Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

Unless the context otherwise indicates, as used in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," the terms "we," "us," "our," "Bausch + Lomb," the "Company," and similar terms refer to Bausch + Lomb Corporation and its subsidiaries. This "Management's Discussion and Analysis of Financial Condition and Results of Operations" has been updated through July 30, 2025 and should be read in conjunction with the unaudited interim Condensed Consolidated Financial Statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (this "Form 10-Q"). The matters discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contain certain forward-looking statements within the meaning of Section 27A of The Securities Act of 1933, as amended (the "Act"), and Section 21E of The Securities Exchange Act of 1934, as amended, and that may be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, "Forward-Looking Statements"). See "Forward-Looking Statements" at the end of this discussion.

Our accompanying unaudited interim Condensed Consolidated Financial Statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024 have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the United States Securities and Exchange Commission (the "SEC") for interim financial statements, and should be read in conjunction with our Consolidated Financial Statements for the year ended December 31, 2024, which were included in our Annual Report on Form 10-K filed with the SEC and the Canadian Securities Administrators (the "CSA") on February 19, 2025 (the "Annual Report"). In our opinion, the unaudited interim Condensed Consolidated Financial Statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for a fair statement of the financial condition, results of operations and cash flows for the periods indicated. Additional Company information is available on SEDAR+ at www.sedarplus.com and on the SEC website at www.sec.gov. All currency amounts are expressed in U.S. dollars, unless otherwise noted. Certain defined terms used herein have the meaning ascribed to them in the accompanying unaudited interim Condensed Consolidated Financial Statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024.

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. Bausch + Lomb develops, manufactures and markets a range of products, primarily in the areas of eye health, which are marketed directly or indirectly in approximately 100 countries. As a fully integrated eye health business, Bausch + Lomb has a comprehensive portfolio of approximately 400 products, which includes an established line of contact lenses, intraocular lenses ("IOLs") and other medical devices, surgical systems and devices, vitamin and mineral supplements, lens care products, prescription eye-medications and other consumer products that positions us to compete in all areas of the eye health market.

Bausch + Lomb is a subsidiary of Bausch Health Companies Inc. ("BHC"), with BHC holding, directly or indirectly, approximately 88% of the issued and outstanding common shares of Bausch + Lomb, as of July 23, 2025. Bausch + Lomb understands that BHC continues to believe that completing the separation of our eye health business into an independent publicly traded entity, separate from the remainder of BHC (the "Separation"), which may include the transfer of all or a portion of BHC's remaining direct or indirect equity interest in Bausch + Lomb to its shareholders (the "Distribution"), the monetization of all or a portion of BHC's ownership interest in Bausch + Lomb, the sale of the Company (a "Sale Transaction") or a combination thereof, makes strategic sense and that BHC continues to evaluate all relevant factors and considerations related to completing the Separation, including those factors described in BHC's public filings. The Distribution is subject to the achievement of targeted debt leverage ratios and the completion of the Separation is subject to the receipt of any applicable shareholder and other necessary approvals and other factors and is subject to various risk factors. For additional information on the risks related to the Separation, see Item 1A. "Risk Factors — Risks Relating to the Separation" of our Annual Report. There can be no assurance that the Separation will be consummated, the form any such consummated Separation would take or that a Distribution or Sale Transaction will occur as part of that Separation or that even if consummated, we will realize the anticipated benefits from the Separation.

Reportable Segments

Our portfolio of products falls into three operating and reportable segments: (i) Vision Care, (ii) Pharmaceuticals and (iii) Surgical.

The Vision Care segment—includes both our contact lens and consumer eye care businesses.

Our contact lens portfolio spans 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, over-the-counter ("OTC") eye drops that address various conditions, including eye allergies, conjunctivitis, dry eye and redness relief, and eye vitamins and mineral supplements. Within our consumer eye care business, our lens care product portfolio includes Biotrue® and Renu® multipurpose solutions and Boston® cleaning and conditioning solutions, our eye drops include Lumify®, Soothe®, Artelac®, Alaway® and Mioclear® and our eye vitamins include PreserVision® and Ocuvite®.

The Pharmaceuticals segment—consists of a broad line of proprietary and generic 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 proprietary pharmaceutical brands are MIEBO®, XIIDRA®, Vyzulta®, Lotemax®, Prolensa® and Minims®.

The Surgical segment— consists of medical device equipment, consumables and technologies for the treatment of cataracts, corneal, vitreous and retinal eye conditions, which includes IOLs and delivery systems, phacoemulsification equipment and other surgical instruments and devices necessary for cataract surgery. Key surgical brands include Akreos®, AMVISC®, IC-8® Apthera™, Crystalens® IOLs, enVista® IOLs, Millennium®, Stellaris Elite® vision enhancement system, Synergetics®, ClearVisc®, StableVisc®, Storz® ophthalmic instruments, VICTUS® femtosecond laser, Teneo®, Eyefill® and Zyoptix®.

Strategic Acquisitions and Licensing Agreements

We continuously search for new product opportunities through internal development, strategic licensing agreements and acquisitions, that, if successful, will allow us to leverage our commercial footprint and supplement our existing product portfolio and address specific unmet needs in the market.

In addition to licensing agreements, we selectively consider acquisitions that we believe align well with our current organization and strategic plan to help drive profitable growth and advance our mission of helping people see better to live better. Certain recent strategic acquisitions and licensing agreements that we have entered into include the following:

During 2025, the Company acquired Whitecap Biosciences LLC ("Whitecap Biosciences"). The acquisition is expected to expand the Company's clinical-stage pipeline, as Whitecap Biosciences is currently developing two innovative therapies for potential use in glaucoma and geographic atrophy.

Prior to 2025, certain strategic acquisitions that we had entered into included the following:

- Acquisition of Elios Vision – In December 2024, we acquired Elios Vision, Inc. ("Elios Vision"). Elios Vision, a privately held company, is the developer of the ELIOS® procedure, the first clinically validated, minimally invasive glaucoma surgery procedure using an excimer laser. The U.S. submission of this product is being planned and we expect this acquisition to then bolster the Company's glaucoma treatment portfolio.

- Acquisition of Trukera Medical – In July 2024, we acquired TearLab Corporation, d/b/a Trukera Medical ("Trukera Medical") from its private equity owner, AccelMed Partners, and other shareholders. Trukera Medical, a U.S.-based privately held ophthalmic medical diagnostic company, commercializes ScoutPro®, a point-of-care portable device for precisely measuring osmolarity, the salt content of a person's tears. This acquisition expands the Company's presence in the dry eye market.

- Acquisition of XIIDRA® – In September 2023, the Company acquired XIIDRA®, a non-steroid eye drop specifically approved to treat the signs and symptoms of dry eye disease focusing on inflammation associated with dry eye, and certain other ophthalmology assets from Novartis Pharma AG and Novartis Finance Corporation (together with Novartis Pharma AG, "Novartis") (the "XIIDRA Acquisition"). The XIIDRA Acquisition complements and grows our existing dry eye franchise.

- Acquisition of Blink® Product Line – In July 2023, we acquired the Blink® OTC product line of eye and contact lens drops from Johnson & Johnson Vision, which consists of Blink® Tears Lubricating Eye Drops, Blink® Tears Preservative Free Lubricating Eye Drops, Blink GelTears® Lubricating Eye Drops, Blink® Triple Care Lubricating Eye Drops, Blink Contacts® Lubricating Eye Drops and Blink-N-Clean® Lens Drops (collectively, the "Blink® Product Line"). This acquisition has enabled us to continue to grow our global OTC business.

- Acquisition of AcuFocus – During January 2023, we acquired AcuFocus, Inc. ("AcuFocus"). AcuFocus is an ophthalmic medical device company that has delivered breakthrough small aperture intraocular technology to address diverse unmet needs in eye care. The IC-8® Apthera™ IOL was approved by the U.S. Food and Drug Administration (the "FDA") in July 2022 as the first and only small aperture non-toric EDOF IOL for certain cataract patients who have as much as 1.5 diopters of corneal astigmatism and wish to address presbyopia at the same time. We believe that the IC-8® Apthera™ IOL will bolster our surgical portfolio by enhancing our IOL offerings, which is a strategic area of focus for the Company.

We regularly consider further strategic licensing and acquisition opportunities, some of which could be material in size.

Product Development

Our team of approximately 1,000 dedicated Research and Development ("R&D") employees is focused on advancing our pipeline and identifying new product opportunities and we believe we have a significant innovation opportunity today. We plan to develop and, where applicable, commercialize our global pipeline of over 60 projects, many of which are global projects being developed in and for multiple countries. These global and individual projects are in various stages of pre-clinical and clinical development, including new contact lenses 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, among others, that are designed to grow our portfolio and accelerate future growth.

Our internal R&D organization focuses on the development of products through robust bench testing that is designed to comply with international standards and through clinical trials. Certain of our key pipeline products are listed below.

Vision Care

- Lumify® Franchise – An OTC redness reliever eye drop that significantly reduces redness to help eyes look whiter and brighter, revealing eyes' natural beauty. To date, we have launched and acquired the right to launch Lumify® in various countries. A new line extension formulation, Lumify® Preservative Free, for which the New Drug Application ("NDA") was approved by the FDA in April 2024, began launching in the first quarter of 2025. In addition, the Company is in the process of initiating a Lumify® next generation clinical study, for which enrollment has been completed and we expect topline results by the end of 2025.

- Blink™ Franchise – During June 2024, we expanded our over-the-counter dry eye portfolio with the launch of Blink™ NutriTears®, a clinically proven OTC supplement that targets the key root causes of dry eyes, promotes healthy tear production and provides noticeable relief of eye dryness symptoms. During June 2025, the Company began launching Blink® Nourish and Blink® Boost lubricating eye drops in the U.S.

