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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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- Indicates targeted area 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 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.

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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.

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

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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®.

In addition to our vision care products described above, we also sell certain other products that our parent historically sold on an over-the-counter basis through our consumer health care operations. Because these products are distributed through our existing consumer channel, we will continue to sell these products. These include various consumer and vitamin products, such as Cinq Sur Cinq®, Antigrippin®, Sachol®, Cold-FX® and Shower to Shower®. These products collectively represented less than 5% of our revenues in 2020.

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 surgical vitreoretinal product portfolio. In

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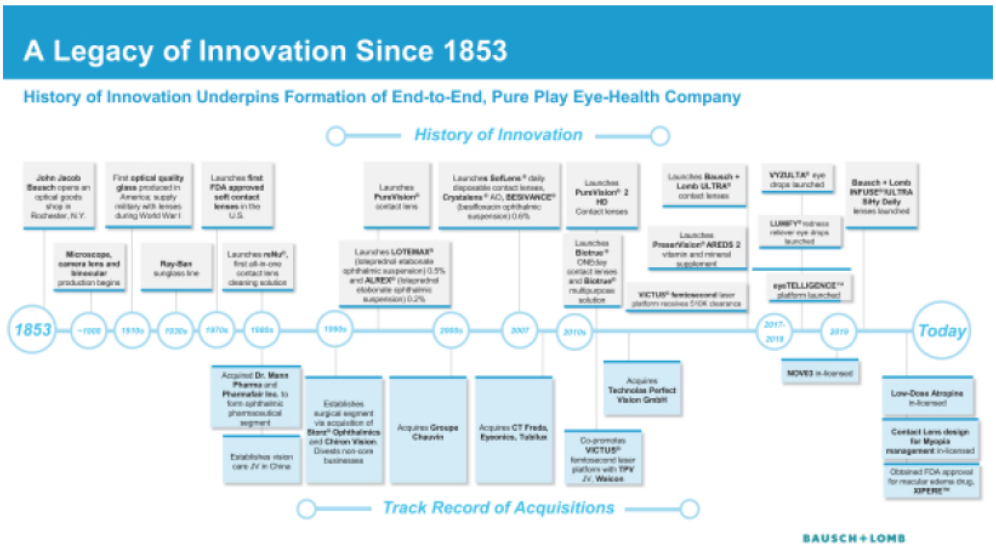
2017, the Company launched its next-generation phacoemulsification system, the Stellaris Elite® vision enhancement system for contact lens and retina surgery. The Company also received approval of VYZULTA® (latanoprostene bunod ophthalmic solution) 0.024%. In 2018, LUMIFY® the first OTC eye drop with 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 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,

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collectively, they represent a uniquely positioned portfolio of trusted assets with a 360°-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 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.

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- 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 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

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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.

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)

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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.

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.

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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.
- 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.

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- 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.

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.

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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.
- 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

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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.

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.

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- 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.
- 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.

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Research and 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. Our product development approach starts with the identification of key patient and customer needs with feedback from our deep relationships with physicians and optometrists, and involves all of the functional experts responsible for creating a solution from origination through commercial launch. This approach harnesses the cross-functional expertise of our R&D, quality, clinical, medical and regulatory affairs, supply chain and commercial representatives at every phase of product development. We believe our product development approach yields a more disciplined and efficient allocation of capital, reduced manufacturing complexity and optimizes time to market. Our commitment to advancing internal research and development programs over the last several years has resulted in one of the strongest product pipelines in the history of our company, with a significant number of recently launched products and a robust pipeline of products at various stages of development across our business from early concept to late stage development.

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 R&D effort is coordinated with approximately 600 engineers, scientists and other specialized personnel principally located at 23 sites in 10 countries.

We believe that our notable R&D expertise and ability to successfully navigate the approval processes for new products in markets around the world will contribute to our ongoing success and growth. In addition, we augment our in-house research efforts with externally-sourced innovations that allow us to gain access to unique products and investigational treatments. We believe that our singular focus on eye health combined with our global clinical and regulatory expertise make Bausch + Lomb an ideal choice for product development opportunities with external research and development partners. We plan to continually work with a global network of leading ophthalmic surgeons and key opinion leaders to ensure we have broad access to best-in-class technologies that we can develop, and ultimately commercialize globally.

Our R&D expenses for 2020, 2019 and 2018, were $253 million, $258 million and $221 million and as a percentage of revenue were approximately 7%, 7% and 6%, respectively. We continually monitor and rebalance our R&D portfolio to best align with long term strategic plans, and focus on the growth of our core businesses. Our investment in R&D reflects our commitment to drive organic growth through internal development of new products, a pillar of our growth strategy.

Sales and Marketing

We have an established global sales organization that sells our broad portfolio of products and services through direct sales forces and independent distributors depending on specific market and product needs. Our global business sells and distributes products in approximately 100 countries. Our footprint is bolstered by a global commercial team of approximately 4,000 employees.

In the United States, we have approximately 800 employees on our commercial team dedicated to our efforts to sell and market contact lens, lens care, consumer eye health, surgical, and prescription pharmaceutical products, which are sold through wholesalers, retailers, and eye care professional practices.

Our international commercial footprint is represented through approximately 3,200 employees on our commercial team as well as the strong network of distribution partners. In Asia, we have strong commercial teams in China, Japan, India, Korea and other established markets, and through our distribution partners, we have access to customers in key emerging markets in the region as well. Our commercial footprint is also well established in the EU, UK, Canada, Russia and Turkey, among others. In Latin America, we have a direct

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presence in Mexico, Brazil, and Argentina, and use a combination of direct presence and distribution partnerships in other markets of the region Our commercial approach in the Middle East and Africa is defined by a strong partnership between our commercial teams on the ground and local distribution partners.

Our sales effort allows us to deliver the full suite of Bausch + Lomb products to key clinician decision makers, recognize cross-selling opportunities for key products from other product categories and impact consumer purchasing decisions.

- Our sales representatives within the global consumer products and global vision care business categories are focused on promoting and selling our products to large and mid-sized retailers, pharmacies and eye care professionals as well as optimizing and expanding our shelf presence at retailers.
- Our sales representatives within the ophthalmic pharmaceuticals business category are focused on promoting and selling our products to wholesalers, large retailers, eye care professionals, independent pharmacies and hospitals
- Our sales representatives within the global surgical business category are focused on selling products and equipment to eye care professionals, physicians, including ophthalmic surgeons, hospitals and ambulatory surgery centers.

We reinforce our sales efforts and continue to drive demand and awareness of our brands and the clinical benefits of our products through multiple initiatives to both eye care professionals and consumers. These initiatives include the sponsorship of various industry congresses and symposia throughout the world. We also conduct training programs to provide eye care professionals with the latest information concerning clinical experience with our products. We provide and sponsor eye health education and programs for consumers. We continually seek input from eye care professionals through medical and scientific advisory boards to help us refresh and update all of these initiatives as well as to create new opportunities to provide our customers with the necessary resources to use our products safely and effectively.

No single customer accounted for 10% or more of our total revenue for 2020, 2019 or 2018.

Manufacturing and Supply

We manufacture the significant majority of our products at 23 manufacturing facilities in 10 countries worldwide, including the United States, Ireland, China, Germany, France and Italy, with the remainder of our production assigned to high quality third-party manufacturers. Our manufacturing facilities are generally organized based on product categories and tend to be specifically focused on manufacturing either pharmaceuticals, contact lenses, solutions or surgical devices due to the unique differences in regulatory requirements and technical skills required for the different product categories. Our manufacturing sites are clustered by business unit reporting and technology mapping. This organizational construct provides tight managerial control while permitting a strong focus on a limited set of technologies per business unit. We believe that our manufacturing facilities and relationships will support our potential capacity needs for the foreseeable future.

In addition, we have recently made and continue to make strategic investments in certain facilities, which manufactures our innovative and cost-effective contact lenses, the most significant of which are at two contact lens manufacturing facilities in Waterford, Ireland, and Rochester, New York, as well as at our Lynchburg, Virginia facility, which mainly manufactures and distributes out contact lens solution products.

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. Constructions of 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.

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To further help us meet the anticipated demand of our contact lenses, in 2020 we initiated an expansion of our Lynchburg distribution center The new facility will 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 in the United States. This expansion program is expected to be completed in the first half of 2022.

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. The upgrade increased production capacity in support of our Bausch + Lomb ULTRA® and SiHy Daily AQUALOX™ product lines and better supports the production of our other well-established contact lenses, such as our PureVision®, PureVision®2 (SVS, Toric, and Multifocal) and SofLens® 38.

To meet the forecasted 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. The emphasis of the expansion project was 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. 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 and our eye health business.

Our goal for manufacturing and supply is to deliver high quality products via reliable controls and robust processes. We are continuously working on improvement projects to optimize our manufacturing processes and reduce our product costs, resulting in better profitability and cash flow. Our strategic priorities include distinguishing Bausch + Lomb as a high quality producer, delivering service in excess of customer expectations, launching new products promptly and in full, achieving strategic and annual cost reductions, reducing manufacturing complexity, and designing a robust and competitive plant network.

As a result of our efforts, we are building a solid track record in quality compliance and a consistent record of performance in more efficient delivery and less wasteful production. Our manufacturing team has developed a strong partnership with our R&D team to design products that can be manufactured throughout a product's life cycle.

In the normal course of business, our products, devices and facilities are the subject of ongoing oversight and review, by regulatory and governmental agencies, including general, for cause and pre-approval inspections by the relevant competent authorities where we have business operations, including the FDA. Currently, all of our global operations and facilities have the relevant operational certificates. Through the date of this filing, the Company's operating sites are in good compliance standing, and all sites under FDA jurisdiction are rated as either No Action Indicated (where there was no Form 483 observation) or Voluntary Action Indicated (VAI) (where there was a Form 483 with one or more observations). In the case of VAI inspection outcomes, the FDA has accepted our responses to the issues cited in the Form 483, which will be verified when the agency makes its next inspection of those specific facilities. A Form 483 is issued at the end of each inspection when FDA investigators have observed any condition that in their judgment may constitute violations of current good manufacturing practice.

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We use a diverse and broad range of raw materials in manufacturing our products We purchase the materials and components for each of our product categories from a wide variety of suppliers. In order to manage any single-sourced suppliers we maintain sufficient inventory consistent with good practice and production lead-times. We believe that the loss of any one supplier would not adversely affect our business to a significant extent. To date, we have not experienced any significant difficulty in locating and obtaining the materials necessary to fulfill our production requirements.

Some of our products are provided by suppliers under a private label distribution agreement. Under these agreements, the supplier generally retains the intellectual property and exclusive manufacturing rights. The supplier private labels the products under the Bausch + Lomb brand for sale in certain fields of use and geographic territories. These agreements may be subject to minimum purchase or sales obligations. Our private label distribution agreements do not, individually or in the aggregate, represent a material portion of our business and we are not substantially dependent on them

We also subcontract the manufacturing of certain of our products, including products manufactured under the rights acquired or licensed from other pharmaceutical companies. Products representing approximately 20% of our revenues for 2020 are produced in total, or in part, by third-party manufacturers under manufacturing arrangements.

In some cases, the principal raw materials, including active pharmaceutical ingredient, used by us (or our third-party manufacturers) for our various products are purchased in the open market or are otherwise available from several sources. However, some of the active pharmaceutical ingredients and other raw materials used in our products and some of the finished products themselves are currently only available from a single source; or others may in the future become available from only one source. For example, with respect to some of our largest or most significant products, the supply of the finished product for LUMIFY®, VYZULTA®, SofLens®, Ocuvite®, PreserVision®, renu®, and PureVision® products are only available from a single source and the supply of active pharmaceutical ingredient for each of our VYZULTA® product is also only available from a single source. Any disruption in the supply of any such single-sourced active pharmaceutical ingredient, other raw material or finished product or an increase in the cost of such materials or products could adversely impact our ability to manufacture or sell such products, the ability of our third-party manufacturers to supply us with such products, or our profitability. We attempt to manage the risks associated with reliance on single sources of active pharmaceutical ingredient, other raw materials or finished products by carrying additional inventories or, where possible, developing second sources of supply. See “Risk Factors” of this prospectus for additional information on the risks associated with our manufacturing arrangements.

Trademarks, Patents and Proprietary Rights

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. We rely on a combination of contractual provisions, confidentiality policies and procedures and patent, trademark, copyright and trade secrecy laws to protect certain proprietary aspects of our technology and business. These legal measures afford limited protection and may not prevent our competitors from gaining access to our intellectual property and proprietary information. Our policy is to vigorously protect, enforce and defend our intellectual property and proprietary rights, as appropriate. Our commercial success will also depend in part on not infringing, misappropriating or otherwise violating the intellectual or proprietary rights of third parties. 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. See “Risk Factors” of this prospectus for additional information on the risks associated with our intellectual property and proprietary rights.

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Trademarks

We believe that trademark protection is an important part of establishing product and brand recognition. We own or license a number of registered trademarks and trademark applications in the United States, Canada and in various other countries throughout the world. U.S. federal registrations for trademarks remain in force for 10 years and may be renewed every 10 years after issuance, provided the mark is still being used in commerce. Trademark registrations in Canada issued on or before June 17, 2019 remain in force for 15 years and may be renewed for 10-year terms, provided that, as in the case of U.S. federal trademark registrations, the mark is still being used in commerce. Trademark registrations in Canada issued after June 17, 2019 remain in force for 10 years and may be renewed every 10 years after issuance, provided that, as in the case of U.S. federal trademark registrations, the mark is still being used in commerce. Other countries generally have similar but varying terms and renewal policies with respect to trademarks registered in those countries.

Data and Patent Exclusivity

For certain of our products, we rely on a combination of regulatory and patent rights to protect the value of our investment in the development of these products.

As of January 1, 2022, we own or exclusively license approximately 1,950 granted patents throughout the world, approximately 380 of which are U.S. patents. Of our issued patents, approximately 70% will expire within the next 10 years and the remaining approximately 30% will expire thereafter. Within the next three years, the following number of U.S. patents held by us is set to expire: approximately 25 patents in 2022, approximately 20 patents in 2023 and approximately 20 patents in 2024. The expiration of these patents is not expected to have a material adverse effect on our business. We currently have approximately 90 pending U.S. patent applications.

A patent is the grant of a property right which allows its holder to exclude others from, among other things, selling the subject invention in, or importing such invention into, the jurisdiction that granted the patent. In the United States, Canada and the European Union (EU), generally patents expire 20 years from the date of application. We have obtained, acquired or in-licensed a number of patents and patent applications covering key aspects of certain of our principal products. In the aggregate, our patents are of material importance to our business taken as a whole.

In the United States, the Hatch-Waxman Act provides non-patent regulatory exclusivity for five years from the date of the first FDA approval of a new drug compound in a NDA. The FDA, with one exception, is prohibited during those five years from accepting for filing a generic, or Abbreviated New Drug Application (ANDA), that references the NDA. In reference to the foregoing exception, if a patent is indexed in the FDA Orange Book for the new drug compound, a generic may file an ANDA four years from the NDA approval date if it also files a Paragraph IV Certification with the FDA challenging the patent. Protection under the Hatch-Waxman Act will not prevent the filing or approval of another NDA. However, the NDA applicant would be required to conduct its own pre-clinical trials and adequate and well-controlled clinical trials to independently demonstrate safety and effectiveness.

A similar data exclusivity scheme exists in the EU, whereby only the pioneer drug company can use data obtained at the pioneer's expense for up to eight years from the date of the first approval of a drug by the European Medicines Agency (EMA) and no generic drug can be marketed for ten years from the approval of the innovator product. Under both the United States and the EU data exclusivity programs, products without patent protection can be marketed by others so long as they repeat the clinical trials necessary to show safety and efficacy.

In the United States, the Biologics Price Competition and Innovation Act (BPCIA) allows companies to seek FDA approval to manufacture and sell biosimilar or interchangeable versions of brand name biological products. Due to the size and complexity of biological products, as compared to small molecule drugs, a biosimilar must be "highly similar" to the reference product with "no clinically meaningful differences" in safety,

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purity and potency between the two. The BPCIA provides reference product sponsors with 12 years (with potential for six additional months of pediatric exclusivity) of market exclusivity, but unlike the Hatch-Waxman Act which covers small molecules, it does not require reference product sponsors to list patents in an Orange Book equivalent and does not include an automatic 30-month stay of FDA approval upon the timely filing of a lawsuit. The BPCIA, however, does provide pre-litigation procedures for the parties to follow, including identification of relevant patents and each party's basis for infringement and invalidity. A biosimilar patent application cannot be filed until four years after the reference product is first licensed and a biosimilar cannot be launched, at the earliest (assumes no patent litigation or an adverse decision on all patents), until the expiration of the twelve years of data exclusivity from the approval of the reference product.

Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a disease or condition that affects populations of fewer than 200,000 individuals in the United States or a disease whose incidence rates number more than 200,000 where the sponsor establishes that it does not realistically anticipate that its product sales will be sufficient to recover its costs. The sponsor that obtains the first marketing approval for a designated orphan drug for a given rare disease is eligible to receive marketing exclusivity for use of that drug for the orphan indication for a period of seven years.

In Canada, the Patented Medicines (Notice of Compliance) Regulations (PM(NOC) Regulations) create a regime analogous to the U.S. Hatch-Waxman Act, and link the regulatory approval process for generic and biosimilar drugs to the adjudication of innovator patent rights. To be eligible for protection under the PM(NOC) Regulations, patents must first be listed on the Patent Register in connection with an innovator's drug submission to Health Canada. A generic or biosimilar manufacturer must then provide notice to the innovator of its plans to market a drug that it compared to the innovator's patented drug in the Health Canada approval process. Within 45 days of receiving such a notice of allegation, an innovator drug company may commence patent infringement proceedings against the generic or biosimilar manufacturer. The commencement of an action by the innovator under the PM(NOC) Regulations may stay Health Canada's regulatory approval of the generic or biosimilar drug for a period of 24 months.

Canada also employs a data exclusivity regime for innovative drugs that provides an eight-year period of data protection from the date of market approval by Health Canada. An additional six months of data exclusivity is provided for drugs studied in clinical trials relating to use in pediatric populations. Drug submissions seeking approval based on a comparison to an innovative drug cannot be filed during the first six years of the data exclusivity period. Generic or biosimilar drug submissions remain on hold until expiry of the innovator's data protection term, unless the innovative product is a patented drug subject to further protection under the PM(NOC) Regulations. Canada has no distinct drug submission process for biosimilar or orphan drug products.

Proprietary Know-How

We also rely upon unpatented proprietary know-how, trade secrets and technological innovation in the development and manufacture of many of our principal products. However, the foregoing rights, technologies and information are difficult to protect. We seek to protect our proprietary rights through a variety of methods, including confidentiality and non-disclosure agreements and proprietary information agreements with vendors, employees, consultants and others who may have access to proprietary information.

These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. 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, In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

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Government Regulations

Government authorities in the United States, at the federal, state and local level, in Canada, in the EU and in other countries extensively regulate, among other things, the research, development, testing, approval, clearance, manufacturing, labeling, post-approval monitoring and reporting, packaging, advertising and promotion, storage, distribution, marketing and export and import of pharmaceutical products and medical devices. As such, our products and product candidates are subject to extensive regulation both before and after approval. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with these regulations could result in, among other things, warning letters, civil penalties, delays in approving or refusal to approve a product candidate, product recall, product seizure, interruption of production, operating restrictions, suspension or withdrawal of product approval, injunctions or criminal prosecution.

