwill.

Annual Goodwill Impairment Tests

The Business conducted its annual goodwill impairment tests as of October 1, 2020, 2019 and 2018 by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In management's assessment, no qualitative factors were identified which suggested that it was more likely than not that the carrying amount of a reporting unit exceeded its fair value, and therefore there was no impairment to the goodwill of any reporting unit for the years 2020, 2019 and 2018. In addition, the Business has assessed the potential impact that the COVID-19 pandemic is likely to have on its forecasted cash flows. After completing this assessment, although not completely insulated from the negative effects of the COVID-19 pandemic, the Business believes that its long-term forecasted cash flows, as adjusted for

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the possible outcome of the COVID-19 pandemic and other matters, do not indicate that the fair value of any reporting unit may be below its carrying value.

As more fully discussed in Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our audited combined financial statements and Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our unaudited combined financial statements, the Business has assessed the potential impact that the COVID-19 pandemic is likely to have on its forecasted cash flows. In performing its assessment, the Business considered the possible effects and outcomes of the COVID-19 pandemic on, among other things, its supply chain, customers and distributors, employee base, product sustainability, research and development activities, product pipeline and consumer demand and related rebates and discounts and has made adjustments, although not considered to be material, to its long-term forecasts as of October 1, 2020 (the date goodwill was last tested for impairment) for these and other matters. After completing this assessment, although not completely insulated from the negative effects of the COVID 19 pandemic, the Business believes that its long-term forecasted cash flows, as adjusted for the possible outcome of the COVID-19 pandemic and other matters, do not indicate that the fair value of any reporting unit may be below its carrying value.

Second Quarter 2021 - Realignment of Segments

Bausch + Lomb has historically operated as part of BHC, reported under BHC's segment structure and historically the Chief Operating Decision Maker, ("CODM"), was the CODM of BHC. As the Business is transitioning into an independent, publicly traded company, BHC's CEO, who is the Business' CODM, evaluated how to view and measure the Business' performance. This evaluation necessitated a realignment of the Business' historical segment structure, and during the second quarter of 2021, Bausch + Lomb determined it is organized into three operating segments, which are also its reportable segments and reporting units. This realignment is consistent with how the CODM: (i) assesses operating performance on a regular basis, (ii) makes resource allocation decisions and (iii) designates responsibilities of his direct reports. Pursuant to these changes, effective in the second quarter of 2021, the Business operates in the following operating and reportable segments which are generally determined based on the decision-making structure of the Business and the grouping of similar products and services: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical.

This realignment in segment structure resulted in a change in the Business' former Bausch + Lomb reporting units, which are now divided between the: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical reporting units. As a result of this realignment, goodwill was reassigned to each of the aforementioned reporting units using a relative fair value approach.

Immediately prior to the change in reporting units, the Business performed a qualitative fair value assessment for its former Bausch + Lomb reporting units. Based on the qualitative fair value assessment performed, Management believed that it was more likely than not that the carrying value of its former Bausch + Lomb reporting units were less than their respective fair values and therefore, concluded a quantitative assessment was not required.

Immediately following the change in reporting units, as a result of the change in composition of the net assets for its current: (i) Vision Care/Consumer Health Care, (ii) Ophthalmic Pharmaceuticals and (iii) Surgical reporting units, the Business performed a quantitative fair value assessment. The quantitative fair value test utilized long-term growth rates of 2.0% and 3.0% and a range of discount rates between 7.0% and 10.0%, in estimation of the fair value of the reporting units. After completing the testing, the fair value of each of these reporting units exceeded its carrying value by more than 45%, and, therefore, there was no impairment to goodwill.

September 30, 2021 Interim Assessment of Goodwill

No events occurred or circumstances changed during the period April 1, 2021 (the last time goodwill was tested for all reporting units) through September 30, 2021 that would indicate that the fair value of any reporting

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unit might be below its carrying value. If market conditions deteriorate, if the factors and circumstances regarding the COVID-19 pandemic escalate beyond management's current expectations, or if the Business is unable to execute its strategies, it may be necessary to record impairment charges in the future.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our audited combined financial statements and Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim combined financial statements for further details.