- AREDS3 Vitamins – We started the development of AREDS3, a next-generation eye vitamin formulation, in an effort to expand our eye vitamins portfolio.

- Biomimetic Lens – Internal clinical studies have been ongoing related to the development of a biomimetic lens, a novel material design for daily disposable contact lens.

- Myopia Control Contact Lens – A multi-year study has begun for a Myopia control lens. We expect to receive a year 1 interim report during 2026.

Pharmaceuticals

- Dual-Action Lifitegrast – We anticipate initiating a clinical study in the second half of 2025 in an effort to begin developing the first dual-action therapeutic to address evaporative and inflammatory dry eye.

- Ocular Pain – We anticipate initiating a clinical study in the second half of 2025 in an effort to begin developing a first-in-class therapy for ocular surface pain.

- Glaucoma Neuroprotection – We anticipate initiating a clinical study in the second half of 2025 in an effort to begin developing the first glaucoma therapy to lower intraocular pressure and improve visual function.

Surgical

- enVista® – We are expanding our portfolio of premium IOLs built on the enVista® platform with the following:
    - enVista Aspire® monofocal and toric IOLs with Intermediate Optimized optics were launched in the U.S. during October 2023 and in Europe in January 2025 and the Canada launch is in process.
    - enVista Envy® launched in Canada in June 2024 and the U.S. and Europe launches are in-process.

- enVista Beyond™ extended depth of focus ("EDOF") is anticipated to launch in the U.S. early 2027.

- LuxLife® – We are expanding our portfolio of premium IOLs built on the "Lux" platform with the LuxLife® Trifocal IOL with two options, non-Toric and Toric for astigmatic patients. The European launch of this product is in process.

- ELIOS® – As discussed above, we plan to expand our glaucoma treatment portfolio with ELIOS®, the first clinically validated, minimally invasive glaucoma surgery procedure using an excimer laser. The U.S. submission of this product is being planned.

In addition, we have a number of other pipeline products that we are in the process of developing.

Business Trends

In addition to the actions previously outlined, the events described below have affected and may affect our business trends. The matters discussed in this section contain Forward-Looking Statements. Please see "Forward-Looking Statements" for additional information.

Voluntary Recall of enVista Intraocular Lenses

On March 27, 2025, the Company announced a voluntary recall of certain enVista IOL products. The recall was in response to an increased number of reports of toxic anterior segment syndrome (TASS), and included all lots of the following enVista IOL products: enVista Aspire, enVista Aspire Toric, enVista Envy and enVista Envy Toric, as well as enVista monofocal and enVista monofocal Toric IOL models in the U.S. On April 24, 2025, the Company announced that it, with the assistance of experts and advisors, had completed its investigation into the matter and determined that the issue stemmed from raw material used in certain lots that was delivered by a different vendor.

In response to the investigation, the Company has implemented enhanced inspection protocols for IOLs, as well as more explicit standards for how the monomers that make up its lenses are prepared by vendors. With these new processes in place, the Company has returned to full production of all enVista IOLs and has been shipping into the market to resupply inventory.

Russia-Ukraine War

In February 2022, Russia invaded Ukraine. As military activity and sanctions against Russia, Belarus and specific areas of Ukraine have continued, the war has continued to affect economic and global financial markets and placed further pressure on ongoing economic challenges, including issues such as inflation and global supply-chain disruption.

The former Biden administration imposed U.S. sanctions and export controls against Russia and Belarus in response to the ongoing war. These sanctions temporarily impacted our ability to distribute our U.S. manufactured contact lenses and our U.S. surgical products to Russia and Belarus. However, in response to these sanctions, we applied for licenses with the U.S. Department of Commerce's Bureau of Industry and Security for both Russia and Belarus and we have all licenses, or other applicable governmental authorizations, necessary to allow us to sell the applicable currently sanctioned products in each of these countries. The Trump administration has extended the sanctions imposed by the former Biden administration and has also indicated that it may impose additional sanctions against Russia and/or secondary sanctions against countries doing business with Russia, if negotiations are not progressed respecting a ceasefire or possible end to the conflict in Ukraine.

In addition, the EU has also imposed several rounds of sanctions against Russia. We have obtained licenses, where required, for products and services provided to Russia from the EU and from the relevant EU member states.

To date, the challenges associated with the Russia-Ukraine War and related sanctions from the U.S., EU and elsewhere have not yet had a material impact on our operations; although, we continue to review recent and proposed sanctions imposed by the EU, U.S. and others to assess their impact on our operations.

Our revenues attributable to Russia, Ukraine and Belarus, in the aggregate, were approximately 3% of our total revenues for, both, the six months ended June 30, 2025 and year ended December 31, 2024. In addition, we do not have any research or manufacturing facilities in Russia, Ukraine or Belarus. While we have been monitoring this conflict, and will continue to do so as this conflict continues to evolve, we are unable to predict the impact of this conflict on the Company's business.

For a further discussion of these and other risks relating to our international business, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations- Business Trends" of our Annual Report.

Conflict in the Middle East

The conflict between Israel and Hamas began during October 2023 and has since expanded to include other countries and militant groups, including Iran. Our revenues attributable to the impacted regions for the six months ended June 30, 2025 and year ended December 31, 2024 were less than 1% of our total revenues in each period. Sales in Iran are covered by a general OFAC license. While we have been monitoring this conflict, and will continue to do so as this conflict continues to evolve, we are unable to predict the impact of this conflict on the Company's business.

For a further discussion of these and other risks relating to our international business, see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations- Business Trends" of our Annual Report.

Macroeconomic Conditions

The Company is monitoring ongoing policy changes being made by the Trump administration, including those related to existing trade agreements and imposition and implementation of new tariffs and the counter-duties, counter-tariffs and/or other counter-measures implemented in response by other countries. Some of these policies have targeted countries in which we do business and sectors in which we do business, including pharmaceuticals. Given the international scope of our operations, any sanctions, export controls, tariffs, trade wars and other governmental actions could have an adverse effect on our business, financial condition, cash flows and results of operations. Similarly, adverse economic and geopolitical conditions impacting our customers in these countries or uncertainty about global economic conditions or the geopolitical environment could cause a decline in our share price and could also result in purchases of our products to decline, which would adversely affect our revenues and operating results.

As of the date of this filing, the current state of recent tariffs, counter-tariffs and other trade restrictions is fluid and continuously evolving; however, the Company is monitoring the status and believes that, building on its existing revenue stream from products manufactured in-country (which in certain key regions, such as the U.S. and EU, represent a significant portion of the overall revenue), it has certain potential actions that could be taken in response to such tariffs, counter-tariffs and other trade restrictions to help to mitigate their overall impact to the Company and its business. These actions may include strategic inventory stocking, leveraging its global footprint to shift manufacturing and optimizing existing capacity to in-source manufacturing.

See the section entitled "Risk Factors" included in our Annual Report, for additional information on the risks associated with tariffs.

Global Minimum Corporate Tax Rate

On October 8, 2021, the Organisation for Economic Co-operation and Development ("OECD")/G20 inclusive framework on Base Erosion and Profit Shifting (the "Inclusive Framework") published a statement updating and finalizing the key components of a two-pillar plan on global tax reform originally agreed on July 1, 2021, and a timetable for implementation by 2023. The timetable for implementation was extended to 2024 or, with respect to certain components of the plan, to 2025. The Inclusive Framework plan has now been agreed to by more than 140 OECD members, including several countries which did not agree to the initial plan. Under Pillar One, a portion of the residual profits of multinational businesses with global turnover above €20 billion and a profit margin above 10% will be allocated to market countries where such allocated profits would be taxed. 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. Many members of the Inclusive Framework have either introduced or announced their intention to introduce certain components of the global minimum tax in line with the model rules for fiscal year beginning on or after December 31, 2023. For example, on December 15, 2022, the European Union member states unanimously adopted the directive to implement pillar two rules. According to the directive, the member states were expected to enact pillar two rules into domestic law in 2023, with certain elements becoming effective for fiscal years beginning on or after December 31, 2023. On August 4, 2023, Canada released draft legislation to enact certain components of the pillar two proposals into Canadian law as the Global Minimum Tax Act ("GMTA"), which was enacted on June 20, 2024. The GMTA is generally aligned with the model rules proposed by the OECD and is effective for fiscal years beginning on or after December 31, 2023. The OECD has published model rules and other guidance with respect to pillar two, which are generally consistent with the agreement reached by the Inclusive Framework in October 2021. On February 1, 2023, the Inclusive Framework released a package of technical and administrative guidance on the implementation of pillar two, including the scope of companies that will be subject to the Global Anti-Base Erosion Rules ("GloBe"), transition rules, and guidance on domestic minimum taxes that countries may choose to adopt, among other topics. On December 18, 2023, the OECD announced plans to release additional guidance on model rules and to start the peer review process in 2024. On June 17, 2024, the OECD published further administrative guidance to clarify the operation of the model rules. On January 15, 2025, the OECD published additional guidance on the interpretation of the GloBe model rules,

including the central record that contained two lists of jurisdictions that have (i) income inclusion rules (the "IIR") and (ii) domestic minimum top-up taxes ("QDMTT") that have transitional qualified status. Canada's GMTA is included in both lists. The central record was amended by the Inclusive Framework on March 28, 2025 to add new jurisdictions.