Prior to human use, FDA approval (drugs (in the form of an NDA or ANDA for generic equivalents), biologics (in the form of a Biologics License Application (BLA)) and some medical devices) or premarket approval or marketing clearance (other devices) must be obtained in the United States, approval by Health Canada must be obtained in Canada, EMA approval (drugs) or a CE Marking (devices) must be obtained for countries that are part of the EU and approval must be obtained from comparable agencies in other countries prior to manufacturing or marketing new pharmaceutical products or medical devices. Generally, preclinical studies and clinical trials of the products must first be conducted and the results submitted to the applicable regulatory agency (such as the FDA) for approval.

Regulation by other federal agencies, such as the Drug Enforcement Administration ("DEA"), and state and local authorities in the United States, and by comparable agencies in certain foreign countries, is also required. In the United States, the Federal Trade Commission (the FTC), the FDA and state and local authorities regulate the advertising of medical devices, prescription drugs, OTC drugs and cosmetics. The Federal Food, Drug and Cosmetic Act, as amended and the regulations promulgated thereunder, and other federal and state statutes and regulations, govern, among other things, the testing, manufacture, safety, effectiveness, labeling, storage, record keeping, approval, sale, distribution, advertising and promotion of our products.

Manufacturers of pharmaceutical products and medical devices are required to comply with manufacturing regulations, including current good manufacturing practices and quality system management requirements, enforced by the FDA and Health Canada, in the United States and Canada respectively, and similar regulations enforced by regulatory agencies in other countries and we face periodic audits of our facilities and plants and those of our contract manufacturers by the FDA and such other regulatory agencies. In addition, we are subject to price control restrictions on our pharmaceutical products in many countries in which we operate.

We are also subject to extensive U.S. federal and state health care marketing and fraud and abuse regulations, such as the federal False Claims Act, federal and provincial marketing regulation in Canada and similar regulations in foreign countries in which we may conduct our business. The federal False Claims Act imposes civil and criminal liability on individuals or entities who submit (or cause the submission of) false or fraudulent claims for payment to the government. The U.S. federal Anti-Kickback Statute prohibits persons or entities from knowingly and willfully soliciting, receiving, offering or providing remuneration, directly or indirectly, to induce either the referral of an individual, or the furnishing, recommending, or arranging for a good or service, for which payment may be made under a federal or state health care program such as the Medicare and Medicaid programs. Some state anti-kickback laws also prohibit such conduct where commercial insurance, rather than federal or state, programs are involved. Due to recent legislative changes, violations of the U.S. federal Anti-Kickback Statute also carry potential federal False Claims Act liability. In addition, in the United States and Canada, companies may not promote drugs or medical devices for "off-label" uses—that is, uses that are not described in the product's labeling and that differ from those that were approved or cleared by the FDA or Health Canada, respectively—and "off-label promotion" in the United States has also formed the predicate for False Claims Act liability resulting in significant financial settlements. These and other laws and regulations,

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rules and policies may significantly impact the manner in which we are permitted to market our products. If our operations are found to be in violation of any of these laws, regulations, rules or policies or any other law or governmental regulation, or if interpretations of the foregoing change, we may be subject to civil and criminal penalties, damages, fines, exclusion from the Medicare and Medicaid programs and the curtailment or restructuring of our operations.

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, but not limited to, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HIPAA). HIPAA mandates, among other things, the adoption of uniform standards for the electronic exchange of information in common health care transactions (e g , health care claims information and plan eligibility, referral certification and authorization, claims status, plan enrollment, coordination of benefits and related information), as well as standards relating to the privacy and security of individually identifiable health information. These standards require the adoption of administrative, physical and technical safeguards to protect such information. Many states in 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 (CCPA), which went into effect on January 1, 2020, imposes stringent data privacy and security requirements and obligations with respect to the personal information of California residents, including, among other things, new disclosures to California consumers and providing such consumers new data protection and privacy rights, including the ability to opt out of certain sales of personal information The CCPA 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 CCPA has been amended from time to time, and, further a new privacy law, the California Privacy Rights Act (CPRA) was approved by California voters in the November 3, 2020 election. Effective starting January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. It remains unclear how various provisions of the CCPA and CPRA will be interpreted and enforced, and multiple states have enacted or are expected to enact similar laws. The effects on our business of the CCPA, CPRA and other similar state laws are potentially significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. 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.

Additionally, some statutory requirements, both in the United States and abroad, include obligations for companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or our service providers. For example, laws in all 50 U.S. states require businesses to provide notice to customers whose personal data has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements.

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, in the European Economic Area (the EEA), the collection and use of personal data, including clinical trial data, is governed by the provisions of the General Data Protection Regulation (GDPR). The GDPR became effective on May 25, 2018, repealing its predecessor directive and increasing responsibility and liability of companies in relation to the processing of personal data of EU data subjects. The GDPR, together with national legislation, regulations and guidelines of

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the EU member states and the United Kingdom 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. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of the individuals to whom the personal data relates, the transfer of personal data out of the EEA, security breach notifications and the security and confidentiality of personal data. In July 2020, the Court of Justice of the European Union issued a decision that struck down the EU-U.S. Privacy Shield framework, which provided companies with a mechanism to comply with data protection requirements when transferring personal data from the EU to the United States and additionally called into question the validity of the European Commission's Standard Contractual Clauses, on which U.S. companies rely to transfer personal data from Europe to the United States and elsewhere. In September 2020, the Swiss Federal Data Protection and Information Commissioner issued an opinion that stated it no longer considers the Swiss-U.S. Privacy Shield adequate for the purposes of personal data transfers from Switzerland to the United States. These developments may result in European data protection regulators applying differing standards for, and requiring ad hoc verification of, transfers of personal data from Europe to the United States. 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 EEA or United Kingdom. Guidance on implementation and compliance practices is often updated or otherwise revised.

Further, following the United Kingdom's withdrawal from the EU and the EEA, and the expiry of the transition period, companies have to comply with both the GDPR and the GDPR as incorporated into the United Kingdom national law, the Data Protection Act of 2018, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, for example around how data can lawfully be transferred between each jurisdiction, which exposes us to further compliance risk. Beginning in 2021, the United Kingdom is a "third country" under the GDPR. We may incur liabilities, expenses, costs and other operational losses under the GDPR and privacy laws of the applicable EU and EEA Member States and the United Kingdom in connection with any measures we take to comply with them.

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.

Successful commercialization of our products may depend, in part, on the availability of governmental and third-party payor reimbursement for the cost of our products. Third-party payors may include government health administration authorities, private health insurers and other organizations. In the United States, the EU and other significant or potentially significant markets for our products and product candidates, government authorities and third-party payors are increasingly attempting to limit or regulate the price of medical products and services, which has resulted in lower average realized prices. In the United States, these pressures can arise from rules and practices of managed care groups, judicial decisions and governmental laws and regulations related to Medicare,

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Medicaid and health care reform, pharmaceutical reimbursement policies and pricing in general In particular, sales of our products may be subject to discounts from list price and rebate obligations, as well as formulary coverage decisions impacting or limiting the types of patients for whom coverage will be provided. Various U.S. health care and other laws regulate our interactions with government agencies, private insurance companies and other third-party payors regarding coverage and reimbursement for our products. Failure to comply with these laws could subject us to civil, criminal and administrative sanctions. In countries outside the United States, the success of our products may depend, at least in part, on obtaining and maintaining government reimbursement because, in many countries, patients are unlikely to use prescription drugs that are not reimbursed by their governments. In addition, negotiating prices with certain governmental authorities for newly developed products can delay commercialization. In Canada and many international markets, governments control the prices of prescription pharmaceuticals, including through the implementation of reference pricing, price cuts, rebates, revenue-related taxes, tenders and profit control, and they expect prices of prescription pharmaceuticals to decline over the life of the product or as volumes increase.

See "Risk Factors" of this prospectus for additional information on the risks associated with these regulations and related matters.

Environmental and Other Regulation

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, such 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.

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. See "Risk Factors" of this prospectus for additional information.

Competition

Our competitors include specialty and other large pharmaceutical companies, medical device companies, biotechnology companies, OTC companies and generic manufacturers, in the United States, Canada, Europe, Asia, Latin America, Middle East, Africa and in other countries in which we market our products. The market for Bausch + Lomb products is very competitive, both across product categories and geographies. In addition to larger diversified pharmaceutical and medical device companies, we face competition in the eye health market from mid-size and smaller, regional and entrepreneurial companies with fewer products in niche areas or regions.

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Our sole focus on eye health with one of the most comprehensive portfolios in the industry enables us to reach a broader set of customers through coordinated delivery of solutions across the pharmaceutical, vision, and surgical product lines. Our major competitors include:

- in the vision care/consumer health care business unit: Allergan; Alcon; CooperVision; JNJ Vision; Santen Incorporated; and Vistakon, Inc.; and
- in the pharmaceuticals business unit: Allergan, Inc.; Novartis AG; Pfizer Inc.; Roche; Santen Incorporated; and Laboratoires Théa S.A., Aerie Pharmaceuticals; and
- in the surgical business unit: Alcon; AMO; and Carl Zeiss.

We sell a broad range of products, and competitive factors vary by product line and geographic area in which the products are sold. The principal methods of competition for our products include quality, efficacy, market acceptance, price, and marketing and promotional efforts.

See "Risk Factors" of this prospectus for additional information on our competition risks.

Our Facilities

We own and lease a number of important properties. Our headquarters are located in Vaughan, Ontario. We own several manufacturing facilities throughout the United States. We also own or have an interest in manufacturing plants or other properties outside the United States, including in Canada, Mexico, and certain countries in Europe, North Africa, Asia and South America.

We consider our facilities to be in satisfactory condition and suitable for their intended use, although some limited investments to improve our manufacturing and other related facilities are contemplated, based on the needs and requirements of our business. Our administrative, marketing, research/laboratory, distribution and warehousing facilities are located in various parts of the world. We co-locate our R&D activities with our manufacturing at the plant level in a number of facilities. Our scientists, engineers, quality assurance/quality control professionals and manufacturing technicians work side-by-side in designing and manufacturing products that fit the needs and requirements of our customers, regulators and business units. We believe that we have sufficient facilities to conduct our operations during 2021. The following are our principal properties:

Location	Purpose	Owned or Leased	Approximate Square Footage
Corporate & Administration			
Vaughan, Ontario, Canada	Corporate headquarters, R&D and warehouse facility	Owned	338,000
Bridgewater, New Jersey	Administration	Leased	310,000
Bausch + Lomb			
Rochester, New York	Offices, R&D and manufacturing facility	Owned	953,000
San Juan del Rio, Mexico	Offices and manufacturing facility	Owned	853,000
Jelenia Gora, Poland	Offices, R&D, manufacturing and warehouse facility	Owned	521,000
Waterford, Ireland	R&D and manufacturing facility	Owned	500,000
Woodruff, South Carolina	Distribution facility	Leased	432,000
Jinan, China	Offices and manufacturing facility	Owned	418,000
Rzeszow, Poland	Offices, R&D, manufacturing and warehouse facility	Owned	380,000
Berlin, Germany	Manufacturing, distribution and office facility	Owned	339,000
Greenville, South Carolina	Manufacturing and distribution facility	Owned	314,000
Steinbach, Canada	Manufacturing facility	Owned	241,000
Chattanooga, Tennessee	Distribution facility	Leased	240,000
Aubenas, France	Offices, manufacturing and warehouse facility	Owned	148,000
Macherio, Italy	Offices, R&D, manufacturing and warehouse facility	Owned	119,000
Beijing, China	Manufacturing	Owned	97,000

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Human Capital Resources

As of December 31, 2021, BHC had approximately 19,600 employees located around the world. There are approximately 12,500 employees who are either part of the Bausch + Lomb Business in sales and marketing roles or are in production, R&D, or general and administrative positions primarily supporting the Bausch + Lomb Business.

Collective bargaining exists for some employees in several countries. BHC considers relations with employees to be good and have not experienced any work stoppages, slowdowns or other serious labor problems that have materially impeded business operations. During fiscal 2021, BHC did not experience any significant business disruption as a result of employee turnover.

Health, Safety and Wellness

Employees' health, safety, and wellness are important to us. With the COVID-19 outbreak, a focus by BHC in 2021 was continuing to protect the health and safety of employees and their families. Existing remote work policies were broadened in 2020 to enable global employees to work from home wherever possible. In circumstances where remote work was not possible (such as at manufacturing and distribution facilities) safety measures were implemented in 2020 to ensure the spread of COVID-19 was prevented in the workplace, such as mandatory face coverings, social distancing, hand hygiene, plexiglass barriers, limited face-to-face meetings and other procedures as prescribed by global public health organizations, such as the WHO and U.S. Centers for Disease Control and Prevention.

In recognizing that physical, emotional and financial wellbeing are significant contributors to employees' success at work and home, we support employees in all aspects of their everyday life by centering programs and activities around these three pillars of wellbeing. Across each of these pillars, a range of resources are offered to help employees be healthy and feel successful in both their professional and personal lives, including through employee assistance programs.

Following the Separation, our focus will continue to be on our employees' health, safety and wellness and we intend to continue to enhance and implement policies and procedures to foster and support our employees.

Diversity and Inclusion

We are dedicated to fostering an inclusive work environment where everyone feels welcomed, supported and valued for their talents and contributions. The Bausch Health Diversity, Equity & Inclusion strategy centers on connecting employees to the Company, each other, and our communities to cultivate a sense of trust, respect and belonging for all.

We strive to advance candid conversations among employees about racism and expanding diversity and inclusion training and education for them. Specifically, all employees have been provided with educational tools and resources to understand how to talk about these topics at work and training was introduced that is aimed at helping employees become more aware of unconscious biases.

We are focused on utilizing Employee Resource Groups to provide opportunities for professional growth, development and informal networking. There are several groups in place including The Bausch Health Women's Leadership Network, The LGBTQ+ Network, The Bausch Health Military Network Employee Resource Group and the Black and African Heritage Network.

Building off the efforts of BHC, following the Separation, we intend to continue to dedicate our time and resources to foster an inclusive work environment and support diversity and inclusion.

Talent Development and Total Rewards

We are committed to the development of employees and believe that our success coincides with employees' achievements of personal and professional goals. Through the Bausch Health Employee Development

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Framework, BHC endeavors to support employees' interests to grow to their full potential, achieve career goals, and contribute to the success of BHC. Employees are empowered to explore roles that are of interest and gain insights into their strengths and development needs. A variety of development programs are provided to support employees at every stage of their career and incorporate individual development plans that aim to help employees reach their career goals. BHC also has a robust, global succession planning process that allows BHC to define talent needs based on business strategy, identify talent and drive development and growth, strengthen the pipeline for critical leadership positions, and optimize talent deployment across the business.

BHC's total rewards philosophy is designed to attract, retain, motivate, and engage employees, providing comprehensive and market competitive compensation and benefit programs across our geographies. The compensation program includes base pay, short-term incentives, and long-term incentives This program provides the opportunity for employees to earn more when objectives are delivered both as a total company and individually BHC also provides competitive benefit programs based on local practice in the countries where employees work. These programs include medical coverage, retirement benefits, paid time off, and life and other insurances.

Following the Separation, we intend to continue to focus on the development and growth of our employees and will establish a compensation philosophy that will continue to attract, retain, motivate and engage our employees.

Corporate Social Responsibility

In 2017, BHC established The Bausch Foundation, which supports initiatives aimed at disease prevention, improving patient outcomes, and community support related to core businesses. Additionally, it supports global relief efforts and those who need help in the communities in which we live and work.

BHC is committed to supporting patients who have lost employment health benefits due to the COVID-19 pandemic, and because it is important to continue prescribed treatments, BHC is proud to offer certain of BHC's prescription medicines through the Bausch Health Assistance Program. In the face of the COVID-19 pandemic, some people have financial obstacles that keep them from obtaining and continuing their prescribed treatments. The purpose of the Bausch Health Patient Assistance Program is to provide eligible unemployed patients in the U.S., who have lost their health insurance due to the COVID-19 pandemic, with certain of BHC's prescription products although their financial circumstances or insurance status may otherwise interfere with their ability to do so. If approved, patients will receive their BHC prescription product(s) at no cost to them for up to one year, and may be able to reapply to the program annually if they continue to meet eligibility requirements and have a valid prescription.

Following the Separation, we intend to continue to focus on our social responsibility efforts, including patient assistance.

Legal Proceedings

We are involved in legal proceedings from time to time in the ordinary course of our business. Based on information currently available and established reserves, we have no reason to believe that the ultimate resolution of any known legal proceeding will have a material adverse effect on our financial position, liquidity or results of operations. However, there can be no assurance that the outcome of any such legal proceeding will be favorable, and adverse results in certain of these legal proceedings could have a material adverse effect on our financial position, results of operations in any one reporting period, or liquidity. See Note 18 "LEGAL PROCEEDINGS" to our audited combined financial statements and Note 16, "LEGAL PROCEEDINGS" to our unaudited combined financial statements included elsewhere in this prospectus for further information.

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MANAGEMENT

Directors and Executive Officers

The following table sets forth the name, age and position of individuals as of December 31, 2021 who will serve as directors and executive officers of Bausch + Lomb following the Separation.

Name	Age	Province or State and Country of Residence	Position
Joseph C. Papa	66	New Jersey, USA	Chief Executive Officer and Chairman
Sam A. Eldessouky	49	New Jersey, USA	Chief Financial Officer
Christina M. Ackermann	56	New York, USA	Executive Vice President & General Counsel and President, Ophthalmic Pharmaceuticals
Joseph F. Gordon	57	New Jersey, USA	President, Global Consumer, Surgical and Vision Care
Thomas W. Ross, Sr.	71	North Carolina, USA	Lead Director
Nathalie Bernier	58	Quebec, Canada	Director
Andrew C. von Eschenbach	80	Texas, USA	Director
Sarah B. Kavanagh	65	Ontario, Canada	Director
John A. Paulson	66	New York, USA	Director
Russel C. Robertson	74	Ontario, Canada	Director
Richard U. De Schutter	81	Arizona, USA	Director

The following includes certain information regarding our directors' and officers' individual experience, qualifications, attributes and skills, and brief statements of those aspects of our directors' backgrounds that led us to conclude that they should serve as directors

Joseph C. Papa will serve as Chief Executive Officer of the Company and Chairman of the Board of Directors, effective immediately prior to this offering. Mr. Papa has served as Chairman of the Board of Director and Chief Executive Officer of BHC since May 2016. Mr. Papa has more than 35 years of experience in the pharmaceutical, healthcare and specialty pharmaceutical industries, including 20 years of branded prescription drug experience. He served as the Chief Executive Officer of Perrigo Company plc ("Perrigo") from 2006 to April 2016, where he also served as Chairman from 2007 to April 2016. Prior to joining Perrigo, Mr. Papa served from 2004 to 2006 as Chairman and Chief Executive Officer of the Pharmaceutical and Technologies Services segment of Cardinal Health, Inc. From 2001 to 2004, he served as President and Chief Operating Officer of Watson Pharmaceuticals, Inc. ("Watson"). Prior to joining Watson, Mr. Papa held management positions at DuPont Pharmaceuticals, Pharmacia/Searle and Novartis AG Mr Papa holds a BS in pharmacy from the University of Connecticut and an MBA from Northwestern University's Kellogg Graduate School of Management. Mr. Papa joined the board of directors of Prometheus Biosciences, Inc., a privately held biopharmaceutical company, in August 2020, and previously served as a director of Smith & Nephew plc, a publicly traded medical device company, from 2008 to April 2018. We believe Mr. Papa's extensive experience as a chief executive officer of a public company, where he demonstrated leadership capability and extensive knowledge of complex financial and operational issues facing large organizations, and his understanding of operations and financial strategy in challenging environments, qualify him to serve as a member of the Board of Directors.