Contingencies

In the normal course of business, we are subject to loss contingencies, such as claims and assessments arising from litigation and other legal proceedings, contractual indemnities, product and environmental liabilities and tax matters. Other than loss contingencies that are assumed in business combinations for which we can reliably estimate the fair value, we are required to accrue for such loss contingencies if it is probable that the outcome will be unfavorable and if the amount of the loss can be reasonably estimated. We evaluate our exposure to loss based on the progress of each contingency, experience in similar contingencies and consultation with our legal counsel. We re-evaluate all contingencies as additional information becomes available. Given the uncertainties inherent in complex litigation and other contingencies, these evaluations can involve significant judgment about future events. The ultimate outcome of any litigation or other contingency may be material to our results of operations, financial condition and cash flows. See Note 18, "LEGAL PROCEEDINGS" to our audited combined financial statements and Note 16, "LEGAL PROCEEDINGS" to our unaudited interim combined financial statements for further details regarding our current legal proceedings.

Income Taxes

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

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

Our income tax returns are subject to audit in various jurisdictions. Existing and future audits by, or other disputes with, tax authorities may not be resolved favorably for us and could have a material adverse effect on our reported effective tax rate and after-tax cash flows. We record liabilities for uncertain tax positions, which involve significant management judgment. New laws and new interpretations of laws and rulings by tax authorities may affect the liability for uncertain tax positions. Due to the subjectivity and complex nature of the

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underlying issues, actual payments or assessments may differ from our estimates. To the extent that our estimates differ from amounts eventually assessed and paid our income and cash flows may be materially and adversely affected.

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

New Accounting Standards

Information regarding the recently issued new accounting guidance (adopted and not adopted as of December 31, 2020 and as of September 30, 2021) is contained in Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our audited combined financial statements and Note 2, "SIGNIFICANT ACCOUNTING POLICIES" to our unaudited interim Combined Financial Statements, respectively.

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BUSINESS

This section discusses Bausch + Lomb's business assuming the completion of all of the transactions described in this prospectus, including the Separation.

Unless indicated otherwise, the information concerning the industries in which Bausch + Lomb participates contained in this prospectus is based on Bausch + Lomb's general knowledge of and expectations concerning the industry. Bausch + Lomb's position, share and industry size are based on estimates using publicly available information, Bausch + Lomb's internal data and estimates, based on data from various industry analyses, our internal research and adjustments and assumptions that we believe to be reasonable. In addition, Bausch + Lomb believes that data regarding the industry, market share and its position within such industry provide general guidance but are inherently imprecise and may be subject to differing interpretations. Further, while Bausch + Lomb is not aware of any misstatements regarding any such data, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings "Cautionary Statements Concerning Forward-Looking Statements" and "Risk Factors" in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates and assumptions.

Overview

Bausch + Lomb is a leading global eye health company dedicated to protecting and enhancing the gift of sight for millions of people around the world from the moment of birth through every phase of life Our mission is simple, yet powerful helping you see better, to live better

Our comprehensive portfolio of over 400 products is fully integrated and built to serve our customers across the full spectrum of their eye health needs throughout their lives. Our iconic brand is built on the deep trust and loyalty of our customers established over our nearly 170-year history. We have a significant global research, development, manufacturing and commercial footprint of approximately 12,500 employees and a presence in approximately 100 countries, extending our reach to billions of potential customers across the globe. We have long been associated with many of the most significant advances in eye health, and we believe we are well positioned to continue leading the advancement of eye health in the future.

Our iconic and enduring brands are among the most recognized and most trusted in the industry. Since our beginnings in 1853 as an optical goods shop in Rochester, New York, we have remained focused on advancing eye health for people all over the world. Among our many innovations over the years, we introduced the first optical glass in the United States, the lenses used on cameras to take the first satellite picture of the moon, and the first mass-produced soft contact lens in 1971. As part of our longstanding commitment to eye care professionals and the patients they serve, we invest in physician training, patient and customer education, disease prevention and other initiatives through both traditional and digital platforms to continue to advance eye health. As a result of this legacy, we believe our brand is synonymous with eye health among patients, consumers and professionals around the world.