The United States did not announce plans to enact the tax measures under the two-pillar plan. On February 1, 2023, the U.S. Financial Accounting Standards Board indicated that they believe the minimum tax imposed under pillar two is an alternative minimum tax, and, accordingly, deferred tax assets and liabilities associated with the minimum tax would not be recognized or adjusted for the estimated future effects of the minimum tax but would be recognized in the period incurred. On January 20, 2025, the Trump Administration issued an executive order declaring the Inclusive Framework has no force or effect in the U.S. absent congressional action, and directing the U.S. Department of Treasury to: (i) investigate whether any non-U.S. countries are not in compliance with any U.S. tax treaty or have implemented or are likely to implement tax rules that are extraterritorial or disproportionately affect U.S. companies, which may include actions or taxes imposed under Pillar One or Pillar Two, and (ii) develop options for "protective measures" in response to any such noncompliance or tax rules. On June 28, 2025, the United States and the rest of the G7 countries announced an agreement that would, in principle, exclude U.S. parented groups from certain taxes under Pillar Two and address certain risks of base erosion and profit shifting. However, we cannot predict whether or when such agreement will be brought into force, and whether the United States will adopt any other protective measures including with respect to any taxes imposed under Pillar One, or whether or how any non-U.S. countries may change their tax laws, including with respect to taxes imposed under Pillar One or Pillar Two, in response to the executive order, the agreement in principle described above, or otherwise. It is possible that any changes in U.S. or non-U.S. tax law could have material adverse effect on our future tax liabilities and our effective tax rate.

While many jurisdictions in which the Company operates have adopted the global minimum tax provision of Pillar Two effective for tax years beginning in January 2024, the Company has concluded that there is minimal impact to its 2025 tax rate due to the accounting for the tax effects of intercompany transactions. The Company expects that there is risk that the impact of the global minimum tax and other changes in tax law in jurisdictions in which it operates may eventually result in an increase to its overall effective tax rate.

U.S. Legislative Changes

On July 4, 2025, President Trump signed into law H.R. 1, the One Big Beautiful Bill Act (the "OBBBA"). The effects of this legislation for the Company include extending and modifying certain key Tax Cuts & Jobs Act provisions (both domestic and international). The corporate tax rate remains unchanged but bonus depreciation, domestic R&D expensing, and an adjustment to the interest deduction limitation were retroactive to January 2025. The OBBBA makes additional changes to international tax provisions, including substantive changes to existing GILTI, foreign-derived intangible income (FDII), and base erosion and anti-abuse tax (BEAT) provisions. These changes are effective for taxable years after 2025. The Company is evaluating the effects of this legislation on its tax provision for both 2025 and future years. Management will continue to evaluate the impact on future reporting periods.

Health Care Reform

The U.S. federal and state governments continue to propose and pass legislation designed to regulate the health care industry. Under the former Biden administration, many of these changes focused on health care cost containment, which resulted in pricing pressures relating to the sales and reimbursements of health care products and could result in legislative and regulatory changes that may negatively impact our businesses. We are monitoring potential health care-related legislative and regulatory changes that may be proposed and passed or otherwise pursued under the Trump administration.

In addition, we continue to face various proposed health care pricing changes and regulations from governments throughout the world in locations in which we operate our business. These proposed changes may also continue to result in pricing pressures relating to sales, promotions and reimbursement of our product portfolio.

We continually review newly enacted and proposed U.S. federal and state legislation, as well as proposed rulemaking and guidance published by the U.S. Department of Health and Human Services, the FDA and applicable foreign governments in locations in which we operate; however, at this time, it is unclear the effect these matters may have on our businesses.

Generic Competition and Loss of Exclusivity

Certain of our products face the expiration of their patent or regulatory exclusivity over the next five years, following which we anticipate generic competition of these products. Following a loss of exclusivity ("LOE") of and/or generic competition for a product, we would anticipate that product sales for such product would decrease significantly shortly following the LOE or entry of a generic competitor. Where we have the rights, we may elect to launch an authorized generic ("AG") of such product (either ourselves or through a third party) prior to, upon or following generic entry, which may mitigate the anticipated decrease in product sales.

While we expect our risk of LOE to be limited over the next five years, this could change based on, among other things, successful challenge to our patents, settlement of existing or future patent litigation and at-risk generic launches. We believe the entry into the market of generic competition generally would have an adverse impact on the volume and/or pricing of the affected products, however we are unable to predict the magnitude or timing of this impact.

In addition, in connection with our Lumify®, PreserVision®, Vyzulta® and Lotemax® SM products, we have commenced ongoing infringement proceedings against potential generic competitors or other potential infringers in the U.S. If we are not successful in these proceedings, we may face increased generic competition for these products. The PreserVision® U.S. formulation patent expired in March 2021, but a patent covering methods of using the formulation remains in force into 2026. PreserVision® products accounted for approximately 6% and 7% of our total revenues in 2024 and 2023, respectively. While PreserVision® and Lumify® are (or were) the subjects of certain ongoing and past patent infringement proceedings and while the Company cannot predict the magnitude of a LOE impact from PreserVision® and Lumify®, as these are OTC products, the impact is not expected to be as significant as the LOE of a branded pharmaceutical product.

See Note 16, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q, as well as Note 19, "LEGAL PROCEEDINGS" of our audited Consolidated Financial Statements for the year ended December 31, 2024, included in our Annual Report, for further details regarding certain of these infringement proceedings.

The risks of generic competition are a fact of the eye health industry and are not specific to our operations or product portfolio. These risks are not avoidable, but we believe they are manageable. To manage these risks, our leadership team routinely evaluates the impact that generic competition may have on future profitability and operations. In addition to aggressively defending our patents and other intellectual property, our leadership team makes operational and investment decisions regarding these products and businesses at risk, including decisions regarding our pipeline. Our leadership team actively manages our pipeline in order to identify innovative and realizable projects that are expected to provide incremental and sustainable revenues and growth into the future. We believe that we have a well-established product portfolio that is diversified within our core businesses. We also believe that we have a robust pipeline that not only provides for the next generation of our existing products, but also brings new solutions into the market.

See the section entitled "Risk Factors" included in our Annual Report, for additional information on the risks associated with our intellectual property and our competition risks.

RESULTS OF OPERATIONS

Our unaudited operating results for the three and six months ended June 30, 2025 and 2024 were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Revenues						
Product sales	$ 1,272	$ 1,213	$ 59	$ 2,405	$ 2,307	$ 98
Other revenues	6	3	3	10	8	2
	1,278	1,216	62	2,415	2,315	100
Expenses						
Cost of goods sold (excluding amortization and impairments of intangible assets)	523	482	41	1,004	905	99
Cost of other revenues	2	1	1	3	2	1
Selling, general and administrative (Note 4)	579	535	44	1,142	1,039	103
Research and development	96	84	12	182	166	16
Amortization of intangible assets	67	74	(7)	134	148	(14)
Other expense, net	22	14	8	44	23	21
	1,289	1,190	99	2,509	2,283	226
Operating (loss) income	(11)	26	(37)	(94)	32	(126)
Interest income	3	3	—	6	6	—
Interest expense	(128)	(102)	(26)	(222)	(201)	(21)
Loss on extinguishment of debt	(9)	—	(9)	(9)	—	(9)
Foreign exchange and other	(2)	(3)	1	(8)	(3)	(5)
Loss before provision for income taxes	(147)	(76)	(71)	(327)	(166)	(161)
Benefit from (provision for income taxes)	89	(72)	161	58	(145)	203
Net loss	(58)	(148)	90	(269)	(311)	42
Net income attributable to noncontrolling interest	(4)	(3)	(1)	(5)	(7)	2
Net loss attributable to Bausch + Lomb Corporation	$ (62)	$ (151)	$ 89	$ (274)	$ (318)	$ 44

Three Months Ended June 30, 2025 Compared to the Three Months Ended June 30, 2024

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, IOLs 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. See Note 17, "SEGMENT INFORMATION" to our unaudited interim Condensed Consolidated Financial Statements for the disaggregation of revenues which depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by the economic factors of each category of customer contracts.

Our revenues were $1,278 million and $1,216 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $62 million, or 5%. The increase was attributable to: (i) increased volumes of $64 million within our Vision Care and Pharmaceuticals segments, (ii) the favorable impact of foreign currencies of $21 million and (iii) incremental sales attributable to acquisitions of $6 million, within our Surgical segment. The increases in revenue were partially offset by: (i) decreased net realized pricing of $27 million, driven by our Pharmaceuticals segment and (ii) the impact of divestitures and discontinuations of $2 million related to the discontinuation of certain products within our Vision Care segment.

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 three months ended June 30, 2025 and 2024.

	2025		2024		Change	
(in millions)	**Amount**	**Pct.**	**Amount**	**Pct.**	**Amount**	**Pct.**
Segment Revenues						
Vision Care	$ 753	59 %	$ 697	57 %	$ 56	8 %
Pharmaceuticals	309	24 %	310	26 %	(1)	— %
Surgical	216	17 %	209	17 %	7	3 %
Total revenues	$ 1,278	100 %	$ 1,216	100 %	$ 62	5 %

Constant Currency Revenues and Constant Currency Revenue Growth (non-GAAP)

Constant Currency Revenue Growth, a non-GAAP measure, is defined as a change in Revenues (its most directly comparable GAAP financial measure) on a period-over-period basis adjusted for changes in foreign currency exchange rates (if applicable). The Company uses Constant Currency Revenues (non-GAAP) and Constant Currency Revenue Growth (non-GAAP) to assess performance of its reportable segments, and the Company in total, without the impact of foreign currency exchange fluctuations. The Company believes that such measures are useful to investors as they provide a supplemental period-to-period comparison.

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 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.