Sam A. Eldessouky will serve as Chief Financial Officer of the Company effective immediately prior to this offering. Mr. Eldessouky joined BHC in 2016 as senior vice president and corporate controller and was appointed Chief Financial Officer effective June 1, 2021. In his role at BHC, he was responsible for overseeing the global controllership functions, including financial reporting, regional finance and global policies Previously, he served as senior vice president, controller and chief accounting officer for Tyco International plc from 2012 to 2016. During his tenure at Tyco, Mr. Eldessouky led the efforts to redesign the controller's organization and the implementation of Enterprise Performance Management framework, and he played a significant role in the wholesale turnaround of

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Tyco's business. He also played a key role in executing the spinoffs of Covidien and Tyco Electronics in 2006 and ADT NA and Flow Control in 2012. Prior to that, Mr. Eldessouky spent ten years at PricewaterhouseCoopers (PwC), where he held several roles of increasing responsibility and served in PwC's National Office providing technical accounting guidance on complex accounting matters. Mr. Eldessouky holds a Bachelor of Science in Accountancy from Ain Shams University and a master's degree in Accounting and Finance from the University of Liverpool. He is a Certified Public Accountant and Chartered Global Management Accountant. He served as a member of the Board of Trustees of Financial Executives Research Foundation and Financial Executives International. Additionally, Mr. Eldessouky served as a member of the Global Preparers Forum, an external advisory body to the International Accounting Standards Board, from 2007 to 2013.

Christina M. Ackermann will serve as Executive Vice President & General Counsel and President, Ophthalmic Pharmaceuticals of the Company. Ms Ackermann has served as Executive Vice President, General Counsel of BHC since August 2016, and from July 2020 as Head of Commercial Operations. Prior to joining BHC, Ms. Ackermann was part of the Novartis group of companies for 14 years, most recently serving as Senior Vice President, General Counsel for Alcon, where she was responsible for the Legal, Intellectual Property and Compliance functions. She previously served as Global Head, Legal and General Counsel at Sandoz, the generics division of Novartis, from 2007 to 2012. She joined Novartis Pharma in 2002 as Head, Legal Technical Operations and Ophthalmics and assumed the role of Head Legal General Medicine in July 2005. Before Novartis, Ms. Ackermann served in Associate General Counsel roles with Bristol Myers Squibb and DuPont Pharmaceuticals, as well as in private practice, where she focused on securities and mergers & acquisitions. Ms. Ackermann has been a director of Graybug Vision, Inc., a publicly traded biopharmaceutical company, since August 2020. Ms. Ackermann has a Post Graduate Diploma in EC Competition Law from King's College, the University of London, U.K., a Bachelor of Laws from Queen's University, Kingston, Canada, and attended York University, Toronto, Ontario, for her undergraduate studies in Math, Political Sciences and Fine Arts.

Joseph F. Gordon will serve as President, Global Consumer, Surgical and Vision Care of the Company. Mr. Gordon has served as President & Co-Head Bausch + Lomb/International of BHC since August 2018. He previously served as President, Consumer and Vision Care of BHC from December 2016 through July 2018 and as General Manager of U.S. Consumer from August 2013 to November 2016. Prior to joining BHC in 2013, Mr. Gordon served in various positions with Bausch + Lomb, where he most recently served as Vice President, Sales and Marketing, Global Consumer from January 2011 to July 2013. Earlier in his career, he led sales and marketing organizations within Pfizer Inc., and Wyeth, a pharmaceutical company purchased by Pfizer Inc. in 2009. Mr. Gordon holds a Bachelor of Science in Economics from Rutgers University.

Thomas W. Ross, Sr. will serve as the Lead Independent Director of the Company. Mr. Ross has served on the Board of Directors of BHC beginning in March 2016 and was appointed BHC's Lead Independent Director in June 2016, and currently serves on BHC's Audit and Risk Committee and Nominating and Corporate Governance Committee. He has served as the President of Volcker Alliance since July 2016, where he also serves as a director. He is President Emeritus of the University of North Carolina ("UNC"), having served as President from January 2011 to January 2016. Mr. Ross currently serves as the Sanford Distinguished Fellow in Public Policy at the Duke University Sanford School of Public Policy. Prior to becoming President of the UNC system, Mr. Ross served as President of Davidson College, Executive Director of the Z. Smith Reynolds Foundation, director of the North Carolina Administrative Office of the Courts, a Superior Court judge, chief of staff to U.S. Congressman Robin Britt, a member of the Greensboro, NC law firm Smith, Patterson, Follin, Curtis, James & Harkavy, and as an Assistant Professor of Public Law and Government at UNC Chapel Hill's School of Government. Mr. Ross holds a B.A. in Political Science from Davidson College and a J.D. from University of North Carolina School of Law. We believe Mr. Ross's extensive experience as president of a non-profit and director and president of a university, where he demonstrated leadership capability and extensive knowledge of the inner-workings of large organizations qualify him to serve as a member of the Board of Directors.

Nathalie Bernier will serve as an independent director of the Company. From August 2015 to September 2019, Ms. Bernier served as Chief Financial Officer and Senior Vice President Strategic and Business Planning

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of Public Sector Pension Investment Board, a large Canadian pension investment manager Prior to this role, Ms Bernier spent nearly 30 years as an Audit and Advisory Partner at Arthur Andersen LLP and KPMG from 1986 to 2015, including serving as Regional Managing Partner (Quebec) and as a member of KPMG's Canadian Leadership team. Ms. Bernier is currently a director of RF Capital Group Inc., a publicly traded company, where she serves as Chairperson of the risk committee and member of the audit committee. Ms. Bernier also currently serves as a director of the board of Canada Enterprise Emergency Funding Corporation, a Canadian Crown Corporation, where she serves as Chairperson of the audit committee. Ms. Bernier is also chairperson of the board of United Way of Greater Montreal Foundation, a charitable organization. Ms. Bernier holds a Bachelor of Commerce degree from McGill University. She is a Certified Public Accountant, a fellow of the Chartered Professional Accountants in Canada. We believe Ms. Bernier's extensive experience as a public company board member and financial and accounting expertise qualify her to serve as a member of the Board of Directors.

Andrew C. von Eschenbach will serve as an independent director of the Company. He has served on the board of BHC since October 2018. Dr. von Eschenbach has been the President of Samaritan Health Initiatives, Inc., a health care policy consultancy, and an Adjunct Professor at University of Texas MD Anderson Cancer Center, since 2010. From 2005 to 2009, Dr. von Eschenbach served as Commissioner of the U.S. Food and Drug Administration (the "FDA"). He was appointed Commissioner of the FDA after serving for four years as Director of the National Cancer Institute at the National Institutes of Health. As a researcher, clinician and administrator, Dr. von Eschenbach served for twenty-six years at the University of Texas MD Anderson Cancer Center as Chairman of Urology, Director of the Prostate Cancer Research Program and Executive Vice President and Chief Academic Officer. He earned a B.S. from St. Joseph's University and a medical degree from Georgetown University School of Medicine in Washington, D.C. He completed his residency in surgery and urology at Pennsylvania Hospital and University of Pennsylvania, respectively, and his urologic oncology fellowship at University of Texas MD Anderson Cancer Center Dr von Eschenbach has served as a director of Radius Health, Inc , a publicly traded biopharmaceutical company, since January 2021. He has served as a director of Celularity, Inc., a publicly traded biotechnology company, and as a director of Wren Therapeutics, Ltd, a private biopharmaceutical company, since February 2018 and November 2019, respectively. Dr. von Eschenbach also been a member of the board of the Regan Udall Foundation of the FDA, a non-profit organization formed to advance regulatory science, since December 2018. We believe Dr. von Eschenbach's extensive leadership experience in the public sector and at prominent medical systems in the United States and his understanding of operations and healthcare strategy in challenging environments qualify him to serve as a member of the Board of Directors.

Sarah B. Kavanagh will serve as an independent director of the Company. She has served on the board of BHC since July 2016. From 2011 through May 2016, Ms. Kavanagh served as a Commissioner of the Ontario Securities Commission, where she also served as Chairperson of the audit committee starting in 2014. Between 1999 and 2010, Ms. Kavanagh served in various senior investment banking roles at Scotia Capital Inc. including Vice-Chair and Co-Head of Diversified Industries Group, Head of Equity Capital Markets, and Head of Investment Banking. Prior to Scotia Capital, she held several senior financial positions with operating companies. She started her career as an investment banker with a bulge bracket firm in New York. Ms. Kavanagh graduated from Harvard Business School with an MBA and received a Bachelor of Arts degree in Economics from Williams College. Since 2013, Ms. Kavanagh has been a director of Hudbay Minerals Inc., a publicly traded Canadian mining corporation, and a member of the board of trustees of WPT Industrial REIT, formerly a publicly traded open-ended real estate investment trust. In addition to her public company directorships, she currently serves as a director of Sustainable Development Technology Canada and a director of Cymax Group Technologies. where she also serves as the Chairperson of the audit and nominating and governance committees She completed the Directors Education Program at the Institute of Corporate Directors in 2011. We believe Ms, Kavanagh's extensive experience at the Ontario Securities Commission, where she demonstrated leadership capability and extensive knowledge of complex financial and public policy issues, and her understanding of Bausch's business and financial strategy in addition to her experience serving on the board of Bausch Health Companies Inc., qualify her to serve as a member of the Board of Directors.

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John A. Paulson will serve as an independent director of the Company. He has served on the board of BHC since June 2017. Mr. Paulson is the President and Portfolio Manager of Paulson & Co. Inc., an SEC-registered investment management company specializing in global mergers, event arbitrage and credit strategies, which he founded in 1994. Prior to forming Paulson & Co. Inc., Mr. Paulson was a Partner of Gruss Partners and a Managing Director in mergers and acquisitions at Bear Stearns. Mr. Paulson graduated with a degree in finance from New York University in 1978 and his MBA from Harvard Business School in 1980. Mr. Paulson has been a director of BrightSphere Investment Group Inc., a publicly traded asset management holding company, since November 2018, and has served as Chairman since April 2020. He also currently serves as a member of the advisory board of Harvard Business School. Mr. Paulson previously served as a director of American International Group Inc., a multinational finance and insurance corporation, from May 2016 to June 2017. We believe Mr. Paulson's extensive experience as president and portfolio manager of an SEC-registered investment firm, where he demonstrated leadership capability and extensive knowledge of complex financial and operational issues, and his understanding of business and financial strategy in challenging environments, qualify him to serve as a member of the Board of Directors

Russel C. Robertson will serve as an independent director of the Company. He has served on the board of BHC since June 2016. From 2013 through August 2016, Mr. Robertson served as Executive Vice President and Head, Anti-Money Laundering, at BMO Financial Group ("BMO"), a diversified financial services organization. Prior to that role, he served as Executive Vice President, Business Integration, at BMO Financial Group, and as Vice Chair at BMO Financial Corp. from 2011. He joined BMO as interim Chief Financial Officer, BMO Financial Group in 2008 and was appointed Chief Financial Officer, BMO Financial Group in 2009. Before joining BMO, Mr. Robertson spent over 35 years as a Chartered Public Accountant. In this capacity, he held various senior positions with a number of major accounting firms, including Vice Chair, Deloitte & Touche LLP in Toronto, Canada, from 2002 to 2008, and Canadian Managing Partner, Arthur Andersen LLP, from 1994 to 2002. Mr. Robertson holds a Bachelor of Arts degree (Honours) from the Ivey School of Business at the University of Western Ontario. Mr. Robertson has served on the board of Hydro One Limited, a publicly traded electricity transmission and distribution utility serving the Canadian province of Ontario, since August 2018, and since 2012 has served on the board of Turquoise Hill Resources, a publicly traded Canadian mineral exploration and development company. Mr. Robertson previously served on the board of Virtus Investment Partners, Inc., a multi-manager asset management business, from 2013 to August 2016. We believe Mr. Robertson's extensive experience as executive vice president of a large multinational financial corporation, where he demonstrated leadership capability and extensive knowledge of complex financial matters and his understanding of financial strategy in challenging environments in addition to his experience serving on the board of Bausch Health Companies Inc., qualify him to serve as a member of the Board of Directors.

Richard U. De Schutter will serve as an independent director of the Company. He has served on the board of BHC since January 2017. Mr. De Schutter is the owner of asset management firm L.B. Gemini, Inc., where he has served as President and director since 2000. He previously served as the Chairman and Chief Executive Officer of DuPont Pharmaceuticals Company from July 2000 until its acquisition by Bristol-Myers Squibb in October 2001. Mr. De Schutter was also a director and Chief Administrative Officer of Pharmacia Corporation, which was created through the merger of Monsanto Company and Pharmacia & Upjohn in 2000. Prior to this merger, Mr. De Schutter was a director, Vice Chairman and Chief Administrative Officer for Monsanto. From 1995 to 1999, he served as Chairman and Chief Executive Officer of G.D. Searle & Co., Monsanto's wholly-owned pharmaceutical subsidiary. Mr. De Schutter earned a Bachelor of Science degree in 1963, and a Master of Science Degree in Chemical Engineering in 1965 from the University of Arizona. Mr. De Schutter has served as a director of AuVen Therapeutics, a private equity company focused on the healthcare industry, since 2007, and as a director of Sermonix Pharmaceuticals Inc., a private biotechnology company, since April 2019. He previously served as Chairman of publicly traded pharmaceutical companies Incyte Corporation, from 2003 to 2015, and Durata Therapeutics, Inc., from 2012 to 2014. Mr. De Schutter also served as a director of Smith & Nephew plc, a publicly traded medical device company, from 2001 to 2014, during which time he also served as the Lead Independent Director from 2011 to 2014. We believe Mr. De Schutter's extensive experience as a chief executive officer of a public pharmaceuticals company, where he demonstrated leadership capability and extensive knowledge of

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complex financial and operational issues facing large organizations, and his understanding of operations and financial strategy in challenging environments, qualify him to serve as a member of the Board of Directors.

Board of Directors

Upon completion of this offering, our Board of Directors will consist of eight members. Our Articles provide that our Board of Directors shall consist of not fewer than three directors nor more than fifteen. The number of directors may be increased or decreased upon approval of the shareholders or, in certain circumstances and subject to our Articles, by a majority of the directors.

Our Board of Directors will consist of one class Directors who are elected at an annual meeting of shareholders shall hold office until the next annual meeting of shareholders and until their successors have been elected and qualified. Vacancies are filled by a vote of the remaining directors in office, and the person who is appointed to fill the vacancy holds office for the remainder of the term. Vacancies created by removal by shareholders are filled by the shareholders at the meeting held to remove the director(s). In the interim between annual meetings of shareholders or of special meetings of shareholders called for the election of directors, subject to our articles, newly created directorships and any vacancies in the Board of Directors may be filled by the vote of the remaining directors then in office.

Our articles do not provide for cumulative voting in the election of directors, which means that the holders of a majority of the outstanding common shares can elect all of the directors standing for election, and the holders of the remaining shares are not able to elect any directors, subject to their rights under the Master Separation Agreement

Following the coming into force of new amendments to the CBCA (which may occur in 2022), and consistent with our proposed majority voting policy, 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. See "—Majority Voting Policy."

Director Independence

The Board of Directors believes that, in order to be effective, our Board of Directors must be able to operate independently of management. As described in our Corporate Governance Guidelines, a sufficient number of directors must satisfy the applicable tests of independence, such that the Board of Directors complies with all independence requirements under corporate and securities laws and stock exchange requirements applicable to the Company. The Corporate Governance Guidelines will further provide that the Nominating and Corporate Governance Committee, as well as the Board of Directors, reviews the relationships that each director has with the Company in order to satisfy itself that these independence criteria have been met. On an annual basis, as part of our disclosure procedures, all directors will complete a questionnaire pertaining to, among other things, share ownership, family and business relationships, and director independence standards. The Board of Directors will then disclose in the Company's annual management proxy circular and proxy statement the identity of each of the independent directors and the basis for the Board of Directors' determination for each of the directors who are not independent.

The Board of Directors has determined that seven of our eight directors are "independent directors" within the meaning of applicable regulatory and stock exchange requirements in Canada and the United States, as none of them have a material relationship with the Company that could be reasonably expected to interfere with their exercise of independent judgment. The independent directors currently on the Board of Directors are: Thomas W. Ross, Sr., Nathalie Bernier, Andrew C. von Eschenbach, Sarah B. Kavanagh, John A. Paulson, Russel C. Robertson and Richard U. De Schutter. The Board of Directors has determined that Mr. Papa is not independent as a result of his service as the Company's Chief Executive Officer. See "Risk Factors—Risks Relating to the Separation—After the Separation, some of our directors and officers may have actual or potential conflicts of

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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."

None of our current directors have entered into employment, service or similar contracts with us, with the exception of Mr. Papa, whose employment agreement with BHC is being assigned to us in connection with this offering.

Controlled Company Exception

Because BHC will continue to beneficially 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 Accordingly, we will be exempt from certain corporate governance requirements 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. For at least some period following the completion of this offering, we may utilize these exemptions. Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of these corporate governance requirements. If BHC completes the distribution of all of its remaining equity interest in us to the BHC shareholders, we will no longer be a "controlled company" within the meaning of the applicable rules of the NYSE. In the event that we cease to be a "controlled company" and our common shares continues to be listed on the NYSE, we will be required to comply with these provisions within the applicable transition periods. For 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."

The "controlled company" exemption does not modify the independence requirements for our Audit and Risk Committee, and we intend to comply with the requirements of the Exchange Act, the NYSE listing requirements and applicable Canadian securities laws, which require that our Audit and Risk Committee have at least one independent director on the effective date of the registration statement relating to this offering, a majority of independent directors within 90 days following the effective date of the registration statement relating to this offering, and exclusively independent directors within one year following the effective date of the registration statement relating to this offering.

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.

Board of Directors Leadership Structure

Our Corporate Governance Guidelines will provide that our Board of Directors may determine from time to time the most effective leadership structure for the Company, including whether the same individual should serve both as Chairman of the Board of Directors and the Chief Executive Officer.

Our Corporate Governance Guidelines also provide that, if the same individual serves as Chairman of the Board of Directors and Chief Executive Officer, or if the Chairman of the Board of Directors is otherwise not independent, our Board of Directors shall appoint a Lead Independent Director. Our independent directors will annually appoint a Lead Independent Director. Mr. Ross has been appointed to serve as Lead Independent Director.

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The responsibilities of the Lead Independent Director will be set forth in the Company's Position Description for the Lead Independent Director These responsibilities include: (i) fostering processes that allow the Board of Directors to function independently of management and encouraging open and effective communication between the Board of Directors and management of the Company; (ii) providing input to the Chairman on behalf of the independent directors with respect to Board of Directors agendas; (iii) presiding at all meetings of the Board of Directors at which the Chairman is not present, as well as regularly scheduled executive sessions of independent directors; (iv) in the case of a conflict of interest involving a director, if appropriate, asking the conflicted director to leave the room during discussion concerning such matter and, if appropriate, asking such director to recuse him or herself from voting on the relevant matter; (v) communicating with the Chairman and the Chief Executive Officer, as appropriate, regarding meetings of the independent directors and resources and information necessary for the Board of Directors to effectively carry out its duties and responsibilities; (vi) serving as liaison between the Chairman and the independent directors; (vii) being available to directors who have concerns that cannot be addressed through the Chairman; (viii) calling meetings of the independent directors, as needed or when appropriate; and (ix) performing other functions as may reasonably be requested by the Board of Directors or the Chairman. In the event the Company appoints an independent Chairman of the Board of Directors, the responsibilities of the Lead Independent Director will be assumed by the independent Chairman of the Board of Directors.