Our brands are leaders within their respective segments and collectively represent a leading portfolio of trusted assets that we believe makes us the eye health brand of choice. With one of the broadest product portfolios in the market, we are designed to address numerous large, underserved and growing markets with significant commercial potential. Our widespread complementary portfolio spans vision care, consumer health care, ophthalmic pharmaceuticals and surgical. We have well-established lines of contact lenses, intraocular lenses ("IOL"), medical devices, surgical systems, vitamin and mineral supplements, lens care products, prescription eye-medications and over-the-counter ("OTC") eye health consumer products. We believe the breadth of our eye health portfolio is unmatched in the industry and uniquely positions us to compete in all areas of the eye health market.

Our global brand, scale and infrastructure enable us to sell our products and support our customers in eye health markets globally, and we are well-positioned to capitalize on this opportunity. Our footprint is bolstered

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by a global commercial team of approximately 4,000 employees. In addition, we have 23 facilities in 10 countries that support the quality, reliability and capacity needs of our global manufacturing operations, supply chain, customer service and technical support, and that we believe will facilitate the development and distribution of our pipeline products.

We have a long history of leading the eye health market with ground-breaking innovations. Our research and development ("R&D") personnel partner closely with our quality, manufacturing and commercial groups, and as a result of these collaborations, we have developed the world's first soft contact lens, introduced one of the first contact lens cleaning products, introduced the first silicone hydrogel contact lens and introduced a unique patent-protected ocular vitamin to the market. Since 2017, we have introduced more than 260 new products in approximately 60 countries. Our team of approximately 600 dedicated R&D employees is focused on advancing our pipeline and identifying new product opportunities that address unmet and evolving needs of eye care professionals, patients and consumers. Our culture of innovation engages our R&D, supply chain and commercial teams at every phase of product development, prioritizing customer needs and actively seeking external innovation to design, develop and advance creative, ethical eye health products across our portfolio, which allows us to address the changing needs of our consumers and patients. We believe we have a significant innovation opportunity today, with a substantial pipeline of over 100 projects in various stages of pre-clinical and clinical development, including new contact lenses, contact lenses to slow myopia progress in children, prescription medications for myopia, next-generation cataract equipment, premium IOLs, investigational treatments for dry-eye and preservative free formulations of a range of eye drops, among others, that are designed to grow our portfolio and accelerate future growth.

The markets in which we operate are large and growing. We estimate that the global eye health market was nearly $50 billion in revenue in 2019, which we believe will grow at a compounded annual growth rate of nearly 4% through 2025

	Global Market Revenue		
	2019	2025E	2019-2025E CAGR
	(in billions)		
Global Ophthalmic Pharmaceuticals	$25.7	$32.1	3.8%
Global Ophthalmic Surgical	8.4	11.3	5.0%
Global Vision Care	15.7	19.7	3.9%
	$49.8	**$63.2**	**4.0%**

- **Global ophthalmic pharmaceuticals** market size includes sales from products for the treatment of wet age-related macular degeneration ("AMD"), dry AMD, dry eye, glaucoma, diabetic macular edema ("DME"), conjunctivitis, ocular pain and inflammation, other corneal and external eye disorders, other retinal disorders, uveitis, and inherited retinal disorders, and other ophthalmology treatments.
- **Global ophthalmic surgical** market size includes sales from capital equipment, procedure fees, instruments and implantables.
- **Global vision care** market size includes sales from contact lenses, lens care solutions, and off-the-shelf eye care products, including sales from eye drops and eye vitamins

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Growing demand for eye health products is being driven by significant and durable tailwinds, including an aging global population, greater time spent in front of computer and mobile screens, the rapid growth of the middle class in emerging markets, increasing global prevalence of diabetes, significant unmet medical need, particularly with respect to myopia, dry eye and AMD, and greater patient and consumer awareness. As such, we believe that the global incidence of major eye conditions will grow at a compounded annual growth rate of approximately 3% from 2019 to 2025.

	Global Eye Conditions		
	2019	2025E	2019-2025E CAGR
	(in millions)		
Myopia + Hyperopia	3,373	4,355	4.4%
Presbyopia	2,067	2,358	2.2%
Cataract (60+ population)	1,018	1,215	3.0%
Retina	371	435	2.7%
Glaucoma	139	162	2.6%
Dry Eye	730	783	1.2%
	7,698	**9,308**	**3.2%**

In particular, we estimate that 2019 revenue for the global ophthalmic pharmaceuticals market was as follows:



We believe that we are uniquely positioned in the global eye health market, with a diverse and comprehensive portfolio and pipeline that address major categories of eye conditions.

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