Non-GAAP financial measures and non-GAAP ratios are not prepared in accordance with GAAP nor do they have any standardized meaning under GAAP. In addition, other companies may use similarly titled non-GAAP financial measures and ratios that are calculated differently from the way we calculate such measures and ratios. Accordingly, the Company's non-GAAP financial measures and ratios may not be comparable to such similarly titled non-GAAP financial measures and ratios used by other companies.

The following table presents a reconciliation of Revenues to constant currency revenues (non-GAAP) and the period-over-period changes in constant currency revenue (non-GAAP) for the three months ended June 30, 2025 and 2024.

(in millions)	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024	Change in Constant Currency Revenue (Non-GAAP)	
	Revenue as Reported	Changes in Exchange Rates	Constant Currency Revenue (Non-GAAP)	Revenue as Reported	Amount	Pct.
Vision Care	$ 753	$ (14)	$ 739	$ 697	$ 42	6 %
Pharmaceuticals	309	(2)	307	310	(3)	(1)%
Surgical	216	(5)	211	209	2	1 %
Total	$ 1,278	$ (21)	$ 1,257	$ 1,216	$ 41	3 %

Vision Care Segment Revenue

The Vision Care segment revenue was $753 million and $697 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $56 million, or 8%. The increase was primarily driven by sales from our dry eye portfolio and Lumify® within our consumer eye care business and the performance of SiHy Daily lenses, Ultra® and Biotrue® within our contact lens business. This increase included: (i) an increase in volumes of $30 million, (ii) the favorable impact of foreign currencies of $14 million and (iii) an increase in net pricing of $14 million, partially offset by the impact of divestitures and discontinuations of $2 million.

Pharmaceuticals Segment Revenue

The Pharmaceuticals segment revenue was $309 million and $310 million for the three months ended June 30, 2025 and 2024, respectively, a decrease of $1 million. The decrease was primarily driven by declines in the U.S. generics business and gross-to-net pricing pressures, primarily attributable to XIIDRA®, partially offset by the increased net sales for MIEBO®, driven by its continued positive momentum since launching. This decrease included a decrease in net realized pricing of $43 million, partially offset by: (i) an increase in volumes of $40 million and (ii) the favorable impact of foreign currencies of $2 million.

Surgical Segment Revenue

The Surgical segment revenue was $216 million and $209 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $7 million, or 3%. The increase was primarily driven by increased demand of consumables, partially offset by the voluntary recall of certain enVista IOL products, as previously discussed. This increase included: (i) incremental sales from acquisitions of $6 million, (ii) an increase in net realized pricing of $2 million and (iii) the favorable impact of foreign currencies of $5 million, partially offset by a decrease in volumes of $6 million.

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 the three months ended June 30, 2025 and 2024 were as follows:

	Three Months Ended June 30,			
	2025		2024	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$ 2,070	100.0 %	$ 1,879	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	119	5.70 %	109	5.80 %
Returns	21	1.00 %	24	1.30 %
Rebates	487	23.60 %	355	18.90 %
Chargebacks	149	7.20 %	158	8.40 %
Distribution fees	22	1.10 %	20	1.00 %
Total provisions	798	38.60 %	666	35.40 %
Net product sales	1,272	61.40 %	1,213	64.60 %
Other revenues	6		3	
Revenues	$ 1,278		$ 1,216	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 38.6% and 35.4% for the three months ended June 30, 2025 and 2024, respectively, an increase of 3.2% percentage points, and is primarily attributable to the increase in rebates from our dry eye portfolio, including XIIDRA® and MIEBO®.

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.

Cost of goods sold was $523 million and $482 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $41 million, or 9%. The increase was primarily driven by: (i) higher volumes and (ii) the unfavorable impact of foreign currencies.

Contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of intangible assets) increased by $18 million, primarily driven by: (i) higher volumes and (ii) the favorable impact of foreign currencies, partially offset by the decrease in net realized pricing.

Cost of goods sold as a percentage of Product sales was 41.1% and 39.7% for the three months ended June 30, 2025 and 2024, respectively. The unfavorable change was driven by product mix and the overall impact of the voluntary recall of certain enVista IOL products.

Selling, General and Administrative Expenses

Selling, general and administrative ("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 $579 million and $535 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $44 million, or 8%. The increase was primarily attributable to higher selling and advertising and promotion costs, primarily attributable to MIEBO®.

Research and Development Expenses

Included in R&D 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 $96 million and $84 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $12 million, or 14%, primarily due to certain products in development, as previously discussed.

Amortization of Intangible Assets

Intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives, generally 3 to 17 years. Management continually assesses the useful lives related to our long-lived assets to reflect the most current assumptions.

Amortization of Intangible assets was $67 million and $74 million for the three months ended June 30, 2025 and 2024, respectively, a decrease of $7 million, or 9%, primarily due to fully amortized intangible assets no longer being amortized.

See Note 8, "INTANGIBLE ASSETS AND GOODWILL" to our unaudited interim Condensed Consolidated Financial Statements for further details related to the Amortization of intangible assets.

Other expense, net

Other expense, net for the three months ended June 30, 2025 and 2024 consists of the following:

	Three Months Ended June 30,	
(in millions)	**2025**	**2024**
Asset impairments	$ —	$ 5
Restructuring, integration and separation costs	31	6
Gain on sale of assets	—	(1)
Litigation and other matters	6	—
Acquired in-process research and development costs	1	3
Acquisition-related costs	2	1
Acquisition-related contingent consideration	(18)	—
Other expense, net	$ 22	$ 14

Operating (Loss) Income

Operating loss was $11 million for the three months ended June 30, 2025, as compared to operating income of $26 million for the three months ended June 30, 2024, a decrease in our operating results of $37 million. This decrease primarily reflects the increase in SG&A, partially offset by the increase in contribution, each as previously discussed.

Segment Profit

Segment profit is based on operating (loss) income after the elimination of intercompany transactions. Certain costs, such as Amortization of intangible assets and Other expense, net, are not included in the measure of segment profit, as management excludes these items in assessing segment financial performance. Segment profit is a measure of operating performance of our reportable segments and may not be comparable to similar measures reported by other companies. Segment profit is a performance metric utilized by the Company's Chief Executive Officer, who is the Company's Chief Operating Decision Maker, to allocate resources to and assess performance of the Company's segments. See Note 17, "SEGMENT INFORMATION" to our unaudited interim Condensed Consolidated Financial Statements for a reconciliation of segment profit to Income before provision for income taxes.

The following table presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for the three months ended June 30, 2025 and 2024.

	2025		2024		Change	
(in millions)	**Amount**	**Pct.**	**Amount**	**Pct.**	**Amount**	**Pct.**
Segment Profits / Segment Profit Margins						
Vision Care	$ 209	28 %	$ 192	28 %	$ 17	9 %
Pharmaceuticals	37	12 %	78	25 %	(41)	(53)%
Surgical	2	1 %	4	2 %	(2)	(50)%

Vision Care Segment Profit

The Vision Care segment profit was $209 million and $192 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $17 million. The increase was primarily driven by the increase in revenue, partially offset by higher cost of sales, driven by our contact lens businesses, and higher selling expense.

Pharmaceuticals Segment Profit

The Pharmaceuticals segment profit was $37 million and $78 million for the three months ended June 30, 2025 and 2024, respectively, a decrease of $41 million. The decrease was primarily driven by: (i) higher selling and advertising and promotional expenses related to MIEBO®, (ii) declines in the U.S. generics business and (iii) gross-to-net pricing pressures, primarily attributable to XIIDRA®.

Surgical Segment Profit

The Surgical segment profit was $2 million and $4 million for the three months ended June 30, 2025 and 2024, respectively, a decrease of $2 million. The decrease was primarily due to the overall impact of the voluntary recall of certain enVista IOL products.

Non-Operating Income and Expense

Interest Expense

Interest expense primarily consists of interest payments due, amortization of debt discounts and deferred issuance costs on indebtedness under our credit facilities.

Interest expense was $128 million and $102 million for the three months ended June 30, 2025 and 2024, respectively, an increase of $26 million. The increase is primarily attributable to the write-off of financing costs associated with the June 2025 refinancing. See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for further details regarding our financing arrangements.

Loss on Extinguishment of Debt

Loss on extinguishment of debt represents the differences between the amounts paid to settle extinguished debts and the carrying value of the related extinguished debt. Loss on extinguishment of debt was $9 million for the three months ended June 30, 2025 and relates to our June 2025 refinancing.

Foreign Exchange and Other

Foreign exchange and other primarily includes translation gains/losses on intercompany balances 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 loss of $2 million and $3 million for the three months ended June 30, 2025 and 2024, respectively.

Income Taxes

Benefit from income taxes was $89 million for the three months ended June 30, 2025, as compared to a provision for income taxes of $72 million for the three months ended June 30, 2024, a favorable change of $161 million. The change in income taxes was primarily related to: (i) a change in the jurisdictional and seasonal mix of earnings and (ii) discrete tax effects of: (a) a benefit for previously accrued taxes that settled favorably with the Internal Revenue Service and (b) the filings of certain tax returns.

See Note 14, "INCOME TAXES" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Net loss attributable to Bausch + Lomb Corporation

Net loss attributable to Bausch + Lomb Corporation was $62 million and $151 million for the three months ended June 30, 2025 and 2024, respectively, an increase in our results of $89 million and was primarily due to the decrease in income taxes of $161 million, partially offset by the decrease in our operating results of $37 million and increase interest expense of $26 million, each as previously discussed.