Meetings of Independent Directors

The Corporate Governance Guidelines will provide that at any meeting of the Board of Directors, the independent directors of the Board of Directors shall meet in executive session and that an opportunity shall be provided during the meeting for any member of the Board of Directors to make such a request. Consequently, the independent directors shall meet in executive sessions, chaired by our Lead Independent Director, at a majority of our Board of Directors meetings

Meetings of the Board of Directors

The Board of Directors shall meet regularly, at least four times per year, including at least once annually to review our strategic plan. Additional meetings can be called as deemed necessary. All agendas for Board of Directors and Board of Directors committee meetings are set by the Chairman of the Board of Directors in consultation with the Board of Directors committee Chairpersons, as necessary. As required by the Company's by-laws, at least 50% of the directors then in office must be present in order to transact business at any Board of Directors meeting, and, subject to certain exceptions, the CBCA requires that at least 25% of the directors
present be resident Canadians (as defined in that statute). Directors are expected to attend and participate in substantially all meetings of the Board of Directors and of all committees on which they serve.

Charter of the Board of Directors

The Board of Directors is responsible for the overall stewardship of the Company and its business, including supervising the management of the Company's business and affairs. The Board of Directors discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board of Directors and to our officers. Under the charter of the Board of Directors (the "Board Charter"), the Board of Directors will establish committees to assist with its responsibilities. Our standing Board of Directors committees are expected to be the Audit and Risk Committee, the Talent and Compensation Committee and the Nominating and Corporate Governance Committee.

Under the Board Charter, the Board of Directors will be responsible for, among other things, the following corporate governance-related matters: (i) overseeing the Company's performance and the quality, depth and continuity of management needed to meet the Company's strategic objectives; (ii) developing and approving the Company's approach to and practices regarding corporate governance; (iii) succession planning; (iv) overseeing orientation and education programs for new directors and ongoing education opportunities for continuing

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directors; (v) reviewing, discussing and approving the Company's strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure preserve and enhance the business of the Company and the Company's underlying value; (vi) approving and assessing compliance with all significant policies and procedures by which the Company is operating, including the Company's Standards of Business Conduct (as described below); (vii) reviewing the Company's principal risks and assessing whether appropriate systems are in place to manage such risks; and (viii) ensuring the integrity and adequacy of the Company's internal controls.

Board Diversity

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has adopted a formal written Board Diversity Policy The objective of the Board Diversity Policy is to require the Board and the Nominating and Corporate Governance Committee to consider of a wide range of attributes, competencies, characteristics, experiences and backgrounds, including specifically considering the number of women on the Board of Directors, when reviewing the composition of the Board of Directors in the director nomination and re-nomination process. The key provisions of the Board Diversity Policy emphasize the Company's view on the benefits of diverse backgrounds and the need to consider diversity in evaluating the needs of the Board of Directors. The Nominating and Corporate Governance Committee oversees and annually evaluates the implementation and effectiveness, both as measured annually and cumulatively, of the Board Diversity Policy in conjunction with its director evaluation and nomination process. The Nominating and Corporate Governance Committee assesses the effectiveness of the Board Diversity Policy by reference to, among other things, the extent to which the current Board of Directors and the nominees for election to the Board of Directors reflect the stated objectives of the Board Diversity Policy. The Board Diversity Policy provides that any search firm engaged to assist in identifying candidates for appointment to the Board of Directors will be directed to consider the desire of the Company to have its Board of Directors reflect diversity as contemplated by the policy, including the number of women directors.

The Company has not established a specific target number or date by which to achieve a specific number of women on the Board of Directors or in executive officer positions (as defined under applicable securities laws), as we consider a multitude of factors, including the Company's objectives and challenges, but also including the level of representation of women on the Board and in executive officer positions, in determining the best nominee or appointee at the time. Of the individuals who will serve as directors of the Company following the Separation, two directors, representing 25% of our directors, will be women. The Company anticipates that following the Separation, one executive officer, representing 25% of our executive officers, will be a woman.

Position Descriptions

The Board of Directors has developed written position descriptions for the Chairman of the Board of Directors, the Chief Executive Officer, the Lead Independent Director, and the Chairpersons of each of the Audit and Risk Committee, the Nominating and Corporate Governance Committee and the Talent and Compensation Committee.

Orientation and Continuing Education

The Nominating and Corporate Governance Committee will oversee the Board of Directors' continuing education program, which was developed to assist directors in maintaining or enhancing their skills and abilities as directors and updating their knowledge and understanding of the Company and the pharmaceutical industry. New directors will be oriented to the roles of the Board of Directors and individual directors and the business and affairs of the Company through discussions with the incumbent directors and the Company's management by periodic presentations from senior management on major business, industry and competitive issues. Management and outside advisors will provide information and education sessions to the Board of Directors and its committees as necessary to keep the directors up-to-date with, among other things, (i) disclosure and corporate governance requirements and best practices; (ii) the Company, its business and the environment in which it operates, and

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(iii) developments in the responsibilities of directors The Board of Directors may invite representatives of various business units to Board of Directors meetings to discuss business strategy and market analysis, as well as make on-site visits of the operations of the Company at the various facilities of the Company. Directors may also attend outside conferences and seminars that are relevant to their roles at the Company's expense, with the approval of the Chairman of the Board of Directors.

Majority Voting Policy

In accordance with the requirements of the TSX, our Board of Directors will adopt a majority voting policy to the effect that a nominee for election as a director of our Company who does not receive a greater number of votes "for" than votes "withheld" with respect to the election of directors by shareholders will be expected to tender his or her resignation to the Chairman of our Board of Directors immediately following the meeting of shareholders at which the director was elected. The Nominating and Corporate Governance Committee will consider such resignation and make a recommendation to our Board of Directors whether to accept it or not. Our Board of Directors will promptly accept the resignation unless it, in consultation with the Nominating and Corporate Governance Committee, determines that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. Our Board of Directors will make its decision and announce it in a press release within 90 days following the applicable meeting of shareholders. A copy of this press release will be filed with the TSX. A director who tenders a resignation pursuant to our majority voting policy will not participate in any meeting of our Board of Directors or the Nominating and Corporate Governance Committee at which the resignation is considered. Our majority voting policy will apply for uncontested director elections, which are elections where (a) the number of nominees for election as director is the same as the number of directors to be elected, as determined by the Board of Directors, and (b) no proxy materials are circulated in support of one or more nominees who are not part of the director nominees supported by the Board of Directors. After the new CBCA amendments discussed below come into force, we will amend our majority voting policy to conform to the requirements of those regulations.

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. However, unlike TSX requirements, if shareholders vote against a director nominee, that nominee is not elected as a director and the board has no discretion to appoint that nominee to serve on the board except in limited circumstances—that is, if that nominee is needed to meet the corporation's obligations under the CBCA to have at least two directors who are not officers or employees of the corporation or its affiliates or to meet the minimum Canadian residency requirements for directors.

Ethical Business Conduct

Standards of Business Conduct

We will adopt a written code of business conduct and ethics, the Standards of Business Conduct (the "Standards"), that applies to all employees (including our officers) and directors of the Company and its worldwide subsidiaries. Among other things, the Standards are designed to deter wrongdoing and promote honest and ethical conduct, including (i) the ethical handling of actual or apparent conflicts of interest; (ii) full, fair, accurate, timely and understandable public disclosure; (iii) compliance with applicable laws and regulations; (iv) protection of the Company's assets; and (v) maintaining a harassment-free work environment.

Our employees and directors are required to maintain an understanding of, and ensure their compliance with, the Standards. Supervisors are responsible for maintaining awareness of the Standards, and for reporting any deviations from the Standards. The Standards also require the Company to conduct regular audits to test compliance with the Standards. Subject to Board of Directors approval, responsibility for the establishment and periodic review and update of the Standards falls within the mandate of the Audit and Risk Committee.

All individuals subject to the Standards are obligated to promptly report violations and potential violations of law, the Standards, or policies of the Company referenced in the Standards. Such violations or suspected violations

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may be reported to the appropriate Company representative, or anonymously and confidentially through the Company's business ethics hotline All potential violations must in turn be reported to the Company's General Counsel or Chief Compliance & Ethics Officer. The Board of Directors has established reporting procedures in order to encourage employees and directors to raise concerns regarding matters addressed by the Standards on a confidential basis free from discrimination, retaliation or harassment. Employees of the Company who violate the Standards may face disciplinary actions, including dismissal.

Code of Ethics

Our Standards will also include a Code of Ethics for the Chief Executive Officer and Senior Finance Executives (the "Code of Ethics"), which is designed to deter wrongdoing and promote (i) honest and ethical conduct in the practice of financial management, (ii) full, fair, accurate, timely and understandable disclosure, and (iii) compliance with all applicable laws and regulations. Violations of the Code of Ethics are reported to the General Counsel or Chief Compliance & Ethics Officer. Failure to observe the terms of the Code of Ethics may result in disciplinary action, including dismissal.

The foregoing description of the Standards, including the Code of Ethics, is intended as a summary only, and does not purport to be complete. It is subject to, and qualified in its entirety by, reference to all of the provisions of the Standards.

We intend to satisfy any disclosure requirements regarding amendments to, or waivers of, any provision of the Standards, including the Code of Ethics, by posting such information on the Company's website.

Directors' Share Ownership

To support the alignment of directors' interests with our interests and those of our shareholders, the Board of Directors will adopt share ownership guidelines for our non-employee directors. The directors' share ownership guidelines, which will be set forth in our Corporate Governance Guidelines, provide that each non-employee director is expected to hold or control common shares, vested restricted or deferred share units, or a combination thereof, valued at five (5) times the annual Board of Directors cash retainer not later than the fifth anniversary of his or her election or appointment to the Board of Directors. Based on the current annual cash retainer of the Board of Directors of $80,000, the minimum value of equity each of our non-employee directors are required to hold is $400,000.

Our CEO is excluded from the share ownership guidelines for non-employee directors. He is subject to share ownership guidelines established by our Talent and Compensation Committee, as further discussed in the section titled "—Compensation Discussion and Analysis – Other Compensation Governance Practices – Share Ownership Guidelines."

Risk Oversight

Our Board of Directors participates in risk management oversight, with a view of supporting the achievement of organizational objectives, including strategic objectives, improving long-term organizational performance and enhancing shareholder value. In addition, the Audit and Risk Committee assists the Board of Directors in monitoring and overseeing the Company's Standards and risk management, including with respect to cybersecurity risks, provides oversight for the Company's global ethics and healthcare compliance program, and oversees the Company's receipt and handling of business ethics reports received pursuant to the Company's Business Ethics Reporting Program. Various other committees of the Board of Directors also have responsibility for monitoring risk management in specific areas. For example, the Talent and Compensation Committee annually reviews and discusses with management the relationship between the Company's compensation policies and practices and its risk management, including the extent to which those policies and practices create risks for the Company. In addition, the Nominating and Corporate Governance Committee periodically provides oversight

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with respect to risks associated with our corporate governance policies and practices, including our Corporate Governance Guidelines The Nominating and Corporate Governance Committee also oversees and reviews evaluations of the Board of Directors and each of our Board of Directors committees.

Under the supervision of our Board of Directors, our management is responsible for assessing and managing our exposure to various risks. Upon completion of this offering, we will have a global Enterprise Risk Management ("ERM") office. The objectives of the ERM office include, but are not limited to, managing known risks through assessments and action plans, identifying emerging risks and reporting on the ERM process and risk findings to the Audit and Risk Committee on a quarterly basis.

Board of Directors Committees

Effective prior to the completion of this offering, the Board of Directors will have the following three standing committees: the Audit and Risk Committee, the Talent and Compensation Committee and the Nominating and Corporate Governance Committee. The specific responsibilities of each of the Audit and Risk Committee, the Talent and Compensation Committee and the Nominating and Corporate Governance Committee are identified in the respective committee's charter.

The table below sets forth each of our director's membership on our standing Board of Directors committees:

Audit and Risk Committee	Talent and Compensation Committee	Nominating and Corporate Governance Committee
Sarah B. Kavanagh (Chairperson)	Richard U. De Schutter (Chairperson)	Thomas W. Ross, Sr. (Chairperson)
Nathalie Bernier	Russel C. Robertson	Sarah B. Kavanagh
Russel C. Robertson	John A. Paulson	Andrew C. von Eschenbach

Audit and Risk Committee

The Audit and Risk Committee is comprised of three independent directors: Sarah B. Kavanagh, Russel C. Robertson and Nathalie Bernier. The responsibilities, powers and operation of the Audit and Risk Committee are set out in the written charter of the Audit and Risk Committee. Pursuant to the Audit and Risk Committee Charter, each member of the Audit and Risk Committee is an independent director as defined and required by applicable regulatory and stock exchange rules. The Board of Directors has concluded that each member of the Audit and Risk Committee is "financially literate" as defined under National Instrument 52-110—Audit Committees and as required under NYSE rules, and each of Sarah B. Kavanagh, Nathalie Bernier and Russel C. Robertson qualify as an "audit committee financial expert" under the regulations promulgated by the SEC. Our Audit and Risk Committee also consists of directors who are independent as required by applicable Canadian securities regulations and the TSX Company Manual, subject to the permitted phase-in period afforded by such rules.

The Audit and Risk Committee operates pursuant to the Audit and Risk Committee Charter. Its responsibilities include, among other things, responsibility for reviewing and recommending to the Board of Directors our annual financial statements and management discussion and analysis of results of operation and financial condition ("MD&A") and reviewing and approving our interim financial statements and MD&A. As contemplated in the Audit and Risk Committee Charter, the Audit and Risk Committee will periodically meet with our internal auditor and with our external auditors without management being present. The Audit and Risk Committee will also recommend to the Board of Directors the external auditors to be nominated for approval by the Company's shareholders, as well as the compensation of the external auditors. The Audit and Risk Committee Charter provides that the Audit and Risk Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing practices.

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In accordance with the Audit and Risk Committee Charter, the Audit and Risk Committee also provides assistance to the Board of Directors in fulfilling its oversight function, including with respect to: (i) the quality and integrity of our financial statements; (ii) compliance with our Standards, and legal and regulatory requirements, including with respect to disclosure of financial information; (iii) the qualifications, performance and independence of our external auditor; (iv) the performance of our senior finance employees and internal audit function; (v) internal controls and certifications; (vi) monitoring the appropriateness and effectiveness of the Company's risk management systems and policies, including evaluating on a regular basis the effectiveness and prudence of senior management in managing the Company's operations and the risks to which it is exposed; and (vii) overseeing the Company's compliance programs, policies and procedures, and investigating compliance matters.

The Audit and Risk Committee Charter provides that no member of the Audit and Risk Committee may hold 10% or more of the Company's outstanding common shares or serve simultaneously on the audit committee of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair his or her ability to serve effectively on the Audit and Risk Committee.

Talent and Compensation Committee

The Talent and Compensation Committee is comprised of three independent directors: Richard U. De Schutter, John A. Paulson and Russel C. Robertson. The responsibilities, powers and operation of the Talent and Compensation Committee are set out in the written charter of the Talent and Compensation Committee. In accordance with the Talent and Compensation Committee Charter, each member of the Talent and Compensation Committee is an independent director as defined and required by applicable regulatory and stock exchange rules.

As described in the Talent and Compensation Committee Charter, the key responsibilities of the Talent and Compensation Committee includes: (i) reviewing and approving corporate goals and objectives in connection with the compensation of our Chief Executive Officer, evaluating the Chief Executive Officer's performance in light of those goals and objectives, and (either as a committee or together with the other independent directors who satisfy the independence, "non-employee" and "outside director" requirements under the Talent and Compensation Committee Charter) determining and approving the compensation of the Chief Executive Officer based on such evaluation; (ii) reviewing and approving each element of total compensation for all officers (as such term is defined in Rule 16a-1(f) under the Exchange Act); (iii) reviewing and approving arrangements with executive officers relating to their employment relationships with us; (iv) reviewing talent management and succession planning materials for key roles; (v) providing strategic supervision of our benefit plans, programs and policies; and (vi) reviewing and recommending to the Board of Directors for approval the Compensation Discussion & Analysis to be included in the Company's annual management proxy circular and proxy statement and/or annual report on Form 10-K, and preparing the Talent and Compensation Committee Report.

Compensation

The Talent and Compensation Committee has the authority to retain and compensate any consultants and advisors it considers necessary to fulfill its mandate. It shall, annually or on an as-needed basis, specify the work to be performed by, and agree on the associated fees to be paid to the compensation consultants. It shall also review annually the work performed and fees paid. In addition, the Talent and Compensation Committee Charter provides that the Talent and Compensation Committee shall report to the Board of Directors, on an annual basis, the nature of any additional work or non-Board of Directors based services conducted by any such compensation consultant and associated fees paid, if approved by the Chairperson of the Talent and Compensation Committee.

Periodically, and at least annually, the Talent and Compensation Committee will select and retain independent consultants to conduct comprehensive reviews and assessments of our policies, procedures and internal controls for setting compensation of the Chief Executive Officer and other members of senior management. The consultant prepares and submits relevant information and analyses to the Talent and Compensation Committee. The independent consultants' services included the following: (i) periodically reviewing our executive compensation

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programs, including base salary, short term incentives, equity based incentives, total cash compensation levels and total direct compensation of certain senior positions, against those of a peer group; (ii) advising the Talent and Compensation Committee with regard to the compensation packages of the Chief Executive Officer and other members of senior management; (iii) reviewing the proxy circular and proxy statement and specifically the Compensation Discussion and Analysis; and (iv) preparing materials for and attending select Talent and Compensation Committee Meetings.

The Talent and Compensation Committee will consider the advice and analysis of the independent compensation consultants, together with other factors the Talent and Compensation Committee considers appropriate (including feedback from shareholders and corporate governance groups, market data, knowledge of the comparator group and personal knowledge and experience of the Talent and Compensation Committee members), in reaching its decisions and making compensation determinations for the Chief Executive Officer and executive officers.

Succession Planning

The Board of Directors shall regularly undertake a thorough review of succession planning for the members of the Company's Executive Committee, including our Chief Executive Officer, over the course of the year, led by the efforts of the Talent and Compensation Committee. The Talent and Compensation Committee shall continuously review the Executive Committee and key positions within the Company to ensure the continuity and comprehensiveness of succession planning company wide. Among other factors, the Talent and Compensation Committee shall consider the level of representation of women and other minorities in executive officer and managerial positions when making appointments and during succession planning by taking into account the overall number of women and other minorities currently serving in such roles at the Company and by actively considering women and other minority candidates for such positions when they become available; however, the Company does not have a specific target number or date by which to achieve a specific level of representation of women or other minorities in executive officer and managerial positions, as it considers a multitude of factors in determining the best person for any position.

The Board of Directors shall regularly receive exposure to executives, managers and other personnel in the organization by having the executives and managers participate in Board of Directors meetings and present on the Company's business and strategy. The Board of Directors' participation in these events provides significant exposure to the Company's leadership team and strategic focus, which greatly enhances the Board of Directors' ability to conduct succession planning, as well as to gain insight as it oversees organization risk and strategy.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is comprised of three independent directors: Thomas W. Ross, Sr., Andrew C. von Eschenbach and Sarah B. Kavanagh. The responsibilities, powers and operation of the Nominating and Corporate Governance Committee are set out in the committee's written charter. As required by the Nominating and Corporate Governance Committee Charter, each member of the Nominating and Corporate Governance Committee is an independent director as defined and required by applicable regulatory and stock exchange rules.

As described in the Nominating and Corporate Governance Committee Charter, the key responsibilities of the Nominating and Corporate Governance Committee includes: (i) identifying individuals qualified to become directors and recommending to the Board of Directors new nominees for election by shareholders or for appointment by the Board of Directors, and engaging the services of third party search firms to assist in identifying such individuals; (ii) providing recommendations to the Board of Directors regarding the competencies and skills the Board of Directors should possess, and the qualifications of its directors; (iii) recommending for Board of Directors approval, if appropriate, revisions to our corporate governance practices and procedures; (iv) developing new charters for any new committees established by the Board of

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Directors, if not otherwise mandated by the Board of Directors; (v) monitoring relationships and communication between management and the Board of Directors and monitoring emerging best practices in corporate governance; (vi) reviewing the composition and mandate of the Board of Directors and each committee of the Board of Directors annually and, if appropriate, recommending to the Board of Directors any changes it considers desirable with respect thereto; and (vii) overseeing our orientation process for new directors and our continuing education program for all directors.