Six Months Ended June 30, 2025 Compared to the Six Months Ended June 30, 2024

Revenues

Our revenues were $2,415 million and $2,315 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $100 million, or 4%. The increase was attributable to: (i) increased volumes of $127 million across each of our segments, (ii) incremental sales attributable to acquisitions of $12 million, within our Surgical segment and (iii) the favorable impact of foreign currencies of $2 million. The increases in revenue were partially offset by: (i) decreased net realized pricing of $38 million, driven by our Pharmaceuticals segment and (ii) the impact of divestitures and discontinuations of $3 million, relating to the discontinuation of certain products within our Vision Care segment.

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 six months ended June 30, 2025 and 2024.

	2025		2024		Change	
(in millions)	Amount	Pct.	Amount	Pct.	Amount	Pct.
Segment Revenues						
Vision Care	$ 1,409	58 %	$ 1,332	57 %	$ 77	6 %
Pharmaceuticals	576	24 %	577	25 %	(1)	— %
Surgical	430	18 %	406	18 %	24	6 %
Total revenues	$ 2,415	100 %	$ 2,315	100 %	$ 100	4 %

Constant Currency Revenues and Constant Currency Revenue Growth (non-GAAP)

The following table presents a reconciliation of Revenues to constant currency revenues (non-GAAP) and the period-over-period changes in constant currency revenue (non-GAAP) for the six months ended June 30, 2025 and 2024. Constant Currency Revenues (non-GAAP) and Constant Currency Revenue Growth (non-GAAP) are defined in the previous section titled “Constant Currency Revenues and Constant Currency Revenue Growth (non-GAAP)”.

	Six Months Ended June 30, 2025			Six Months Ended June 30, 2024	Change in Constant Currency Revenue (Non-GAAP)	
(in millions)	Revenue as Reported	Changes in Exchange Rates	Constant Currency Revenue (Non-GAAP)	Revenue as Reported	Amount	Pct.
Vision Care	$ 1,409	$ (1)	$ 1,408	$ 1,332	$ 76	6 %
Pharmaceuticals	576	—	576	577	(1)	— %
Surgical	430	(1)	429	406	23	6 %
Total	$ 2,415	$ (2)	$ 2,413	$ 2,315	$ 98	4 %

Vision Care Segment Revenue

The Vision Care segment revenue was $1,409 million and $1,332 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $77 million, or 6%. The increase was primarily driven by sales from our dry eye portfolio and Lumify® within our consumer eye care business and the performance of SiHy Daily lenses and Ultra® within our contact lens business. This increase included: (i) an increase in volumes of $55 million, (ii) an increase in net pricing of $24 million and (iii) the favorable impact of foreign currencies of $1 million, partially offset by the impact of divestitures and discontinuations of $3 million.

Pharmaceuticals Segment Revenue

The Pharmaceuticals segment revenue was $576 million and $577 million for the six months ended June 30, 2025 and 2024, respectively, a decrease of $1 million. The decrease was primarily driven by declines in the U.S. generics business and gross-to-net pricing pressures, primarily attributable to XIIDRA®, partially offset by the increased net sales for MIEBO®, driven by its continued positive momentum since launching. The decrease included a decrease in net realized pricing of $65 million, partially offset by an increase in volumes of $64 million.

Surgical Segment Revenue

The Surgical segment revenue was $430 million and $406 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $24 million, or 6%. The increase was primarily driven by: (i) increased demand of consumables, (ii) increased demand of implantables, driven by our premium IOL portfolio and (iii) increased equipment sales, partially offset by the voluntary recall of certain enVista IOL products, as previously discussed. This increase included: (i) incremental

sales from acquisitions of $12 million, (ii) an increase in volumes of $8 million, (iii) an increase in net realized pricing of $3 million and (iv) the favorable impact of foreign currencies of $1 million.

Cash Discounts and Allowances, Chargebacks and Distribution Fees

Provisions recorded to reduce gross product sales to net product sales and revenues for the six months ended June 30, 2025 and 2024 were as follows:

	Six Months Ended June 30,			
	2025		2024	
(in millions)	Amount	Pct.	Amount	Pct.
Gross product sales	$ 3,936	100.0 %	$ 3,606	100.0 %
Provisions to reduce gross product sales to net product sales				
Discounts and allowances	225	5.70 %	208	5.80 %
Returns	32	0.80 %	48	1.30 %
Rebates	932	23.70 %	688	19.10 %
Chargebacks	295	7.50 %	318	8.80 %
Distribution fees	47	1.20 %	37	1.00 %
Total provisions	1,531	38.90 %	1,299	36.00 %
Net product sales	2,405	61.10 %	2,307	64.00 %
Other revenues	10		8	
Revenues	$ 2,415		$ 2,315	

Cash discounts and allowances, returns, rebates, chargebacks and distribution fees as a percentage of gross product sales were 38.9% and 36.0% for the six months ended June 30, 2025 and 2024, respectively, an increase of 2.9% percentage points, and is primarily attributable to the increase in rebates from our dry eye portfolio, including XIIDRA® and MIEBO®.

Operating Expenses

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

Cost of goods sold was $1,004 million and $905 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $99 million, or 11%. The increase was primarily driven by: (i) higher volumes and (ii) higher manufacturing variances, which include an inventory reserve related to the voluntary recall of certain enVista IOL products.

Contribution (product sales revenue less cost of goods sold, exclusive of amortization and impairments of intangible assets) decreased by $1 million, primarily driven by: (i) higher manufacturing variances, including that related to the voluntary recall of certain enVista IOL products and (ii) product mix.

Cost of goods sold as a percentage of Product sales was 41.7% and 39.2% for the six months ended June 30, 2025 and 2024, respectively. The unfavorable change was driven by product mix and the overall impact of the voluntary recall of certain enVista IOL products.

Selling, General and Administrative Expenses

SG&A expenses were $1,142 million and $1,039 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $103 million, or 10%. The increase was primarily attributable to: (i) higher selling and advertising and promotion costs, primarily attributable to MIEBO® and (ii) higher Business Transformation Costs (defined and discussed below).

Research and Development Expenses

R&D expenses were $182 million and $166 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $16 million, or 10%, primarily due to certain products in development, as previously discussed.

Amortization of Intangible Assets

Amortization of Intangible assets was $134 million and $148 million for the six months ended June 30, 2025 and 2024, respectively, a decrease of $14 million, or 9%, primarily due to fully amortized intangible assets no longer being amortized.

See Note 8, “INTANGIBLE ASSETS AND GOODWILL” to our unaudited interim Condensed Consolidated Financial Statements for further details related to the Amortization of intangible assets.

Other expense, net

Other expense, net for the six months ended June 30, 2025 and 2024 consists of the following:

	Six Months Ended June 30,	
(in millions)	**2025**	**2024**
Asset impairments	$ —	$ 5
Restructuring, integration and separation costs	32	17
Gain on sale of assets	—	(5)
Litigation and other matters	7	1
Acquired in-process research and development costs	29	3
Acquisition-related costs	3	1
Acquisition-related contingent consideration	(27)	1
Other expense, net	$ 44	$ 23

Acquired in-process research and development costs in 2025 primarily relate to the acquisition of Whitecap Biosciences, as previously discussed.

Operating (Loss) Income

Operating loss was $94 million for the six months ended June 30, 2025, as compared to operating income of $32 million for the six months ended June 30, 2024, a decrease in our operating results of $126 million. This decrease primarily reflects the increase in SG&A and other expense, each as previously discussed.

Segment Profit

The following table presents segment profits, segment profits as a percentage of segment revenues and the period-over-period changes in segment profits for the six months ended June 30, 2025 and 2024.

	2025		2024		Change	
(in millions)	**Amount**	**Pct.**	**Amount**	**Pct.**	**Amount**	**Pct.**
Segment Profits / Segment Profit Margins						
Vision Care	$ 385	27 %	$ 370	28 %	$ 15	4 %
Pharmaceuticals	48	8 %	131	23 %	(83)	(63)%
Surgical	(5)	(1)%	15	4 %	(20)	(133)%

Vision Care Segment Profit

The Vision Care segment profit was $385 million and $370 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $15 million. The increase was primarily driven by the increase in revenue, partially offset by higher cost of sales, driven by our contact lens businesses and higher selling expense.

Pharmaceuticals Segment Profit

The Pharmaceuticals segment profit was $48 million and $131 million for the six months ended June 30, 2025 and 2024, respectively, a decrease of $83 million. The decrease was primarily driven by: (i) higher selling and advertising and promotional expenses related to MIEBO®, (ii) declines in the U.S. generics business and (iii) gross-to-net pricing pressures, primarily attributable to XIIDRA®.

Surgical Segment Profit

The Surgical segment profit was a loss of $5 million for the six months ended June 30, 2025, as compared to a profit of $15 million for the six months ended June 30, 2024, a decrease of $20 million. The decrease was primarily due to: (i) the overall impact of the voluntary recall of certain enVista IOL products and (ii) higher selling expenses, partially offset by the increase in revenues.

Non-Operating Income and Expense

Interest Expense

Interest expense was $222 million and $201 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $21 million. The increase was primarily attributable to the write-off of financing costs associated with the June 2025 refinancing. See Note 10, "FINANCING ARRANGEMENTS" to our unaudited interim Condensed Consolidated Financial Statements for further details regarding our financing arrangements.

Loss on Extinguishment of Debt

Loss on extinguishment of debt was $9 million for the six months ended June 30, 2025 and relates to our June 2025 refinancing.

Foreign Exchange and Other

Foreign exchange and other was a net loss of $8 million and $3 million for the six months ended June 30, 2025 and 2024, respectively.