The Nominating and Corporate Governance Committee shall annually develop and recommend processes for assessing the performance and effectiveness of the Board of Directors and the committees of the Board of Directors and shall report the results of such assessments to the Board of Directors on an annual basis. Pursuant to these processes established by the Nominating and Corporate Governance Committee and adopted by the Board of Directors, the Board of Directors and each committee shall conduct annual self-assessments of their performance and effectiveness. The self-assessments include a review of the compliance of the Board of Directors and each committee with their respective charters, the adequacy of information provided, the skills and experience of the members, and other matters. The results of the individual directors' surveys shall be compiled by the Chairperson of the Nominating and Corporate Governance Committee and presented to the Lead Independent director and Chairman of the Board of Directors for discussion. Following these discussions, the Chairperson of the Nominating and Corporate Governance Committee shall provide a report to the full Board of Directors identifying the opportunities for improvement identified in the self-assessment process. The Nominating and Corporate Governance Committee shall also make recommendations to the Board of Directors regarding director compensation, and may retain advisors to assist with evaluating and making these recommendations. For additional information regarding the compensation of our non-employee directors, and the role of the Nominating and Corporate Governance Committee in reviewing and recommending changes to non-employee director compensation, please see "—Director Compensation."

How We Make Pay Decisions and Assess Our Programs

During 2020, Bausch + Lomb was not an independent public company, and did not have a compensation committee or any other committee serving a similar function. Decisions regarding the compensation of those who currently serve as our executive officers were made by BHC, as described in the section of this prospectus entitled "Executive Compensation—Compensation Discussion and Analysis."

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

Prior to this offering, Bausch + Lomb is currently an indirect wholly-owned subsidiary of BHC and not an independent public company. Decisions regarding the past compensation of Bausch + Lomb's named executive officers were made by the Talent and Compensation Committee of the BHC Board of Directors (referred to in this section as the "BHC Compensation Committee") if the executive previously served as an executive officer of BHC, or otherwise by BHC management. After the Separation, Bausch + Lomb's executive compensation programs, policies and practices for its executive officers will be subject to the review and approval of the Talent and Compensation Committee of the Board of Directors.

For purposes of this Compensation Discussion and Analysis and the following executive compensation tables, the individuals referred to as the "named executive officers" or "NEOs" are:

- Joseph C. Papa, Chief Executive Officer and Chairman
- Sam A. Eldessouky, Chief Financial Officer
- Christina M. Ackermann, Executive Vice President & General Counsel and President Ophthalmic Pharmaceuticals
- Joseph F. Gordon, President, Global Consumer, Surgical and Vision Care

The following sections of this "—Compensation Discussion and Analysis" describe BHC's executive compensation philosophy, executive compensation program elements and certain BHC executive compensation plans, policies and practices, as well as certain aspects of Bausch + Lomb's anticipated compensation structure following the Separation.

Compensation Philosophy

As a wholly-owned subsidiary of BHC, we have shared the compensation objectives of BHC, which include attracting, retaining and motivating senior executives, including our NEOs, who are committed to the ongoing transformation of the Company and to improving people's lives through BHC's products. BHC's compensation programs link executive compensation to long-term business performance, while providing compensation opportunities that are competitive as compared to BHC's peers and align the interests of BHC's executives with those of BHC's shareholders. BHC's programs also balance appropriate risk taking and incorporate shareholder feedback.

In allocating between short-term and long-term compensation, the BHC Compensation Committee seeks to establish a balance between rewarding past performance and recognizing potential future contributions. In that respect, the BHC Compensation Committee designs BHC's annual incentive program to reward executives who achieve pre-determined financial metrics and strategic priorities, and it grants equity awards under BHC's long- term incentive program to provide an opportunity for additional compensation based on delivering on long-term performance and shareholder value creation.

The compensation opportunity provided to our NEOs under BHC's compensation programs is primarily performance-based.

Our NEOs, as well as our employees generally, have participated in BHC's compensation and benefits plans and programs. These plans and programs are intended to align our compensation programs with our business objectives, promote good corporate governance and seek to achieve our compensation objectives.

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Compensation Process

Prior to the completion of this offering, we were a wholly-owned subsidiary of BHC, and BHC's CEO (other than with respect to himself) and the BHC Compensation Committee were primarily responsible for determining our compensation strategy and philosophy.

In connection with this offering, it is anticipated that Bausch + Lomb will establish our own compensation strategy and philosophy, including approving initial compensation for our executive officers and senior executives that will take effect following this offering. Following the completion of this offering, our Talent and Compensation Committee will assume responsibility for determining our compensation philosophy, structuring our compensation and benefits programs and determining appropriate payments and awards to our executive officers, including our NEOs. We intend to engage a compensation consultant to provide advice on executive compensation matters.

Components of Executive Compensation

The components of executive compensation for our NEOs, as described in more detail below, include (i) base salary; (ii) incentive pay (including annual cash incentive and long-term equity incentives); (iii) retirement and welfare benefits; and (iv) executive benefits and perquisites.

Base Salary

BHC sets executive base salaries at competitive levels necessary to attract and retain top performing senior executives, including our NEOs. Base salaries provide an amount of fixed compensation to each senior executive for the performance of their core duties.

Base salaries are periodically reviewed as part of BHC's performance review process, as well as upon a promotion or other change in job responsibilities. To the extent base salaries are adjusted, the amount of any such adjustment would reflect a review of competitive market data, consideration of relative levels of pay internally, individual performance of the executive, and any other circumstances that BHC's Compensation Committee determines are relevant.

Our NEOs' base salaries received from BHC for fiscal 2021 remained the same as their base salaries in 2020, with the exception of Mr. Eldessouky's base salary which increased upon his appointment to CFO in June 2021, and are as follows:

NEO	2021 Salary
Joseph C. Papa	$ 1,600,000
Sam A. Eldessouky	$ 700,000
Christina M. Ackermann	$ 750,000
Joseph F. Gordon	$ 600,000

Annual Incentive Program

BHC's 2021 annual incentive program (the "2021 AIP") provides an opportunity for BHC's senior executives, including our NEOs, to earn an annual incentive, paid in cash, based on the achievement of certain financial targets and strategic priorities.

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2021 Annual Incentive Program Opportunity

The NEOs annual incentive target, as a percentage of base salary remained the same as in 2020, with the exception of Mr. Eldessouky's annual incentive target which increased upon his appointment to CFO in June 2021, and are as follows:

NEO	Incentive Target
Joseph C. Papa	150%
Sam A. Eldessouky	80%
Christina M. Ackermann	80%
Joseph F. Gordon	80%

2021 Annual Incentive Program Design

For BHC's senior executives, including our NEOs, the annual incentive program is based on performance against pre-established financial targets and strategic priorities approved by BHC's Board of Directors at the beginning of each fiscal year. For 2021, the performance of BHC's entire senior executive team, including all of our NEOs, will be measured against BHC's overall Adjusted EBITDA and Revenue performance for 75% of their total payout. Adjusted EBITDA makes up 60% of this financial portion of their payout, and Revenue makes up 40% of this financial portion of their payout. Consistent with prior years, company-wide strategic priorities comprise the remaining 25% of our NEOs' payout.

For our NEOs, the financial targets are based on attaining budget (to receive a payout at target) or stretch targets (to receive a payout above target) for the Adjusted EBITDA and Adjusted Revenue metrics pre-established by the BHC Compensation Committee at the beginning of the fiscal year. For 2021, the threshold, target, and stretch performance and corresponding payouts were as follows, with award payouts capped at 200% of incentive target if original, full-year EBITDA and Revenue plans were achieved.

	EBITDA/EBITA Performance versus Plan	Revenue Performance versus Plan	Payout
Below Threshold	<90%	<93%	0%
Threshold	90%	95%	10%
Target	100%	100%	100%
Stretch	110%	107%	200%
Above Stretch	>110%	>107%	200%

BHC's Compensation Committee retains the ability to reduce or eliminate payouts for individual executives, including our NEOs, even if financial metrics and strategic priorities are met, as well as to increase payouts based on individual performance. In making these decisions, BHC's Compensation Committee may consider factors such as the performance of the individual executive against his or her individual objectives in support of strategic priorities or additional financial metrics applicable to the business or functional area for which the NEO is responsible.

BHC full-year financial and strategic results for 2021 are not available as of the time of this filing and, accordingly, the bonus payouts for our NEOs for 2021 cannot yet be determined. BHC's Compensation Committee will certify the total payout based on BHC's achievement against the Adjusted EBITDA and Revenue targets and the BHC strategic priorities for all NEOs at its February 2022 meeting. Following this certification, BHC's financial targets and strategic priorities and the actual achievement against these goals for 2021, as well as the corresponding bonus payouts for its NEOs, will be disclosed by BHC in its 2022 annual proxy statement.

Long-Term Incentive Program

BHC's Long-Term Incentive program includes a balanced portfolio of Performance Share Units ("PSUs"), Restricted Share Units ("RSUs"), and Stock Options.

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2021 Grants to NEOs

For 2021, all of our NEOs received 2021 LTIP awards, which were granted for our CEO 70% in PSUs, 15% in RSUs and 15% in Stock Options and for all other NEOs 40% in PSUs, 30% in RSUs, and 30% in Stock Options, with the following approximate grant date fair market values.

NEO	Approved Value(1)(2)
Joseph C. Papa	$ 15,250,000
Sam A. Eldessouky	$ 2,750,000
Christina M. Ackermann	$ 2,500,000
Joseph F. Gordon	$ 1,600,000

(1) Includes a one-time RSU grant with an aggregate approved value of $500,000 for Ms. Ackermann, $125,000 for Mr. Eldessouky, and $350,000 for Mr. Gordon, each of which were awarded in March 2021 in recognition of accomplishments related to BHC's business recovery in connection with the COVID-19 pandemic and efforts in connection with the separation of the B+L business.

(2) Includes a one-time promotion equity grant with an aggregate approved value of $2,000,000 for Mr. Eldessouky, which was awarded in June 2021 in connection with his appointment to CFO of BHC. This award was granted 50% in the form of RSUs and 50% in the form of stock options.

2021 Performance Share Units

PSUs provide senior executives with the right to receive common shares of BHC at a future date, assuming performance against pre-determined metrics are achieved, specifically BHC's Return on Tangible Capital ("ROTC") and relative TSR (as defined below), and, for our CEO, BHC's Separation of B+L (as described in more detail below). For 2021, for our CEO, ROTC and TSR metrics each comprised approximately 31% of the total PSU award, with the number of PSUs that may be achieved capped at 200%, and B+L separation-related metrics comprised approximately 37% of the total PSU award, with the number of PSUs that may be achieved capped at 100%. For 2021, for all other NEOs, ROTC and TSR each comprised 50% of the total PSU award, with the number of PSUs that may be achieved capped at 200%. 2021 ROTC and TSR PSUs vest in March 2024, and B+L Separation PSUs for our CEO vest in two equal tranches, which is dependent upon the timing of the achievement of the pre-determined performance criteria. PSUs are subject to continued employment and achievement of minimum performance criteria.

Return On Tangible Capital Metrics

ROTC performance is measured each year over three years; for 2021, one-third of the PSUs achieved was based on 2021 performance, one-third will be based on 2022 performance, and one-third will be based on 2023 performance. Starting in 2019, BHC's Compensation Committee updated the ROTC calculation by weighting the two components that comprise ROTC—Net Operating Profit After Taxes ("NOPAT") (75%) and Net Operating Assets (25%)—with a higher weighting on the profitability component of this calculation.

BHC full-year financial results for 2021 are not available at the time of this filing. BHC's Compensation Committee will determine, based on BHC's combined NOPAT and Net Operating Asset results, the percentage of the ROTC PSUs that were achieved for 2021 at its February 2022 meeting. Following this certification, the performance goal targets and BHC's actual achievement against these targets, as well as the corresponding payout for its NEOs, will be disclosed by BHC in its 2022 annual proxy statement. The number of PSUs ultimately delivered in 2024 for this portion of the 2021 award is dependent on ROTC performance for 2021, 2022, and 2023.

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Total Shareholder Return Metrics

The relative TSR performance period is three years, from January 1, 2021 through December 31, 2023, and is measured as compared to the NYSE ARCA PHARMACEUTICAL INDEX peers. The following targets were set at the beginning of 2021 and apply to grants made in 2021:

	Percentile	Payout
Below Threshold	<30%	0%
Threshold	30%	50%
Target	50%	100%
Stretch	80%	200%
Above Stretch	>80%	200%

TSR is calculated as the stock price appreciation for the 20 days preceding the beginning of the performance period as compared to the 20 days preceding the end of the performance period, plus dividends and distributions made or declared (assuming such dividends or distributions are reinvested in the common shares of BHC) during the performance period. Further, if BHC's absolute TSR is negative over the three-year period, any payout will in no event exceed 100%.

B+L Separation Metrics

B+L separation-related metrics for purposes of our CEO's B+L Separation PSUs are performance criteria related to the separation of B+L from BHC. These PSUs will be earned based upon the achievement of (a) the operational separation of the B+L business from BHC and (b) the consummation of the spin-off distribution of B+L from BHC. The number of PSUs that may be achieved is capped at 100%.

If the first performance metric is achieved, 50% of these PSUs will vest on March 3, 2022 (or, if later, the date on which BHC's Compensation Committee certifies performance achievement), subject to continued employment through such applicable date. If the second performance metric is achieved, the remaining 50% of these PSUs will vest on the date the second performance metric is achieved, subject to continued employment through such applicable date.

2021 Restricted Share Units

RSUs provide senior executives with the right to receive common shares of BHC at a future date. The value ultimately received is based on the growth of BHC's common share price over time. RSUs vest one-third per year, assuming continued employment.

2021 Stock Options

Stock Options provide senior executives the opportunity to purchase BHC's common shares at a price equal to the market price at the time of the grant. The value ultimately received is based on the growth of BHC's common share price over time. Stock Options vest one-third per year, and remain exercisable for a ten year term, subject to continued employment

2019 Performance Share Unit Vesting

On February 27, 2022, the PSUs granted in 2019 to our NEOs will vest based on their continued employment through the vesting date. For 2019, the PSU award was based on BHC's achievement of the ROTC and TSR performance metrics, with the number of PSUs that could be achieved capped at 200%.

ROTC was measured over three years, from 2019 through 2021. 2019 ROTC was achieved at 117%, 2020 ROTC was achieved at 65%, and, as disclosed above, the achievement of 2021 ROTC has not yet been

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determined since BHC full-year results for 2021 are not available as of this filing. The average of these three years will be reviewed by the BHC Compensation Committee at its February 2022 meeting to determine the final ROTC payout for the 2019 ROTC PSUs, and will be disclosed by BHC for its NEOs in its 2022 proxy statement.

The TSR performance period was three years, from January 1, 2019 through December 31, 2021, and is measured as compared to the NYSE ARCA PHARMACEUTICAL INDEX peers.

TSR is calculated as the stock price appreciation for the 20 days preceding the beginning of the performance period ($21.49) as compared to the 20 days preceding the end of the performance period, plus dividends and distributions made or declared (assuming such dividends or distributions are reinvested in the common shares of BHC) during the performance period Further, if BHC's absolute TSR is negative over the three year period, any payout will in no event exceed 100%.

The average closing price of BHC's common shares for the 20-trading day measurement period preceding the end of the performance period will be reviewed and certified by the BHC Compensation Committee at its February 2022 meeting to determine the final TSR payout for the 2019 TSR PSUs, and will be disclosed by BHC for its NEOs in its 2022 annual proxy statement.

These 2019 PSUs will be delivered in February 2022 after the BHC Compensation Committee certifies achievement of the applicable performance metrics, as described above.

Matching Share Program

Starting in August 2018, our NEOs became eligible to participate in the Bausch Health Companies Matching Share Program. Under this program, shares purchased on the open market by recipients are matched with one Matching Restricted Stock Unit ("MRSU") issued under the 2014 Plan (as defined below). Generally, MRSUs granted for a period of three years may not exceed the value of 50% of the sum of the NEO's annual base salary and target annual cash bonus, less any shares sold within the past six months (excluding any shares sold to cover a tax obligation resulting from a vesting event).

Subject to the provisions of the 2014 Plan and applicable award agreements, MRSUs vest pro-rata over a three-year period, provided that the recipient is employed through the applicable vesting dates. Vesting ceases upon termination of employment (except in limited circumstances), and any MRSUs that do not become vested prior to the recipient's termination of employment or that do not become vested according to the provisions of the terms of the award are forfeited.

None of our NEOs purchased shares under this program during 2021.

Bausch + Lomb Separation Bonus Opportunity

BHC's Compensation Committee approved Mr. Eldessouky's, Ms. Ackermann's, and Mr. Gordon's eligibility for a performance-based separation bonus, which requires the achievement of pre-determined milestones related to the separation transaction. Payment will be made in cash, with 50% conditioned upon meeting internal readiness criteria for the separation of the two companies and the remaining 50% conditioned upon the successful close of the B+L separation transaction. Payment is subject to continued employment, except in limited circumstances. The first 50% was paid to Mr. Eldessouky, Ms. Ackermann, and Mr. Gordon in October 2021; additional details are shown below in "—Summary Compensation Table."

Retirement and Welfare Benefits

The retirement and welfare benefit programs are a necessary element of the total compensation package to ensure a competitive position in attracting and maintaining a committed workforce. Participation in these programs is not tied to performance.

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BHC's specific contribution levels to these programs are adjusted annually to maintain a competitive position while considering costs

- Retirement Savings Plan—All employees in the United States, including our NEOs, are eligible to participate in a tax-qualified retirement savings plan under Section 401(k) of the Code. Eligible employees are able to contribute to BHC's Retirement Savings Plan, on a before-tax basis, up to 75% of their eligible compensation, subject to the limit prescribed by the Code. In 2021, BHC matched 100% of the first 3% of pay and 50% on the next 3% of pay that is contributed to the Retirement Savings Plan. All employee contributions to the Retirement Savings Plan are fully vested upon contribution; matching contributions vest ratably over three years.
- Welfare Plans—Our executives, including our NEOs, are also eligible to participate in BHC's broad- based welfare benefits plans (including medical, dental, vision, life insurance and disability plans) upon the same terms and conditions as other employees.

Executive Benefits and Perquisites

BHC provided our NEOs with limited perquisites and other personal benefits that BHC's Compensation Committee believed were reasonable and consistent with BHC's overall compensation program to better attract and retain superior employees for key positions, including an executive physical program.

Attributed costs of the personal benefits described above for our NEOs for the fiscal year ended December 31, 2021 are included in the column entitled "All Other Compensation" of "—Summary Compensation Table."

Special IPO Founders Grants

Prior to the completion of this offering, we anticipate that our Board of Directors will approve the grant of special, one-time equity awards in connection with this offering, which we refer to as the "Founder Grants", to certain of our employees (including our NEOs). The Founder Grants will be awarded 50% in the form of Stock Options and 50% in the form of Restricted Stock Units (RSUs). The target grant date value of the Founder Grants granted to each of Messrs Papa, Eldessouky and Gordon and Ms Ackermann will be approximately $, $, $ and $, respectively. The Founder Grants are subject to the final approval of our Board of Directors and will be subject to the terms and conditions of the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan and the applicable award agreement thereunder. For additional details on the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan, see "—Bausch + Lomb Corporation 2022 Omnibus Incentive Plan."

Employment Agreements

Mr. Papa's Employment Agreement

In April 2016, BHC entered into an employment agreement with Mr. Papa, which will be assigned to the Company effective as of the closing of this offering. The initial term of Mr. Papa's agreement commenced on May 2, 2016 and continues until the fifth anniversary of the commencement date. Beginning at the expiration of the initial term, the term automatically renews for successive one-year periods unless either party gives notice of non-renewal.

Cash Compensation. Pursuant to his agreement, Mr. Papa receives a base salary and a target annual incentive opportunity equal to 150% of his base salary, with a maximum annual incentive opportunity equal to 200% of his annual target incentive.

Equity Compensation. In connection with entering into his employment agreement, Mr. Papa received (i) 373,367 RSUs and (ii) an option to acquire common shares with a grant-date fair value equal to $10,000,000 at an exercise price equal to the fair market value of our common shares on the date of grant. Additionally, pursuant to his employment agreement, Mr. Papa was required to purchase $5,000,000 worth of common shares by no later than the first anniversary of his commencement date. Mr. Papa satisfied this obligation.

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As provided for under the RSU award agreement, 50% (186,684) of these RSUs vested on May 2, 2018, the second anniversary of his commencement date, based on pre-determined individual goals relating to (i) succession planning; (ii) government relations; (iii) employee relations; (iv) customer relations; and (v) shareholder relations being achieved. The remaining 50% vested on the fourth anniversary of his commencement date.

The options vested 25% on each of the first four anniversaries following the commencement date.

Termination of Employment. The consequences of Mr. Papa's termination of employment, whether or not in connection with a "change in control," are described in "—Potential Payments Upon Termination or Change in Control."

Holding Requirements. Pursuant to his employment agreement, Mr. Papa is restricted from selling, assigning, transferring or otherwise disposing of BHC common shares acquired pursuant to option awards granted to him in accordance with the employment agreement until the first anniversary of the exercise date or vesting date and, in the case of 50% of Mr. Papa's options, the second anniversary of the exercise date or vesting date. Notwithstanding the foregoing, all sales restrictions will lapse upon a qualifying "change of control," Mr. Papa's death, disability and involuntary termination of employment without "cause" or for "good reason," or, in the case of the purchased shares, Mr. Papa's voluntary termination of employment.

Restrictive Covenants. Mr. Papa is subject to customary restrictive covenants, including non-competition and non-solicitation covenants during his employment and for two years following termination of employment for any reason.

Mr. Eldessouky's Employment Agreement

In May 2021, BHC entered into an employment agreement with Mr. Eldessouky, which will be assigned to the Company effective as of the closing of this offering. The initial three-year term of Mr. Eldessouky's agreement commences on June 1, 2021. The term will automatically renew for successive one-year periods unless either party gives notice of non-renewal.

Pursuant to his agreement, Mr. Eldessouky receives a base salary of $700,000 and target annual incentive equal to 80% of his base salary, with a maximum annual incentive opportunity equal to 200% of his annual target incentive. In connection with his promotion to Chief Financial Officer, Mr. Eldessouky received an equity grant with an aggregate value of $2,000,000, 50% in the form of RSUs and 50% in the form of stock options.

Termination of Employment. The consequences of Mr. Eldessouky's termination of employment are described in "—Potential Payments Upon Termination or Change in Control."

Restrictive Covenants. Mr. Eldessouky is subject to customary restrictive covenants, including non-competition and non-solicitation covenants during his employment and for one year following termination of employment for any reason.

Ms. Ackermann's Employment Agreement

In July 2016, BHC entered into an employment agreement with Ms. Ackermann, which will be assigned to the Company effective as of the closing of this offering. Ms. Ackermann's agreement commenced on August 8, 2016.

Pursuant to her agreement, Ms. Ackermann receives a base salary and target annual incentive opportunity equal to 80% of her base salary, with a maximum annual incentive opportunity equal to 200% of her annual target incentive. Ongoing equity grants are at the sole discretion of the Talent and Compensation Committee.

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Termination of Employment The consequences of Ms Ackermann's termination of employment, whether or not in connection with a "change in control," are described in "—Potential Payments Upon Termination or Change in Control."

Restrictive Covenants. Ms. Ackermann is subject to customary restrictive covenants, including non- competition and non-solicitation covenants during her employment and for one year following termination of employment for any reason.

Mr. Gordon's Employment Agreement

In August 2018, BHC entered into an employment agreement with Mr. Gordon, which will be assigned to the Company effective as of the closing of this offering. Mr. Gordon's agreement commenced on July 16, 2018.

Pursuant to his agreement, Mr. Gordon receives a base salary and target annual incentive opportunity equal to 80% of his base salary, with a maximum annual incentive opportunity equal to 200% of his annual target incentive. Ongoing equity grants are at the sole discretion of the Talent and Compensation Committee.

Termination of Employment. The consequences of Mr. Gordon's termination of employment, whether or not in connection with a "change in control," are described in "—Potential Payments Upon Termination or Change in Control."

Restrictive Covenants. Mr. Gordon is subject to customary restrictive covenants, including non- competition and non-solicitation covenants during his employment and for one year following termination of employment for any reason.

Other Compensation Governance Practices

Following this offering, Bausch + Lomb intends to implement share ownership guidelines and anti-pledging and anti-hedging policies for our senior executives and our non-employee directors.

Risk Assessment of Compensation Programs

Bausch + Lomb does not believe that our compensation arrangements, including financial performance measures used to determine short-term and long-term incentive payout amounts, provide its executives with an incentive to engage in business activities or other behavior that would expose us or our stockholders to excessive risk that are reasonably likely to have a material adverse effect.

Tax and Accounting Implications

Tax Considerations of Executive Compensation

Section 162(m) of the Code generally limits the tax deductibility of annual compensation paid by public companies for certain executive officers to $1 million. Although our Talent and Compensation Committee is mindful of the benefits of tax deductibility when determining executive compensation, we may approve compensation that will not be fully-deductible in order to ensure competitive levels of total compensation for our executive officers.

Accounting for Stock-Based Compensation

BHC has in the past, and following this offering, will continue to account for stock-based payments, including grants under each of BHC's equity compensation plans in accordance with the requirements of FASB ASC Topic 718.

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2021 Summary Compensation Table

The following table sets forth the annual and long-term compensation awarded to or paid by BHC to our NEOs for services rendered to BHC in all capacities during the year ended December 31, 2021.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Joseph C. Papa(5)	2021	1,600,000	—	16,561,105	2,250,054	—	28,693	20,439,852
Chief Executive	2020	1,526,539	—	8,127,907	2,251,352	2,160,000	53,563	14,119,361
Officer & Chairman	2019	1,500,000	—	10,286,634	1,999,998	3,240,000	115,014	17,141,646
Sam A. Eldessouky	2021	620,385	—	1,778,793	1,187,756	250,000	13,340	3,850,274
Chief Financial Officer	2020	500,000	—	392,709	187,631	225,000	12,825	1,318,165
Christina M. Ackermann	2021	750,000	—	2,348,225	600,033	250,000	14,330	3,962,588
Executive Vice	2020	743,654	—	1,692,387	540,362	540,000	24,625	3,541,028
President & General	2019	690,308	—	1,343,982	525,050	806,400	14,192	3,379,932
Counsel and President, Ophthalmic Pharmaceuticals								
Joseph F. Gordon	2021	600,000	—	1,507,810	375,066	250,000	18,050	2,750,926
President, Global	2020	597,346		785,420	375,263	432,000	17,825	2,207,854
Consumer, Surgical	2019	565,923	—	959,969	375,048	656,640	23,600	2,581,180
and Vision Care								

(1) This column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for all stock awards granted in 2021, which includes PSUs and RSUs of BHC. The grant date fair value shown here differs from the approved value shown in the CD&A because of the accounting methodology required in this table. The grant date fair value of PSU awards was calculated based on the probable outcome of the performance conditions related to these awards in accordance with FASB ASC Topic 718 (excluding the effects of estimated forfeitures). For the 2021 amounts, the amount in the table includes the following values: (i) PSUs ($14,146,781) and RSUs ($2,414,324) for Mr. Papa, (ii) PSUs ($364,944) and RSUs ($1,413,849) for Mr. Eldessouky, (iii) PSUs ($1,167,925) and RSUs ($1,180,300) for Ms. Ackermann, and (iv) PSUs ($729,887) and RSUs ($777,923) for Mr. Gordon.

The number of PSUs that are ultimately distributed will be determined based on (i) TSR, and (ii) ROTC, which will be measured over three years, from 2021 through 2023, and (iii) for Mr. Papa, B+L separation-related metrics. The grant date fair value assuming a 200% payout, which is the maximum outcome of the performance conditions for TSR and ROTC, and a 100% payout, which is the maximum outcome of the performance for B+L separation-related metrics, would be $24,001,405 for Mr. Papa, $729,888 for Mr. Eldessouky, $2,335,850 for Ms. Ackermann, and $1,459,774 for Mr. Gordon.

(2) For the 2021 amounts, this column represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718, using Black-Scholes, excluding the effect of estimated forfeitures.

(3) This column represents the NEO's AIP payouts. As further described under "—Components of Executive Compensation – Annual Incentive Program," BHC full-year results for 2021 are not available at the time of this filing and, accordingly, each of our NEO's 2021 AIP payouts has not yet been determined by the BHC Compensation Committee. BHC's Compensation Committee will certify 2021 AIP payouts based on BHC's achievement against 2021 results for all NEOs at its February 2022 meeting. In addition, this column also represents the payout of 50% of the B+L separation bonus for our NEOs (other than Mr. Papa, who did not receive a grant of such bonus) for the achievement of pre-determined performance metrics related to the B+L separation transaction as further described under "—Bausch + Lomb Separation Bonus Opportunity."

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(4) For 2021, amounts in this column for each NEO consist of the following

	Papa	Eldessouky	Ackermann	Gordon
401(k) Match	$13,050	$ 13,050	$ 13,050	$13,050
Use of Company Car(b)	—	$ 290	$ 1,280	—
Use of BHC Aircraft	$10,143(a)	—	—	—
Executive Physical(c)	$ 5,500	—	$	$ 5,000

(a) Amount includes the value of Mr. Papa's personal use of BHC aircraft through November 2021 (with BHC's incremental cost calculated based on all variable costs for the year through such date, including the mileage charge for the flight, the fuel and allocable maintenance charge for the flight, as well as the ground transportation charge, in accordance with BHC's policy on aircraft use). The full-year costs for 2021 of Mr. Papa's personal use of BHC aircraft are not available at the time of this filing and, accordingly, this amount represents only the estimated incremental costs of such personal use through November 2021. Beginning with 2020, BHC modified its methodology for calculating this incremental cost by limiting the maintenance charge to the portion allocable to the flight. There was no income tax gross-up related to the personal use of the BHC aircraft and Mr. Papa is solely responsible for the income tax incurred. We did not include the incremental cost of any portion of our monthly aircraft management fee, which BHC would have paid regardless of the personal use, or depreciation on the plane, which does not vary based on use.

(b) This amount is the value of Mr. Eldessouky's and Ms. Ackermann's personal use of a Company vehicle.

(c) This amount represents the value of the executive physical benefit provided to BHC executives.

(5) Mr. Papa is Chairman of BHC's Board of Directors. He does not receive any additional compensation of any kind for his services as a member of the Board of Directors of BHC.

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Grants of Plan Based Awards

The following table provides information on the grants of plan-based awards from BHC to our NEOs during the year ended December 31, 2021.

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units(3)	All Other Option Awards: Number of Securities Underlying Options(4)	Exercise or Base Price of Option Awards(5)	Grant Date Fair Value(6)
Name	Grant Date	Committee Action Date	Threshold ($)	Target ($)	Maximum ($)	Threshold ($)	Target ($)	Maximum ($)	(#)	(#)	($/Sh)	($)
Joseph C. Papa												
2021 AIP	2/15/2021	2/15/2021	0	2,400,000	4,800,000							
2021 TSR PSU	3/3/2021	2/15/2021				55,613	111,226	222,452				6,233,105
2021 ROTC PSU	3/3/2021	2/15/2021				27,807	111,226	222,452				3,621,519
2021 B+L Separation PSU	3/3/2021	2/15/2021				0	131,823	131,823				4,292,157
2021 RSU	3/3/2021	2/15/2021							74,150			2,414,324
2021 Options	3/3/2021	2/15/2021								196,464	32 56	2,250,054
Sam A Eldessouky												
2021 AIP	2/15/2021	2/15/2021	0	560,000	1,120,000							
2021 TSR PSU	3/3/2021	2/15/2021				2,060	4,119	8,238				230,829
2021 ROTC PSU	3/3/2021	2/15/2021				1,030	4,119	8,238				134,115
2021 RSU	3/3/2021	2/15/2021							10,298			335,303
2021 Options	3/3/2021	2/15/2021								16,374	32 56	187,527
2021 Promotion RSUs	6/1/2021	3/10/2021							33,673			1,078,546
2021 Promotion Options	6/1/2021	3/10/2021								122,427	32 03	1,000,229
Christina M. Ackermann												
2021 AIP	2/15/2021	2/15/2021	0	600,000	1,200,000							
2021 TSR PSU	3/3/2021	2/15/2021				6,591	13,182	26,364				738,719
2021 ROTC PSU	3/3/2021	2/15/2021				3,296	13,182	26,364				429,206
2021 RSU	3/3/2021	2/15/2021							36,250			1,180,300
2021 Options	3/3/2021	2/15/2021								52,392	32 56	600,033
Joseph F. Gordon												
2021 AIP	2/15/2021	2/15/2021	0	480,000	960,000							
2021 TSR PSU	3/3/2021	2/15/2021				4,119	8,238	16,476				461,658
2021 ROTC PSU	3/3/2021	2/15/2021				2,060	8,238	16,476				268,229
2021 RSU	3/3/2021	2/15/2021							23,892			777,923
2021 Options	3/3/2021	2/15/2021								32,749	32 56	375,066

(1) 2021 AIP represents the threshold, target, and maximum awards set under the program The actual amount paid for 2021 has not yet been determined by the BHC Compensation Committee As further described under "—Components of Executive Compensation—Annual Incentive Program," BHC full-year results for 2021 are not available at the time of this filing BHC's Compensation Committee will certify 2021 AIP payouts based on BHC's achievement against 2021 results for all NEOs at its February 2022 meeting

(2) Amounts shown are the threshold, target and maximum number of units that can be distributed under the 2021 PSUs awarded, based on the extent to which the metrics are achieved under these awards, as further described in the section titled "—Components of Executive Compensation—Long-Term Incentive Program—2021 Performance Share Units " Earned PSUs, if any, can range from 0% to 100% of target for Mr Papa's B+L separation-related metrics and 0% to 200% of target for our NEOs' ROTC and TSR metrics

(3) This column shows the number of BHC RSUs granted in 2021 The 2021 RSUs vest in three equal installments on the first, second and third anniversaries of the grant date

(4) This column shows the number of BHC non-qualified Stock Options granted in 2021

(5) The non-qualified Stock Options vest one-third per year on the first, second and third anniversaries of the grant date and have a ten-year term The exercise price is the closing price of BHC's common shares on the date prior to the grant date

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(6) This column shows the grant date fair value of each BHC equity award computed in accordance with FASB ASC Topic 718 The grant date fair value of the TSR PSU awards was calculated based on the probable outcome of the performance conditions related to these awards in accordance with FASB ASC 718 The grant date fair value of the Stock Options was determined using Black-Scholes

Outstanding Equity Awards at Fiscal Year-End

The following table provides information on the holdings of Stock Options and stock awards with respect to BHC common stock by our NEOs as of December 31, 2021. This table includes unexercised and unvested Stock Option awards and unvested RSUs and PSUs. Each equity grant is shown separately for each NEO. The market value of the stock awards is based on the closing market price of BHC's common shares on December 31, 2021, which was $27.61. Pursuant to the terms of the Employee Matters Agreement, at the Distribution, each stock option, RSU and PSU reflected in the table below will be adjusted and converted as described in more detail in "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement".

		Option Awards				Stock Awards			
Name	Date of Grant	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Options Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Joseph C. Papa	6/9/2016	682,652	0	23 92	5/2/2026				
	3/7/2018	338,058	0	15 32	3/7/2028				
	2/27/2019	157,455	78,728(1)	23 16	2/27/2029				
	2/27/2019					114,466(2)	$3,160,406		
	2/27/2019							121,773(3)	$3,362,153
	2/27/2019					27,061(4)	$ 747,154		
	2/28/2019					10,000(4)	$ 276,100		
	9/13/2019					7,083(4)	$ 195,562		
	2/26/2020	113,704	227,410(1)	24 77	2/26/2030				
	2/26/2020					66,858(5)	$1,845,949	40,520(6)	$1,118,757
	2/26/2020							60,780(7)	$1,678,136
	2/26/2020					54,027(4)	$1,491,685		
	3/3/2021	0	196,464(1)	32 56	3/3/2031				
	3/3/2021					37,075(8)	$1,023,641	74,151(9)	$2,047,309
	3/3/2021							222,452(7)	$6,141,900
	3/3/2021							131,823(10)	$3,639,633
	3/3/2021					74,150(4)	$2,047,282		
Sam A. Eldessouky	3/1/2017	31,430	0	14 38	3/1/2027				
	3/7/2018	31,697	0	15 32	3/7/2028				
	2/27/2019	14,766	7,383(1)	23 16	2/27/2029				
	2/27/2019					4,768(2)	$ 131,644		
	2/27/2019							5,073(3)	$ 140,066
	2/27/2019					2,537(4)	$ 70,047		
	2/26/2020	9,476	18,953(1)	24 77	2/26/2030				
	2/26/2020					2,476(5)	$ 68,362	1,501(6)	$ 41,443
	2/26/2020							2,251(7)	$ 62,150
	2/26/2020					4,502(4)	$ 124,300		
	3/3/2021	0	16,374(1)	32 56	3/3/2031				
	3/3/2021					1,373(8)	$ 37,909	2,746(9)	$ 75,817
	3/3/2021							8,238(7)	$ 227,451
	3/3/2021					10,298(4)	$ 284,328		
	6/1/2021	0	122,427(1)	32 03	6/1/2031				
	6/1/2021					33,673(4)	$ 929,712		

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		Option Awards				Stock Awards			
Name	Date of Grant	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Options Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Christina M. Ackermann	8/10/2016	39,469	0	27 32	8/10/2026				
	2/27/2019	41,336	20,668(1)	23 16	2/27/2029				
	2/27/2019					13,353(2)	$ 368,676		
	2/27/2019							14,206(3)	$ 392,228
	2/27/2019					7,104(4)	$ 196,141		
	2/26/2020	27,291	54,582(1)	24 77	2/26/2030				
	2/26/2020					7,131(5)	$ 196,887	4,322(6)	$ 119,330
	2/26/2020							6,483(7)	$ 178,996
	2/26/2020					12,966(4)	$ 357,991		
	3/10/2020					2,927(4)	$ 80,814		
	8/28/2020					18,781(4)	$ 518,543		
	3/3/2021	0	52,392(1)	32 56	3/3/2031				
	3/3/2021					4,394(8)	$ 121,318	8,788(9)	$ 242,637
	3/3/2021							26,364(7)	$ 727,910
	3/3/2021					36,250(4)	$1,000,863		
Joseph F. Gordon	8/9/2013	15,075	0	101 68	8/9/2023				
	6/9/2016	15,582	0	23 92	6/9/2026				
	3/1/2017	40,231	0	14 38	3/1/2027				
	3/7/2018	40,568	0	15 32	3/7/2028				
	2/27/2019	29,526	14,764(1)	23 16	2/27/2029				
	2/27/2019					9,538(2)	$ 263,344		
	2/27/2019							10,147(3)	$ 280,159
	2/27/2019					5,074(4)	$ 140,093		
	2/26/2020	18,952	37,906(1)	24 77	2/26/2030				
	2/26/2020					4,952(5)	$ 136,725	3,001(6)	$ 82,858
	2/26/2020							4,502(7)	$ 124,300
	2/26/2020					9,004(4)	$ 248,600		
	3/3/2021	0	32,749(1)	32 56	3/3/2031				
	3/3/2021					2,746(8)	$ 75,817	5,492(9)	$ 151,634
	3/3/2021							16,476(7)	$ 454,902
	3/3/2021					23,892(4)	$ 659,658		