Income Taxes

Benefit from income taxes was $58 million for the six months ended June 30, 2025, as compared to a provision for income taxes of $145 million for the six months ended June 30, 2024, a favorable change of $203 million. The change in income taxes was primarily related to: (i) a change in the jurisdictional and seasonal mix of earnings and (ii) discrete tax effects of: (a) a tax benefit recorded on acquired assets, (b) the year to date impact of the enVista recall and (c) a benefit for previously accrued taxes that settled favorably with the Internal Revenue Service.

See Note 14, "INCOME TAXES" to our unaudited interim Condensed Consolidated Financial Statements for further details.

Net loss attributable to Bausch + Lomb Corporation

Net loss attributable to Bausch + Lomb Corporation for the six months ended June 30, 2025 and 2024 was $274 million and $318 million, respectively, an increase in our results of $44 million and was primarily due to the decrease in the provision for income taxes of $203 million, partially offset by the decrease in our operating results of $126 million and increase in interest expense of $21 million, each as previously discussed.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Six Months Ended June 30,		
(in millions)	**2025**	**2024**	**Change**
Net cash provided by operating activities	$ 10	$ 56	$ (46)
Net cash used in investing activities	(206)	(131)	(75)
Net cash provided by financing activities	121	52	69
Effect of exchange rate changes on cash and cash equivalents and restricted cash	31	(9)	40
Net decrease in cash and cash equivalents and restricted cash	(44)	(32)	(12)
Cash and cash equivalents and restricted cash, beginning of period	316	334	(18)
Cash and cash equivalents and restricted cash, end of period	$ 272	$ 302	$ (30)

Operating Activities

Net cash provided by operating activities was $10 million and $56 million for the six months ended June 30, 2025 and 2024, respectively, a decrease of $46 million, and is primarily attributable to financing fees associated with the June 2025 refinancing, partially offset by a favorable change in our operating assets and liabilities driven by the timing of collections of trade receivables.

Investing Activities

Net cash used in investing activities was $206 million and $131 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $75 million and was primarily driven by an increase in purchases of property, plant and equipment during the six months ended June 30, 2025.

Financing Activities

Net cash provided by financing activities was $121 million and $52 million for the six months ended June 30, 2025 and 2024, respectively, an increase of $69 million. The increase is primarily attributable to net borrowings under the Revolving Credit Facility, prior to the June 2025 refinancing.

Liquidity and Debt

Future Sources of Liquidity

Our primary sources of liquidity are expected to be our cash and cash equivalents, cash collected from customers, funds as needed from our June 2030 Revolving Credit Facility, and issuances of other long-term debt, additional equity and equity-linked securities. We believe these sources will be sufficient to meet our current liquidity needs for the next twelve months, and be sufficient to support our future cash needs; however, we can provide no assurance that our liquidity and capital resources will meet future funding requirements.

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 on reasonable terms or at all.

We regularly evaluate market conditions, our liquidity profile and various financing alternatives for opportunities to enhance our capital structure. If opportunities are favorable, we may from time to time enter into new financing arrangements, refinance the Senior Secured Credit Facilities (as defined below) or repurchase debt, or issue additional equity and equity-linked securities.

Long-term Debt

On May 10, 2022, Bausch + Lomb entered into a credit agreement (the "Original Credit Agreement"), providing for a term loan of $2,500 million with a five-year term to maturity (the "May 2027 Term Facility") and a five-year revolving credit facility of $500 million (the "May 2027 Revolving Credit Facility").

On September 29, 2023, Bausch + Lomb entered into an incremental term loan facility secured on a pari passu basis with the Company's existing May 2027 Term Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the "September 2023 Credit Facility Amendment") to our credit agreement and consisted of borrowings of $500 million in new term B loans with a five-year term to maturity (the "September 2028 Term Facility").

On November 1, 2024, Bausch + Lomb entered into an additional incremental term loan facility secured on a pari passu basis with the Company's existing May 2027 Term Facility and September 2028 Term Facility. This incremental term loan facility was entered into in the form of an incremental amendment (the "November 2024 Credit Facility Amendment") to our credit agreement and consisted of borrowing $400 million of new term loans with a maturity of May 2027.

June 2025 Refinancing Activity

On June 26, 2025, the Company entered into a third amendment to our credit agreement, (the "June 2025 Credit Facility Amendment"; the Original Credit Agreement, as amended by the September 2023 Credit Facility Amendment, the November 2024 Credit Facility Amendment and the June Credit Facility 2025 Amendment, the " Amended Credit Agreement"), whereby the Company entered into a new $800 million revolving credit facility maturing June 26, 2030 (subject to customary "springing" maturity provisions) (the "June 2030 Revolving Credit Facility") and a new $2,325 million term B loan facility maturing January 15, 2031 (the "January 2031 Term Facility" and, together with the September 2028 Term Facility the "Term Facilities"; the Term Facilities, together with the June 2030 Revolving Credit Facility, the "Senior Secured Credit Facilities"). The net proceeds from the January 2031 Secured Notes offering (as described below) and the January 2031 Term Facility were used by the Company to: (i) repay in full borrowings under the May 2027 Revolving Credit Facility, (ii) refinance, in full, its outstanding term loans due 2027 and (iii) pay related fees and expenses.

The Senior Secured Credit Facilities are secured by substantially all of the assets of Bausch + Lomb and its material, wholly-owned Canadian, U.S., Dutch and Irish subsidiaries, subject to certain exceptions. The Term Facilities are denominated in U.S. dollars, and borrowings under the June 2030 Revolving Credit Facility may be made available in U.S. dollars, euros, pounds sterling and Canadian dollars. As of June 30, 2025, the principal amounts outstanding under the September 2028 Term Facility and the January 2031 Term Facility were $491 million and $2,325 million, respectively. As of June 30, 2025, the Company had no outstanding borrowings, $37 million of issued and outstanding letters of credit and remaining availability, subject to certain customary conditions, of $763 million under its June 2030 Revolving Credit Facility.

Description of Senior Secured Credit Facilities

Borrowings under the June 2030 Revolving Credit Facility in: (i) U.S. dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term Secured Overnight Financing Rate ("SOFR")-based rate or (b) a U.S. dollar base rate, (ii) Canadian dollars bear interest at a rate per annum equal to, at Bausch + Lomb's option, either: (a) a term Canadian Overnight Repo Rate Average ("CORRA")-based rate or (b) a Canadian dollar prime rate, (iii) euros bear interest at a rate per annum equal to EURIBOR and (iv) pounds sterling bear interest at a rate per annum equal to Sterling Overnight Index Average ("SONIA") (provided, however, that the term SOFR-based rate, term CORRA-based rate, EURIBOR and SONIA shall be no less than 0.00% per annum at any time and the U.S. dollar base rate and the Canadian dollar prime rate shall be no less than 1.00% per annum at any time), in each case, plus an applicable margin. Term SOFR-based borrowings under the June 2030 Revolving Credit Facility are not subject to any credit spread adjustment.

The applicable interest rate margins for borrowings under the June 2030 Revolving Credit Facility are between 0.75% to 1.75% with respect to U.S. dollar base rate or Canadian dollar prime rate borrowings and between 1.75% to 2.75% with respect to SOFR, CORRA, EURIBOR or SONIA borrowings based on Bausch + Lomb's total net leverage ratio. In addition, Bausch + Lomb is required to pay commitment fees of 0.25% per annum in respect of the unutilized commitments under the June 2030 Revolving Credit Facility, payable quarterly in arrears. Bausch + Lomb is also required to pay letter of credit fees on the maximum amount available to be drawn under all outstanding letters of credit in an amount equal to the applicable margin on SOFR borrowings under the June 2030 Revolving Credit Facility on a per annum basis, payable quarterly in arrears, as well as customary fronting fees for the issuance of letters of credit and agency fees.

Borrowings under the September 2028 Term Facility bear interest at a rate per annum equal to, at our option, either: (i) a term SOFR-based rate, plus an applicable margin of 4.00%, or (ii) a U.S. dollar base rate, plus an applicable margin of 3.00% (provided, however, that the term SOFR-based rate shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall not be lower than 1.00% per annum at any time). Term SOFR-based borrowings under the September 2028 Term Facility are not subject to any credit spread adjustment. The stated rate of interest under the September 2028 Term Facility at June 30, 2025 was 8.33% per annum.

Borrowings under the January 2031 Term Facility bear interest at a rate per annum equal to, at our option, either: (i) a term SOFR-based rate, plus an applicable margin of 4.25%, or (ii) a U.S. dollar base rate, plus an applicable margin of 3.25% (provided, however, that the term SOFR-based rate shall be no less than 0.00% per annum at any time and the U.S. dollar base rate shall not be lower than 1.00% per annum at any time). Term SOFR-based borrowings under the January 2031 Term Facility are not subject to any credit spread adjustment. The stated rate of interest under the January 2031 Term Facility at June 30, 2025 was 8.57% per annum.

Subject to certain exceptions and customary baskets set forth in the Amended Credit Agreement, Bausch + Lomb is required to make mandatory prepayments of the loans under Term Facilities under certain circumstances, including from: (i) 100% of the net cash proceeds of insurance and condemnation proceeds for property or asset losses (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold), (ii) 100% of the net cash proceeds from the incurrence of debt (other than permitted debt as described in the Amended Credit Agreement), (iii) 50% of Excess Cash Flow (as defined in the Amended Credit Agreement) subject to decrease based on leverage ratios and subject to a threshold amount and (iv) 100% of net cash proceeds from asset sales (subject to reinvestment rights, decrease based on leverage ratios and net proceeds threshold). These mandatory prepayments may be used to satisfy future amortization.