(1) Options vest one-third per year on the first, second and third anniversary of the grant date

(2) The amount reported is the estimated number of shares earned based on the average of the actual results of the 2019 and 2020 annual ROTC and the assumed achievement of 2021 annual ROTC at the target performance level The actual achievement of 2021 ROTC has not yet been determined by the BHC Compensation Committee since BHC full-year results for 2021 are not available at the time of this filing The average of these three years will be reviewed by the BHC Compensation Committee at its February 2022 meeting to determine the final ROTC payout for the 2019 ROTC PSUs

(3) The amount reported is the target number of shares; the actual amount earned will be determined in 2022 The award vests as follows: If at the end of the TSR performance period, BHC's TSR equals or exceeds the 30th percentile of the Share Unit Peer Group's TSR, then 50% of the target shares will be delivered; equals or exceeds the 50th percentile of the Share Unit Peer Group's TSR, then 100% of the target shares will be delivered; equals or exceeds the 80th percentile of the Share Unit Peer Group's TSR, then 200% of the target shares will be delivered However, if BHC's TSR for the TSR performance period is negative, no more than 100% of the target shares will be delivered

(4) RSUs and MRSUs vest one-third per year on the first, second, and third anniversary of the grant date

(5) The award vests based on ROTC, measured over three one-year periods, from 2020 through 2022 The amount reported reflects the first and second tranches of the award and is shown at actual achievement of 65% of target for 2020 annual ROTC and assumed achievement at the target performance level for 2021 annual ROTC The actual achievement of 2021 ROTC has not yet been determined by the BHC Compensation Committee since BHC full-year results for 2021 are not available at the time of this filing and will be determined by the BHC Compensation Committee at its February 2022 meeting The remaining tranche will vest based on metrics set in 2022 and described in Footnote 6 below

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(6) The amount reported is the target number of shares for the third tranche of an award with three one-year periods See Footnote 5 above The award vests based on BHC's ROTC, measured over year three (2022) of the three one-year periods One-third of such PSUs delivered will be based on ROTC for 2020 (which was actually achieved at 65%) and one-third of such PSUs delivered will be based on ROTC for 2021 (which, solely for purpose of this table, is assumed to be achieved at the target performance level), as described herein and reflected in Footnote 5 above One-third will be based on ROTC for 2022, as set forth in performance metrics established in 2022 The value shown above reflects target achievement for the 2022 measurement period The total number of PSUs delivered will be based on the average achievement with respect to each of the three one-year periods

(7) The amount reported is the threshold number of shares for 2020 and the maximum number of shares for 2021; the actual amount earned will be determined in 2023 for the 2020 award and 2024 for the 2021 award The award vests as follows: If at the end of the TSR performance period, BHC's TSR equals or exceeds the 30th percentile of the Share Unit Peer Group's TSR, then 50% of the target shares will be delivered; equals or exceeds the 50th percentile of the Share Unit Peer Group's TSR, then 100% of the target shares will be delivered; equals or exceeds the 80th percentile of the Share Unit Peer Group's TSR, then 200% of the target shares will be delivered However, if BHC's TSR for the TSR performance period is negative, no more than 100% of the target shares will be delivered

(8) The award vests based on ROTC, measured over the three one-year periods, from 2021 through 2023 The amount reported reflects the first tranche of the award for the first year of the three-year measurement periods (2021) and is reflected assuming achievement of 2021 annual ROTC at the target performance level The actual achievement of 2021 ROTC has not yet been determined by the BHC Compensation Committee since BHC full-year results for 2021 are not available at the time of this filing and will be determined by the BHC Compensation Committee at its February 2022 meeting The remaining tranches will vest based on metrics set in 2022 and 2023, respectively, and are described in Footnote 9 below The actual amount earned will be determined in 2024

(9) The total number of PSUs delivered will be based on the average achievement with respect to each of the three one-year periods The amount reported is the target number of shares for the second and third tranches of an award with three one-year periods See Footnote 8 above The award vests based on BHC's ROTC, measured over years two and three (2022 and 2023) of the three one-year periods, from 2021 through 2023 One-third of such PSUs delivered will be based on ROTC for 2021, which, solely for purpose of this table, is assumed to be achieved at the target performance level and reflected in footnote 8 above, one-third will be based on the performance metrics established in 2022, and one-third will be based on the performance metrics established in 2023 The value shown above reflects target achievement for the 2022 and 2023 measurement periods

(10) The amount reported is the target number of shares These PSUs will be earned upon the achievement of (a) the operational separation of B+L from BHC and (b) the consummation of the spin-off distribution of B+L from BHC The number of PSUs that may be achieved is capped at 100% The earned PSUs will generally vest on the date the performance metric is achieved (or otherwise certified by the BHC Compensation Committee, if applicable)

Option Exercises and Stock Vested

The following table provides information regarding exercises of BHC Stock Options by our NEOs during 2021 and BHC common shares acquired on the vesting of RSUs held by our NEOs during 2021.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(1)
Joseph C. Papa	—	—	544,384	17,779,152
Sam A. Eldessouky	—	—	26,274	858,832
Christina M. Ackermann	121,198	2,057,581	65,693	2,106,873
Joseph F. Gordon	—	—	37,079	1,207,652

(1) The amounts reflected in this column represent the market value of the underlying common shares of BHC as of the vesting date

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Potential Payments Upon Termination or Change in Control

The following is a summary of the arrangements between BHC and our NEOs which provide for the payment to our NEOs in connection with a change in control of BHC and/or a termination of the NEO's employment from BHC. This table assumes a termination date of December 31, 2021 and a BHC stock price of $27.61, which was the closing price of BHC's common shares on December 31, 2021, the last business day of the year. No amounts will become payable under the below described arrangements in connection with the closing of this offering or the completion of the Distribution.

	Termination without Cause or for Good Reason ($)	Termination within 12 months of Change in Control ($)	Termination due to Death or Disability ($)	Termination due to Retirement ($)
Joseph C. Papa				
Cash(1)	10,400,000	10,400,000	2,400,000	—
RSUs(3)	2,177,793	4,757,783	2,710,501	2,238,840
PSUs(4)	10,877,873	16,882,524	7,238,240	7,238,240
Stock Options(5)	—	996,184	996,184	996,184
Other Benefits(1)	28,966	28,966	—	—
Total Estimated Incremental Value	**23,484,632**	**33,065,457**	**13,344,925**	**10,473,264**
Sam A. Eldessouky				
Cash(2)	2,450,000	3,080,000	—	
RSUs(3)	163,805	1,408,386	194,347	—
PSUs(4)	292,402	521,543	292,402	—
Stock Options(5)	—	86,681	86,681	—
Other Benefits	22,350	22,350	—	—
Total Estimated Incremental Value	**2,928,557**	**5,118,960**	**573,430**	—
Christina M. Ackermann				
Cash(2)	2,625,000	3,300,000	—	
RSUs(3)	710,180	2,154,353	1,153,491	—
PSUs(4)	824,653	1,503,970	824,653	—
Stock Options(5)	—	246,985	246,985	—
Other Benefits(6)	33,191	33,191	—	—
Total Estimated Incremental Value	**4,193,024**	**7,238,499**	**2,225,129**	—
Joseph F. Gordon				
Cash(2)	2,100,00	2,640,000	—	—
RSUs(3)	327,610	1,048,352	388,694	388,694
PSUs(4)	584,846	1,043,142	584,846	584,846
Stock Options(5)	—	173,353	173,353	173,353
Other Benefits(6)	20,467	20,467	—	—
Total Estimated Incremental Value	**3,032,923**	**4,925,314**	**1,146,893**	**1,146,893**

(1) If Mr Papa's employment is terminated by BHC without cause, or by Mr Papa for good reason, including within 12 months of BHC's change in control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), or upon the expiration of his employment term, Mr Papa will be entitled to receive a cash severance payment equal to the sum of two times the sum of his annual base salary and annual target incentive payable in a lump sum and a prorated annual incentive based on actual performance, as shown above in "Cash" under "Termination without Cause or for Good Reason" and "Termination within 12 months of a Change in Control " Mr Papa will also be entitled to receive continued health benefits for 24 months at active employee rates, as shown above in "Other Benefits" under "Termination without Cause or for Good Reason" and "Termination within 12 months of a Change in Control " For Mr Papa, "good reason" includes (i) a diminution of duties and responsibilities, including removing Mr Papa from the position of CEO; (ii) any reduction in base salary or target incentive opportunity; (iii) any relocation of Mr Papa's primary place of business that results in an increase of his one-way commute by 50 miles or more; and (iv) a material breach by BHC of a material provision of his employment agreement If employment is terminated as a result of death or

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disability, BHC will pay any bonus earned but unpaid in respect to the fiscal year preceding the termination date, as shown above under "Termination due to Death or Disability."

(2) If the employment of Mr. Eldessouky, Ms. Ackermann or Mr. Gordon is terminated by us without cause, or by Mr. Eldessouky, Ms. Ackermann or Mr. Gordon for good reason, they will be entitled to receive (a) a cash severance payment equal to the sum of one and a half times base salary and annual target incentive payable in a lump sum, (b) a prorated annual incentive for the year of termination equal to the lesser of (x) the annual incentive based on our actual performance and (y) annual target incentive, (c) continued health benefits for 12 months at active employee rates, and, (d) for Ms. Ackermann, outplacement support, as shown above under "Termination without Cause or for Good Reason." As previously disclosed, BHC's Compensation Committee approved an update to the cash severance payment described in (a) from one times base salary and annual target incentive, effective January 1, 2021 through December 31, 2023. For Mr. Eldessouky, Ms. Ackermann and Mr. Gordon, "good reason" includes (i) a material reduction in duties and responsibilities, including a removal from their current position; (ii) any reduction in base salary or target incentive opportunity which is not comparable to the reductions for other similarly situated executive officers; and (iii) a material breach by us of a material provision of their employment agreement. For Mr. Gordon and Mr. Eldessouky, "good reason" also includes any relocation of his primary place of business that results in an increase of one-way commute by 50 miles or more. If such termination occurs in contemplation of our change in control or within 12 months following our change in control, Mr. Eldessouky, Ms. Ackermann and Mr. Gordon will be entitled to receive a cash severance payment equal to (a) two times the sum of annual base salary and annual target incentive payable in a lump sum, (b) a prorated annual target incentive for the year of termination, (c) continued health benefits for 12 months at active employee rates, and, (d) for Ms. Ackermann, outplacement support, as shown above under "Termination within 12 months of a Change in Control."

(3) Pursuant to the terms of the equity award agreements governing the NEOs' RSUs, including Mr. Papa's and Ms. Ackermann's MRSUs, if their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason) following the first anniversary of the applicable grant date, unvested RSUs will vest pro-rata, and if their employment is terminated due to death or disability, all unvested RSUs will vest. Therefore, no value is shown above for the 2021 RSUs under "Termination without Cause or for Good Reason." Under these agreements, if an NEO is terminated without cause (or, by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason) within 12 months of a change in control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), all unvested RSUs will vest. For the NEOs' RSUs, if the NEO voluntarily terminates his or her service with BHC on or after age 55, and age plus years of service total at least 65, all unvested RSUs will vest. This vesting treatment applies beginning after the first anniversary of the grant date. Therefore, no value is shown for the 2021 RSUs separately above for "Termination due to Retirement."

(4) Pursuant to the terms of the equity award agreements governing the NEOs' PSUs, if their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason), or upon death or disability, they will be entitled to prorated vesting of unvested PSUs at actual performance as shown above under "Termination without Cause or for Good Reason" and "Termination due to Death or Disability." This vesting treatment for the PSUs applies beginning after the first anniversary of the grant date. Therefore, no value is shown above for the 2021 PSUs under "Termination without Cause or for Good Reason" or "Termination due to Death or Disability." If their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason), in each case within 12 months of BHC's change of control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), unvested PSUs will vest pro-rata based on target performance through the termination date (or, if later, the date of the change in control). In the event the PSUs are not assumed or substituted in connection with the change of control, unvested PSUs will vest pro-rata based on target performance on the date of such change of control. For the NEOs' PSUs, if the NEO voluntarily terminates his or her service with BHC on or after age 55, and age plus years of service total at least 65, any unvested portion of the PSU will vest pro-rata based on actual results. This vesting treatment applies beginning after the first anniversary of the grant date. Therefore, no value is shown separately above for the 2021 PSUs for "Termination due to Retirement."

(5) Pursuant to the terms of the equity award agreements governing the NEOs' stock options, if their employment is terminated by BHC without cause (or by Mr. Papa, Mr. Eldessouky, Ms. Ackermann, or Mr. Gordon for good reason), in either case within 12 months of BHC's change of control (or during the six-month period prior to a change in control if such termination was in contemplation of, and directly related to, the change in control), or in the case of death or disability, unvested options will vest in full. For the NEOs' stock options, if the NEO voluntarily terminates his or her service with BHC on or after age 55, and age plus years of service total at least 65, all unvested options will vest. This vesting treatment applies beginning after the first anniversary of the grant date. Therefore, no value is shown separately above for the 2021 stock options for "Termination due to Retirement."

Bausch + Lomb Corporation 2022 Omnibus Incentive Plan

Prior to this offering, Bausch + Lomb intends to adopt the Bausch + Lomb Corporation 2022 Omnibus Incentive Plan (the "Omnibus Plan"), which will permit us to grant equity-based and cash-based incentive awards to our NEOs and our other employees and service providers including our non-employee directors.

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The following is a summary of the material terms and conditions of the Omnibus Plan. This summary is qualified in its entirety by reference to the form of Omnibus Plan that will be attached as an exhibit to the registration statement of which this prospectus forms a part.

Purpose

The purpose of the Omnibus Plan is to align the long-term financial interests of our employees, directors, consultants and other service providers with our shareholders, attract and retain such service providers and provide incentives to those individuals who are expected to contribute significantly to our long-term performance and growth.

Shares Available Under the Omnibus Plan

Subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, the maximum number of our common shares which may be issued pursuant to Awards (as defined below) under the Omnibus Plan will be equal to (which reflects 8% of the number of fully-diluted outstanding shares as of the date on which the registration statement of which this prospectus forms a part is declared effective by the SEC, assuming the over-allotment option is fully exercised by the underwriters), *plus* the number of shares underlying awards originally granted under the Bausch Health Companies Inc. 2014 Omnibus Incentive Plan (as amended and restated effective as of April 28, 2020) that are converted into Awards with respect to the Company's common shares at the Distribution pursuant to the Employee Matters Agreement (the "Converted Awards") as described in more detail under "The Separation and The Distribution—Agreements with BHC—Employee Matters Agreement—Treatment of Outstanding Equity Awards " Shares underlying "substitute awards" (i e , awards granted as replacements for awards granted by a company that we or one of our subsidiaries acquires or with which we or one of our subsidiaries combines) will not reduce the number of our common shares available for issuance under the Omnibus Plan.

Subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, (i) in any calendar year, no participant who is a non-employee director of Bausch + Lomb shall be granted Awards, in either equity, cash or other compensation, with an aggregate fair market value as of the grant date or payment date, as applicable, in excess of $750,000; (ii) the number of our common shares issuable to certain reporting insiders ("Insiders"), at any time, under all security-based compensation arrangements of Bausch + Lomb, cannot exceed 10% of our issued and outstanding common shares; (iii) the number of our common shares issued to Insiders, within any one year period, under all security-based compensation arrangements of Bausch + Lomb, cannot exceed 10% of issued and outstanding securities; and (iv) the number of our common shares issuable to non-employee members of the Board, at any time, under all security-based compensation arrangements of Bausch + Lomb, cannot exceed 1% of our issued and outstanding common shares. In addition, subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, the maximum number of our common shares available for issuance with respect to incentive stock options will be equal to .

If any common shares subject to an Award are forfeited, canceled, exchanged or surrendered, or if an Award terminates or expires without a distribution of common shares to the participant, the common shares with respect to the Award (other than a Converted Award) shall, to the extent of any such forfeiture, cancellation, exchange, surrender, termination or expiration, again be available for Awards under the Omnibus Plan; however, the common shares surrendered or withheld as payment of either the exercise price of an option (including common shares otherwise underlying an award of a share appreciation right ("SAR") that are retained by the Company to account for the exercise price of the SAR) and/or withholding taxes in respect of an Award will no longer be available for Awards under the Omnibus Plan.

Administration of the Omnibus Plan

Except as otherwise required by law or as designated otherwise by our Board of Directors, the Omnibus Plan will be administered by our Talent and Compensation Committee. The Talent and Compensation Committee

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will have full power and authority to administer the Omnibus Plan, including, among other things, to interpret the Omnibus Plan and adopt any administrative rules, regulations, procedures and guidelines governing the Omnibus Plan or any Awards granted under the Omnibus Plan as it deems to be appropriate.

Eligibility

Generally, all of our employees, directors and consultants will be eligible to receive Awards under the Omnibus Plan, as selected by our Talent and Compensation Committee in its discretion in furtherance of the purpose of the Omnibus Plan (as described above). In addition, current BHC employees and other service providers are eligible to participate in the Omnibus Plan solely with respect to any Converted Awards received by such individuals in connection with the Distribution pursuant to the terms of the Employee Matters Agreement

Types of Awards

Awards under the Omnibus Plan (the "Awards") may include one or more of the following: (i) stock options (both non-qualified and incentive stock options), (ii) share appreciation rights, (iii) restricted shares, (iv) deferred shares, (v) share units, (vi) share payment, (vii) cash-based awards and (viii) Converted Awards. All of the Awards will be subject to the conditions, limitations, restrictions, exercise price (as applicable), vesting and forfeiture provisions (including service- and performance-based vesting conditions) determined by our Talent and Compensation Committee, in its sole discretion, subject to such limitations as are provided in the Omnibus Plan; provided that, the terms and conditions of the Omnibus Plan apply to Converted Awards only to the extent that such terms and conditions are not inconsistent with the terms of the Employee Matters Agreement and the terms of the applicable Converted Awards assumed by the Company in accordance with the Employee Matters Agreement. In addition, subject to the limitations provided in the Omnibus Plan and in accordance with applicable law, our Talent and Compensation Committee may accelerate or defer the vesting or payment of awards, cancel or modify outstanding Awards, and waive any conditions or restrictions imposed with respect to Awards or our common shares issued pursuant to Awards, including in connection with a "change of control" or a qualifying termination of employment during a specified period following a change of control, as set forth in the Omnibus Plan.

Adjustments

In the event of any changes in our capital structure (including a change in the number of our common shares outstanding) on account of any share dividend, share split, reverse share split or any similar equity restructuring, or any combination or exchange of equity securities, merger, consolidation, recapitalization, reorganization or similar event, or to the extent necessary to prevent the enlargement or diminution of participants' rights by reason of any such transaction or event or any extraordinary dividend, divestiture or other distribution (other than ordinary cash dividends) of assets to shareholders, our Talent and Compensation Committee shall make appropriate equitable adjustments to the maximum number of our common shares available for issuance under the Omnibus Plan and other limits stated in the Omnibus Plan, the number of common shares covered by outstanding Awards, and the exercise prices and performance measures applicable to outstanding Awards. These adjustments will be made only to the extent they conform to the requirements of applicable provisions of the Code and other applicable laws and regulations. Our Talent and Compensation Committee, in its discretion, may decline to adjust an Award if it determines that the adjustment would violate applicable law or result in adverse tax consequences to the participant or to the Company. Adjustments described in this paragraph are subject to any applicable regulatory approvals.