The amortization rate for the September 2028 Term Facility is 1.00% per annum, or $5 million, payable in quarterly installments. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of June 30, 2025, the remaining mandatory quarterly amortization payments for the September 2028 Term Facility were $15 million through June 2028, with the remaining term loan balance being due in September 2028.

The amortization rate for the January 2031 Term Facility is 1.00% per annum, or $23 million, payable in quarterly installments, with the first installment to be paid on September 30, 2025. Bausch + Lomb may direct that prepayments be applied to such amortization payments in order of maturity. As of June 30, 2025, the remaining mandatory quarterly amortization payments for the January 2031 Term Facility were $128 million through December 2030, with the remaining term loan balance being due in January 2031.

Description of Senior Secured Notes

On September 29, 2023, Bausch + Lomb issued $1,400 million aggregate principal amount of 8.375% Senior Secured Notes due October 2028 (the "October 2028 Secured Notes").

On June 26, 2025, Bausch + Lomb's subsidiaries, Bausch + Lomb Netherlands B.V. and Bausch & Lomb Incorporated (the "Issuers"), issued €675 million aggregate principal amount of Senior Secured Floating Rate Notes due January 2031 (the "January 2031 Secured Notes" and, together with the October 2028 Secured Notes, the "Senior Secured Notes"). The proceeds from the January 2031 Secured Notes, along with the proceeds of the January 2031 Term Facility, were used by the Company to: (i) repay in full outstanding borrowings under its May 2027 Revolving Credit Facility, (ii) refinance, in full, its outstanding term loans due 2027 and (iii) pay related fees and expenses. The January 2031 Secured Notes accrue interest at a rate per annum of: (i) three-month EURIBOR (subject to a 0% floor) plus (ii) 3.875%, reset quarterly, payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2026. At June 30, 2025, the January 2031 Secured Notes bore interest at 5.87% per annum.

The January 2031 Secured Notes are guaranteed by the Company and each of the Company's subsidiaries (other than the Issuers) that is a guarantor under the Amended Credit Agreement (collectively, the "Note Guarantors"). The January 2031 Secured Notes and the guarantees related thereto are senior obligations and are secured, subject to permitted liens and certain other exceptions, by the same first priority liens that secure the borrowings under the Amended Credit Agreement and the obligations under the October 2028 Secured Notes.

The January 2031 Secured Notes and the guarantees related thereto rank pari passu in right of payment with all of the Issuers' and Note Guarantors' respective existing and future unsubordinated indebtedness and senior to the Issuers' and Note Guarantors' respective existing and future indebtedness that expressly provides for its subordination to the January 2031 Secured Notes and the applicable guarantees. The January 2031 Secured Notes and the guarantees related thereto are effectively pari passu with the Issuers' and the Note Guarantors' respective existing and future indebtedness secured by a first priority lien on the collateral securing the obligations under the Amended Credit Agreement, the October 2028 Secured Notes and the January 2031 Secured Notes and effectively senior to the Issuers' and the Note Guarantors' respective existing and future indebtedness that is unsecured, or that is secured by junior liens, in each case to the extent of the value of the collateral. In addition, the January 2031 Secured Notes are: (i) structurally subordinated to all liabilities of any of the Company's subsidiaries (other than the Issuers) that do not guarantee the January 2031 Secured Notes to the extent of the value of such subsidiaries' assets and (ii) effectively subordinated to any of the Issuers' and Note Guarantors' debt that is secured by assets that are not collateral to the extent of the value of such assets.

Upon the occurrence of a change in control (as defined in the indenture governing the January 2031 Secured Notes), unless the Issuers have exercised their right to redeem all of the January 2031 Secured Notes, holders of the January 2031 Secured Notes may require the Issuers to repurchase such holders' January 2031 Secured Notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, but not including, the date of purchase.

The January 2031 Secured Notes are redeemable at the option of the Issuers, in whole or in part, at any time on or after June 30, 2026, at a redemption price of 100.000% of the principal amount thereof, redeemed plus accrued and unpaid interest to, but not including, the date of redemption. Prior to June 30, 2026, the Issuers may redeem the January 2031 Secured Notes in whole or in part at a redemption price equal to the principal amount of the January 2031 Secured Notes redeemed plus a make-whole premium. Prior to June 30, 2026, the Company may on any one or more occasions redeem up to 40% of the aggregate principal amount of the January 2031 Secured Notes at a redemption price of 103.875% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of redemption with the net cash proceeds of one or more equity offerings, subject to certain conditions.

Weighted Average Stated Rate of Interest

The weighted average stated rate of interest for the Company's outstanding debt obligations as of June 30, 2025 and December 31, 2024 was 8.06% and 7.95%, respectively.

Credit Ratings

As of the date of this filing, July 30, 2025, the credit ratings and outlook from Moody's, S&P and Fitch for certain outstanding obligations of Bausch + Lomb were as follows:

Rating Agency	Corporate Rating	Senior Secured Rating	Outlook
Moody's		B1	Stable
Standard & Poor's	B	B	Developing
Fitch	B	BB	Rating Watch Evolving

Any downgrade in our corporate credit ratings or senior secured ratings may increase our cost of borrowing and may negatively impact our ability to raise additional debt capital.

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.

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 regularly consider further acquisition opportunities, some of which could be sizable.

In addition to our working capital requirements, as of the date of this filing, July 30, 2025, we expect our primary cash requirements for the period July 1, 2025 through December 31, 2025 to include:

- *Debt repayments and interest*—We expect to make interest payments of approximately $185 million and mandatory debt amortization payments of $14 million for the period July 1, 2025 through December 31, 2025 under our Senior Secured Credit Facilities and may elect to make additional principal payments under certain circumstances. Further, in the ordinary course of business, we may borrow and repay amounts under our June 2030 Revolving Credit Facility to meet business needs, see Item 1A. Risk Factors—"Our indebtedness could adversely affect our business and our ability to meet our obligations" included in our Annual Report;
- *Capital expenditures*—We expect to make payments of approximately $80 million for property, plant and equipment for the period July 1, 2025 through December 31, 2025.

Cost Savings Programs

The Company has been launching certain initiatives that may result in certain changes to, and investment in, its organizational structure and operations. The Company refers to the charges related to these initiatives as "Business Transformation Costs". These costs are recorded in SG&A in the unaudited Condensed Consolidated Statements of Operations and include third-party advisory costs.

Further, we continue to evaluate opportunities to improve our operating performance 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. Although a specific plan does not exist at this time, we may identify and take additional exit and cost-rationalization restructuring actions in the future, the costs of which could be material.

Future Litigation

In the ordinary course of business, we are involved in litigation, claims, government inquiries, investigations, charges and proceedings. See Note 16, "LEGAL PROCEEDINGS" to our unaudited interim Condensed Consolidated Financial Statements for further details of these matters. Our ability to successfully defend the Company 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. In connection with these agreements, the Company may pay an upfront fee to secure the agreement and be subject to potential future milestone payments. See Note 20, "COMMITMENTS AND CONTINGENCIES" to our audited Consolidated Financial Statements for the year ended December 31, 2024, included in our Annual Report.

OUTSTANDING SHARE DATA

Our common shares are listed on the TSX and the NYSE under the ticker symbol "BLCO".

At July 23, 2025, we had 353,865,790 issued and outstanding common shares. In addition, as of July 23, 2025, we had outstanding approximately 10,300,000 stock options and 7,600,000 restricted share units that each represent the right of a holder to receive one of Bausch + Lomb's common shares and 5,200,000 performance-based restricted share units that represent the right of a holder to receive a number of the Company's common shares up to a specified maximum. A maximum of 13,100,000 common shares could be issued upon vesting of the performance-based restricted share units outstanding.

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 Condensed Consolidated Financial Statements, and which require management's most subjective and complex judgment due to the need to select policies from among alternatives available, and to make estimates about matters that are inherently uncertain. Management has reassessed the critical accounting policies and estimates as disclosed in Note 2 to the audited Consolidated Financial Statements included in our Annual Report, and determined that there were no significant changes in our critical accounting policies and estimates during the six months ended June 30, 2025.

NEW ACCOUNTING STANDARDS

None.

FORWARD-LOOKING STATEMENTS

Caution regarding forward-looking information and statements and "Safe-Harbor" statements under the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws:

To the extent any statements made in this Form 10-Q contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and may be forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, "forward-looking statements").