No Repricing

Subject to adjustment made in connection with a recapitalization and certain other events set forth in the Omnibus Plan, no action will directly or indirectly, through cancellation and regrant or any other method, reduce, or have the effect of reducing, the exercise price of any "underwater" stock option or SAR without approval of

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the Company's shareholders. A stock option or SAR will be deemed to be "underwater" at any time when the market value of our common shares covered by such Award is less than the exercise price of the Award.

Amendment and Termination

Subject to certain restrictions, the Omnibus Plan and any Award may be amended, suspended or terminated at any time by our Board of Directors, provided that no amendment will be made without shareholder approval if such shareholder approval is required in order to comply with applicable law or the rules of the New York Stock Exchange, the rules of the Toronto Stock Exchange or any other securities exchange on which our common shares are traded or quoted. However, subject to the change of control provisions of the Omnibus Plan and except as may be required to comply with applicable tax law, no termination, suspension or amendment of the Omnibus Plan may adversely affect the right of any participant with respect to a previously granted Award without the participant's written consent.

Effective Date; Plan Term

The Omnibus Plan will become effective on the date on which the registration statement of which this prospectus forms a part is declared effective by the SEC, subject to approval of the Omnibus Plan by our Board and BHC, in its capacity as the sole stockholder of Bausch + Lomb. The Omnibus Plan will remain in effect until the earlier of (i) the date all common shares subject to the Omnibus Plan have been purchased or acquired according to the Omnibus Plan's provisions or (ii) the tenth anniversary of the effective date of the Plan (the "Plan Term"). No Awards will be granted under the Omnibus Plan after such termination date, but Awards granted prior to such termination date shall remain outstanding in accordance with their terms (including the administration, adjustment, and amendment provisions).

Director Compensation

We have not paid any director compensation for service on the Board of Directors prior to this offering. Prior to the completion of this offering, we intend to adopt a director compensation program, the terms of which are summarized below.

Our non-employee directors will be eligible to receive the following annual retainers and annual equity compensation grants:

- Board Member: Each non-employee director of the Board of Directors will receive an $80,000 annual cash retainer and annual equity retainer in the form of RSUs with a target grant date fair value of $225,000. These annual grants of RSUs vest and are deliverable prior to the next annual meeting of shareholders, unless the director elects to defer issuance until the director's separation from the Company.
- Non-Executive Chairperson and Lead Director: Directors will receive an additional $150,000 for their service as an independent Chairman and $40,000 for their service as Lead Director, as applicable.
- Committee Chairs: Chairs of the audit, talent and compensation and nominating and corporate governance committees will receive an additional $25,000, $20,000 and $15,000, respectively, as an annual cash retainer.
- Committee Members: Non-chair Members of the audit, talent and compensation and nominating and corporate governance committees will receive an additional $12,500, $10,000 and $7,500, respectively, as an annual cash retainer.

Under the director compensation program, our directors may elect to receive their fees in cash, in RSUs, or in a combination of cash and RSUs RSUs received pursuant to this election are paid in a lump sum of common shares at the end of such director's service with the Company. All fees, whether payable in cash or RSUs, are delivered in quarterly installments, with the exception of the additional fee for the Lead Independent Director, which is paid once annually on the third day following each annual meeting of shareholders. In addition to the above fees, directors are also reimbursed for their out-of-pocket expenses in attending in-person meetings.

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PRINCIPAL AND SELLING SHAREHOLDER

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

The following table sets forth certain information regarding beneficial ownership of our common shares as of December 31, 2021, and as adjusted to reflect the sale of common shares in this offering, for:

- each person known to us to be the beneficial owner of more than 5% of our common shares;
- each of the directors, director nominees and named executive officers individually; and
- all of our executive officers and directors as a group.

In accordance with the rules of the SEC, beneficial ownership includes voting or investment power with respect to securities and includes the shares issuable pursuant to stock options that are exercisable within 60 days of December 31, 2021. Shares issuable pursuant to stock options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person. The percentage of beneficial ownership for the following table is based on common shares outstanding prior to this offering, on a pro forma basis giving effect to the Separation. Unless otherwise indicated, the address for each listed shareholder is: Bausch + Lomb Corporation, 520 Applewood Crescent Vaughan, Ontario, Canada L4K 4B4. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all common shares.

Beneficial ownership representing less than 1% is denoted with an asterisk (*).

	Shares Beneficially Owned Prior to the Completion of this Offering		Shares Beneficially Owned After the Completion of this Offering(1)	
Name of beneficial owner	Number of shares	Percentage of shares	Number of shares	Percentage of shares
5% Shareholders				
BHC(2)		100.0%		%
Executive Officers and Directors				
Joseph C. Papa	—	0%	—	0%
Sam A. Eldessouky	—	0%	—	0%
Christina M Ackermann		0%		0%
Joseph F. Gordon	—	0%	—	0%
Nathalie Bernier	—	0%	—	0%
Sarah B. Kavnagh	—	0%	—	0%
Russel C. Robertson	—	0%	—	0%
Thomas W. Ross, Sr.	—	0%	—	0%
Richard U. De Schutter	—	0%	—	0%
Andrew C. von Eschenbach	—	0%	—	0%
John Paulson	—	0%	—	0%
Directors and officers as a group (eleven individuals)		0%		0%

(1) Assumes no exercise of the underwriters' over-allotment option. See "Underwriting."
(2) Represents shares owned by 1261229 B.C. Ltd., the selling shareholder, which is a wholly-owned subsidiary of BHC, as to which BHC has ultimate beneficial ownership. The address of BHC is BHC Corporation, 520 Applewood Crescent Vaughan, Ontario Canada L4K 4B4.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years or currently proposed, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or beneficial holders of more than 5% of any class of our capital stock had or will have a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions meeting this criteria to which we have been or will be a party other than compensation arrangements, which are described where required under "Management—Board of Directors Structure and Compensation of Directors" and "Executive Compensation."

Relationship with BHC

Historical Relationship with BHC

BHC currently provides certain services to us, and direct, indirect and allocated costs for such services associated with these functions have been allocated to us. The allocations include costs related to corporate services, such as executive management, information technology, legal, finance and accounting, human resources, tax, treasury, research and development, sales and marketing, shared facilities and other services. These costs were allocated on a basis of revenue, headcount or other measures we have determined as reasonable. These allocations reflect 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. Following the completion of this offering, we expect BHC to continue to provide many of the services described above on a transitional basis for a fee. These services will be provided under the Transition Services Agreement described below.

BHC as our Controlling Shareholder

Prior to the completion of this offering, through a series of steps, BHC has agreed to transfer to us substantially all of the assets and liabilities of the Bausch + Lomb Business. In exchange, we have assumed certain intercompany debt owed by BHC to an affiliate that was transfered to us by BHC and issued to BHC, directly or indirectly, all of our issued and outstanding common shares and the BHC Purchase Debt. Immediately following the completion of this offering, BHC will beneficially own approximately % of our outstanding common shares (or % if the underwriters' option to purchase additional common shares is exercised in full). BHC expects in all cases to retain at least 80.1% of the Company's outstanding common shares immediately following the completion of this offering. See "The Separation and the Distribution" and "Risk Factors—Risks Relating to the Separation."

For as long as BHC continues to, directly or indirectly, control more than 50% of our outstanding common shares, BHC or its successor-in-interest will be able to direct the election of all the members of our Board of Directors. Similarly, subject to applicable laws relating to the protection of minority shareholders in certain situations, BHC will have the power to determine matters submitted to a vote of our shareholders without the consent of our other shareholders, will have the power to prevent a change in control of us and will have the power to take certain other actions that might be favorable to BHC. 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, the approval of the BHC Board of Directors) take certain actions. In addition, to preserve the tax-free treatment of the Distribution as currently anticipated for U.S. federal income tax purposes,

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the Master Separation Agreement includes certain covenants and restrictions to ensure that, until the completion of the Distribution or the determination by BHC that it will not pursue a Distribution, BHC will retain beneficial ownership of at least 80.1% of our combined voting power and 80.1% of each class of nonvoting capital stock, if any is outstanding.

The selling shareholder has agreed not to sell or otherwise dispose of any of our common shares for a period of 180 days from the date of this prospectus without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC. See "Underwriting." However, there can be no assurance concerning the period of time during which BHC will maintain its ownership of our common shares following the completion of this offering.

BHC has informed us that, at some time in the future, but no earlier than the expiration or earlier waiver of the lock up described above, it currently intends to transfer all or a portion of its remaining equity interest in us to its shareholders in a transaction that is generally expected to be tax-free for U.S. federal income tax purposes. BHC may abandon or change the structure of the Distribution subject to the terms and conditions set forth in the Master Separation Agreement and the Arrangement Agreement.

Agreements between BHC and Our Company

In connection with this offering, the Separation and the Distribution, we and BHC have entered into certain agreements that provide a framework for our ongoing relationship with BHC. Of the agreements summarized below, the material agreements are or will be filed as exhibits to the registration statement of which this prospectus is a part, and the summaries of these agreements set forth the terms of the agreements that we believe are material. These summaries are qualified in their entirety by reference to the full text of such agreements.

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.

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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.

Internal Transactions. The Master Separation Agreement provides for certain internal transactions related to our separation from BHC in accordance with a mutually agreed plan and structure 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;

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- 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 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;
- 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

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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, 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

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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 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 the 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.

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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.
- 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.

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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 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

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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;
- 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 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

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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 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.

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- 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 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.

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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 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

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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.

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.

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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, 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.

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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.

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.

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.

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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 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.

Related Party Transactions

Following the completion of this offering, we will have a general policy that all material transactions with a related party, as well as all material transactions in which there is an actual, or in some cases, perceived, conflict of interest, will be subject to prior review and approval by our Audit Committee and its independent members, which will determined whether such transactions or proposals are fair and reasonable to us and our shareholders. In general, potential related party transactions will be identified by our management and discussed with our Audit Committee at its meetings. Detailed proposals including, where applicable, financial and legal analyses, alternatives and management recommendations, will be provided to our Audit Committee with respect to each issue under consideration, and decisions will be made by our Audit Committee with respect to the foregoing related party transactions after opportunity for discussion and review of materials. When applicable, our Audit Committee will request further information and, from time to time, will request guidance or confirmation from internal or external counsel or auditors.

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DESCRIPTION OF MATERIAL INDEBTEDNESS

In connection with the Separation, Bausch + Lomb intends to incur approximately $ million of indebtedness under Bausch + Lomb's new senior term loan facility and enter into a $ million revolving credit facility (expected to be undrawn at closing).

The Company undertakes to update the disclosure in this section in a subsequent amendment of this prospectus once the terms of such indebtedness are reasonably known.

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DESCRIPTION OF CAPITAL STOCK

The following summary describes the common shares of Bausch + Lomb, which are the only securities of the Company to be registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended.

The following summary describes the material terms of our common shares and is not complete. This summary is qualified in its entirety by reference to the Canada Business Corporations Act, applicable British Columbia law and our articles and by-laws. For a complete description of our common shares, we refer you to our articles, which have been filed as an exhibit to this registration statement of which this prospectus is a part.

General

Upon completion of this offering, our authorized capital will consist of an unlimited number of common shares and preferred shares, issuable in series. Prior to this offering, there were common shares outstanding, all of which were held of record by one shareholder and no preferred shares outstanding. Upon the completion of this offering, there will be common shares outstanding, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options and no preferred shares outstanding. All outstanding common shares are fully paid and non-assessable.

Common Shares

Voting Rights

The holders of the common shares are entitled to receive notice of and attend (in person or by proxy) and be heard at all general meetings of the shareholders of the Company (other than separate meetings of the holders of shares of any other class of shares or any series of shares of such other class of shares, if any). The holders of the common shares are entitled to vote at all such general meetings, with each holder of the common shares being entitled to one vote per common share held at all such meetings.

Dividend Rights

Subject to any preference as to the payment of dividends provided to any shares ranking in priority to common shares (if any then outstanding), the holders of common shares shall be entitled to participate equally with each other as to dividends, as and when declared by the Company's Board of Directors, out of moneys properly applicable to the payment of dividends, in amounts per share and at the same time on all such common shares at the time outstanding as the Company's Board of Directors may from time to time determine.

Liquidation, Dissolution and Winding-Up Rights

In the event of the liquidation, dissolution or winding-up or other distribution of assets among the Company's shareholders for the purpose of winding up the Company's affairs, all of the property and assets of the Company which remain after payment to the holders of any shares ranking in priority to the common shares in respect of payment upon liquidation, dissolution or winding-up (if any then outstanding) of all amounts attributed and properly payable to such holders of any such other shares in the event of such liquidation, dissolution, winding-up or distribution, shall be paid or distributed equally, share for share, to the holders of the common shares without preference or distinction.

Forum for Adjudication of Certain Disputes

Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada 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 behalf of the Company; (ii) any

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action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company; (iii) any action or proceeding asserting a claim arising pursuant to 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, but this paragraph (iv) does not include claims related to the business carried on by the Company or such affiliates. If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the Province of British Columbia (a "Foreign Action") in the name of any shareholder, such shareholder shall be deemed to have consented to (i) the personal jurisdiction of the provincial and federal Courts located within the Province of British Columbia in connection with any action or proceeding brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such shareholder in any such action or proceeding by service upon such shareholder's counsel in the Foreign Action as agent for such shareholder.

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 for which there is exclusive federal or concurrent federal and state jurisdiction. Additionally, 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. In addition, our by-laws 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 may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or shareholders, which may discourage lawsuits with respect to such claims. See "Risk Factors—Risks Relating to this Offering and Ownership of Our Common Shares—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."

Other Rights

The holders of common shares do not have any preemptive, subscription or redemption rights.

Transfer Agent and Registrar

The transfer agent and registrar for our common shares is American Stock Transfer & Trust Company, LLC. The transfer agent's address is 6201 15th Avenue, Brooklyn, New York 11219.

Listing

We have applied to list our common shares on the NYSE and the TSX, in each case under the symbol "BLCO." The listing on the NYSE is subject to approval by the NYSE in accordance with its original listing requirements and the listing on the TSX is subject to our fulfilment of all of the listing requirements of the TSX. 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.

Preferred Shares

We may from time to time issue preferred shares in one or more series. Before the first shares of a particular series are issued, the Board of Directors will determine, subject to any restrictions set out in the articles, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series.

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Except as otherwise provided by the CBCA (or, following the Continuance, the BCBCA) or in accordance with any voting rights which may be attached to a series of preferred shares, holders of preferred shares as a class will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company.

No series of preferred shares will have priority over any other series of preferred shares in respect of the payment of dividends or any distribution of assets or return of capital in the event of the liquidation, dissolution or winding up of the Company, but holders of preferred shares will be entitled to such preferences with respect to the payment of dividends over the common shares of the Company and any other shares ranking junior to the preferred shares with respect to payment of dividends. Holders of a particular series of preferred shares will be entitled to such other preferences over the common shares and any other shares ranking junior to the preferred shares as may be fixed by the Board of Directors in respect of that series.

Advance Notice Procedures

We have included certain advance notice provisions with respect to the nomination of our directors and to the proposing of other business in our by-laws (the "Advance Notice Provisions"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings and (ii) ensure that all shareholders receive adequate notice of Board of Directors nominations or other business and sufficient information with respect to all nominees and other business. Only persons nominated or proposals for other business made in accordance with the Advance Notice Provisions will be eligible for consideration at any annual meeting of shareholders, or, in the case of a nomination, at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under these procedural requirements, in order to bring a nomination or other business before a meeting of shareholders, a shareholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our corporate secretary along with the following:

- a description of the business or nomination to be brought before the meeting and the reasons for conducting such business at the meeting;
- the shareholder's name, business and residential address;
- any material interest of the shareholder in the proposal;
- the number of shares beneficially owned, or controlled or directed, directly or indirectly, by the shareholder and/or any other person with who such shareholder is acting jointly or in concert with respect to the Company or any of its securities;
- the names and addresses of all persons with whom the shareholder is acting in concert and a description of all arrangements and understandings with those persons, and the number of shares such persons beneficially own;
- a description of any agreement or arrangement that has been entered into, the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such shareholder with respect to the Company's securities.

To be timely, a shareholder must generally deliver notice:

- in connection with an annual meeting of shareholders, not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting of shareholders, but in the event that the date of the annual meeting is more than 30 days before or more than 90 days after the anniversary date of the preceding annual meeting of shareholders, then to be timely such notice must be received by the Company no earlier than 90 days prior to such annual meeting and no later than the later of 70 days prior to the date of the meeting or the 10th day following the day on which public announcement of the date of the meeting is first made by the Company, or

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- in the case of a special meeting of shareholders which is not also an annual meeting called for any purpose which includes the election of directors to the Board of Directors, not later than the close of business on the 15th day following the day on which we first publicly announce the date of such special meeting.

In order to submit a nomination for our Board of Directors, a shareholder must also submit any information with respect to the nominee that we would be required to include in a proxy statement, as well as certain other information. If a shareholder fails to follow the required procedures, the shareholder's proposal for other business or nominee will be deemed ineligible and will not be voted on by our shareholders.

References to shareholder in connection with the Advance Notice Provisions includes, where applicable, each beneficial owner of common shares, if any, on whose behalf the nomination or proposal is being made

Restrictions on Share Ownership by Non-Canadians; Antitrust Regulation

There are no limitations under the laws of Canada or in our organizational documents on the right of foreigners to hold or vote securities of our Company, except that the *Investment Canada Act (Canada)* (the "Investment Canada Act") may require review and approval by the Minister of Innovation, Science and Industry (Canada) (the "Minister") of an acquisition of "control" of our Company by a "non-Canadian."

Investment Canada Act

Under the Investment Canada Act, an acquisition of control of a Canadian business by a non-Canadian is either reviewable (a "Reviewable Transaction"), in which case it is subject to both a reporting obligation and an approval process, or notifiable, in which case it is subject to only a reporting obligation. In the case of a Reviewable Transaction, the non-Canadian acquirer must submit an application for review with the prescribed information. The Minister is then required to determine whether the Reviewable Transaction is likely to be of net benefit to Canada, taking into account the assessment factors specified in the Investment Canada Act and any written undertakings that may have been given by the non-Canadian acquirer.

The Investment Canada Act also provides that any investment by a non-Canadian in a Canadian business, even where control has not been acquired, can be reviewed on grounds of whether it may be injurious to national security. Where an investment is determined to be injurious to national security, Cabinet can prohibit closing or, if closed, can order the investor to divest control. Short of a prohibition or divestment order, Cabinet can impose terms or conditions on the investment or can require the investor to provide binding undertakings to remove the national security concern.

Competition Act

Part IX of the *Competition Act* (Canada) (the "Competition Act") requires that a pre-merger notification filing be submitted to the Commissioner of Competition (the "Commissioner") in respect of certain classes of merger transactions that exceed certain prescribed thresholds. If a proposed transaction exceeds such thresholds, subject to certain exceptions, the notification filing must be submitted to the Commissioner and the statutory waiting period must expire or be terminated early or waived by the Commissioner before the transaction can be completed.

All mergers, regardless of whether they are subject to Part IX of the Competition Act, are subject to the substantive mergers provisions under Section 92 of the Competition Act. In particular, the Commissioner may challenge a transaction before the Competition Tribunal where the transaction prevents or lessens, or is likely to prevent or lessen, competition substantially in a market. The Commissioner may not make an application to the Competition Tribunal under Section 92 of the Competition Act more than one year after the merger has been substantially completed.

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Certain Other Considerations

For a description of certain other considerations with respect to ownership of our common shares following this offering and following the completion of the Distribution, including with respect to amendments to our articles and by-laws, our Board of Directors, voting thresholds for certain matters and shareholder meetings and proposals, among others, see " Material Differences Between the Canada Business Corporations Act, the British Columbia Business Corporations Act and the Delaware General Corporation Law."