These forward-looking statements relate to, among other things: our business strategy, business plans, business prospects and forecasts and changes thereto; product pipeline, prospective products and product approvals, expected launches of new products, product development and results of current and anticipated products; anticipated revenues for our products; expected Research and Development ("R&D") and marketing spend; our expected primary cash and working capital requirements for the remainder of 2025 and beyond; our plans for continued improvement in operational efficiency and the anticipated impact of such plans; our beliefs about our manufacturing facilities and relationships; the recent voluntary recall of certain of our enVista IOL (as defined below) products and the expected impact of such recall on our business; the expected impact of the tariffs imposed (or proposed to be imposed) by the U.S. (including on the countries in which we do business and sectors in which we do business (including pharmaceuticals)) and counter-tariffs or other retaliatory measures imposed (or that may be imposed) on the U.S. by other countries and disruptions to global supply chains and other potential results as a result of these developments and the potential actions the Company may take to help mitigate the impact of the tariffs, counter-tariffs and other trade restrictions and the success of such actions; expected risks of loss of patent or regulatory exclusivity; our liquidity and our ability to satisfy our debt maturities as they become due; our ability to comply with the covenants contained in our Amended Credit Agreement and in the indentures governing our October 2028 Secured Notes and January 2031 Secured Notes; any proposed pricing actions; exposure to foreign currency exchange rate changes and interest rate changes; the potential effects of the new legislation commonly referred to as One Big Beautiful Bill Act, including the impact of such legislation on the Company's tax provision for both 2025 and future years; the potential impact of changes in U.S. and non-U.S. tax laws on the Company's future tax liabilities and effective tax rate, including as a result of the implementation of the Organisation for Economic Co-operation and Development inclusive framework on Base Erosion and Profit Shifting and the protective measures proposed by the United States in response thereto; the outcome of contingencies, such as litigation, subpoenas, investigations, reviews, audits and regulatory proceedings and any expected indemnifications therefrom; the anticipated impact of the adoption of new accounting standards; general market conditions and economic uncertainty; our expectations regarding our financial performance, including our future financial and operating performance, revenues, expenses, gross margins and income taxes; our impairment assessments, including the assumptions used therein and the results thereof; the anticipated effect of current market conditions and recessionary pressures in one or more of our markets; the anticipated effect of macroeconomic factors, including inflation and fluctuations in exchange rates and interest rates as a result of the imposition of tariff and other trade protection measures; the anticipated impact from the ongoing conflicts between Russia and Ukraine and in the Middle East involving Israel, Hamas, Iran and other countries and militant groups in the region; and the anticipated separation from Bausch Health Companies Inc. ("BHC"), including the structure and expected timetable for completing such separation transaction.

Forward-looking statements can generally be identified by the use of words such as "believe," "anticipate," "expect," "intend," "estimate," "plan," "schedule," "continue," "future," "will," "may," "can," "might," "could," "would," "should," "target," "potential," "opportunity," "designed," "create," "predict," "project," "timeline," "forecast," "outlook," "guidance," "seek," "strive," "suggest," "prospective," "strategy," "indicative," "ongoing," "likely," "evolve," "decrease" or "increase" and positive and negative variations thereof or other similar expressions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements may not be appropriate for other purposes. Although we

have previously indicated certain of these statements set out herein, all of the statements in this Form 10-Q that contain forward-looking statements are qualified by these cautionary statements. These statements are based upon the current expectations and beliefs of management. Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making such forward-looking statements, including, but not limited to, factors and assumptions regarding the items previously outlined, those factors, risks and uncertainties outlined below and the assumption that none of these factors, risks and uncertainties will cause actual results or events to differ materially from those described in such forward-looking statements. Actual results may differ materially from those expressed or implied in such statements. Important factors, risks and uncertainties that could cause actual results to differ materially from these expectations include, among other things, the following:

- *adverse economic conditions and other macroeconomic factors, including heightened inflation and interest rates, slower growth or a potential recession, which could adversely impact our revenues, expenses and resulting margins;*
- *the effect of current market conditions and recessionary pressures in one or more of our markets;*
- *factors associated with the recent voluntary recall of certain of our enVista IOL products, including our ability to resupply inventory to the market and the success of the enhanced inspection protocols and more explicit standards for third party suppliers we have implemented for IOLs;*
- *risks associated with the imposition of and adverse changes to the U.S. duty, tariff and other trading policies on the countries in which we do business and sectors in which we do business (including pharmaceuticals), and the counter-duties, counter-tariffs and/or other counter-measures implemented in response by other countries, which are expected to increase our manufacturing, distribution and other operational costs due to the higher duties and tariffs and the increased economic risks and uncertainties to the global economy as a result of such tariffs and counter-tariffs and the potential trade wars and global supply chain issues that may be triggered by the tariff changes and changes in consumer habits as a result;*
- *risks associated with the potential actions the Company may take in response to tariffs, counter-tariffs and other trade restrictions in order to help mitigate their impact on the Company and its business, results of operations and financial condition, including the risk that such potential actions may not be successful in mitigating the impact in the manner anticipated or at all and the costs and other risks that may be incurred in taking such actions. There can be no assurance that any such actions will be successful in mitigating the impact of the applicable tariffs, counter-tariffs or other trade restrictions;*
- *trade conflicts, including current and future trade disputes between the United States and other countries, including China and Canada;*
- *the challenges the Company faces following its initial public offering (the "B+L IPO"), including the challenges and difficulties associated with managing an independent, complex business, the limited transitional services still being provided by and to BHC, and any potential, actual or perceived conflict of interest of some of our directors and officers because of their equity ownership in BHC and/or because they also serve as directors of BHC;*
- *our status as a controlled company, and the possibility that BHC's interest may conflict with our interests and the interests of our other securityholders and other stakeholders;*
- *the risks and uncertainties associated with the proposed plan to separate Bausch + Lomb from BHC, which include, but are not limited to, the expected benefits and costs of the Separation (as defined below), the expected timing of completion of the Separation and its manner and terms (including that it may be consummated as a Distribution (as defined below), a Sale Transaction (as defined below) or another type of transaction), the expectation that if the Separation is to be effected through the Distribution, it will be completed following the achievement of targeted debt leverage ratios, subject to receipt of applicable shareholder and other necessary approvals and other factors (including those factors described in BHC's public filings), the ability to complete the Distribution considering the various conditions to the completion of the Distribution (some of which are outside the Company's and BHC's control, including conditions related to regulatory matters and receipt of applicable shareholder approvals), the impact of any potential sales or dispositions of our common shares by BHC (including in connection with a foreclosure on the Bausch + Lomb common shares owned by BHC that are or may be pledged as collateral for certain of BHC's debt), that market or other conditions are no longer favorable to completing the transaction, that applicable shareholder, stock exchange, regulatory or other approval is not obtained on the terms or timelines anticipated or at all, business disruption during the pendency of, or following, the Separation, diversion of management time on Separation-related issues, retention of existing management team members, the reaction of customers and other parties to the Separation, the structure of the Distribution and/or a Sale Transaction, the qualification of the Distribution as a tax-free transaction for Canadian and/or U.S. federal income tax purposes*

(including whether or not an advance ruling from the Canada Revenue Agency and/or the Internal Revenue Service will be sought or obtained), the ability of the Company and BHC to satisfy the conditions required to maintain the tax-free status of the Distribution (some of which are beyond their control), other potential tax or other liabilities that may arise as a result of the Distribution, the potential dis-synergy costs resulting from the Separation, the impact of the Separation on relationships with customers, suppliers, employees and other business counterparties, general economic conditions, conditions in the markets the Company is engaged in, behavior of customers, suppliers and competitors, technological developments, as well as legal and regulatory rules affecting the Company's business. In particular, the Company can offer no assurance that the Separation, Distribution and/or a Sale Transaction will occur at all, or that any such transactions will occur on the timelines or in the manner anticipated by the Company and BHC;

- *ongoing litigation and potential additional litigation, claims, challenges and/or regulatory investigations challenging or otherwise relating to the B+L IPO and the proposed Separation from BHC and the costs, expenses, use of resources, diversion of management time and efforts, liability and damages that may result therefrom;*
- *pricing decisions that we have implemented or may in the future elect to implement at the direction of our pricing committees or otherwise;*
- *legislative or policy efforts, including those that may be introduced and passed by the U.S. Congress, designed to reduce patient out-of-pocket costs for medicines and other products, which could result in new mandatory rebates and discounts or other pricing restrictions, controls or regulations (including mandatory price reductions);*
- *ongoing oversight and review of our products and facilities by regulatory and governmental agencies, including periodic audits by the U.S. Food and Drug Administration (the "FDA") and equivalent agencies outside of the United States and the results thereof;*
- *actions by the FDA or other regulatory authorities with respect to our products or facilities;*
- *compliance with the legal and regulatory requirements of our marketed products;*
- *our ability to comply with the financial and other covenants contained in our Amended Credit Agreement, the indentures governing our October 2028 Secured Notes and January 2031 Secured Notes and other current or future debt agreements, including the limitations, restrictions and prohibitions such covenants may impose on the way we conduct our business, including prohibitions on incurring additional debt if certain financial covenants are not met, our ability to draw under the June 2030 Revolving Credit Facility under our Amended Credit Agreement and restrictions on our ability to make certain investments and other restricted payments;*
- *any downgrade or additional downgrade by rating agencies in our or BHC's credit ratings, which may impact, among other things, our ability to raise debt and the cost of capital for additional debt issuances;*
- *changes in the assumptions used in connection with our impairment analyses or assessments, which would lead to a change in such impairment analyses and assessments and which could result in an impairment in the goodwill associated with any of our reporting units or impairment charges related to certain of our products or other intangible assets;*
- *the risks and uncertainties relating to acquisitions and other business development transactions we may pursue, seek to complete and/or complete (such as the acquisition of XIIDRA® and certain other ophthalmology assets (the "XIIDRA Acquisition") and our recent acquisitions of TearLab Corporation, d/b/a Trukera Medical, Elios Vision, Inc. and Whitecap Biosciences, LLC), including risks that we may not realize the expected benefits of such acquisitions and transactions on a timely basis or at all, risks that pipeline products acquired may not be commercialized as anticipated, and risks relating to any increased levels of debt as a result of debt incurred to finance certain of these acquisitions and transactions;*
- *the uncertainties associated with the acquisition and launch of new products, assets and businesses, including, but not limited to, our ability to provide the time, resources, expertise and funds required for the commercial launch of new products, the acceptance and demand for new products, the failure to obtain required regulatory approvals, clearances or authorizations, and the impact of competitive products and pricing, which could lead to material impairment charges;*
- *our ability or inability to extend the profitable life of our products, including through line extensions and other life-cycle programs;*
- *our ability to retain, motivate and recruit executives and other key employees;*

- *our ability to implement effective succession planning for our executives and other key employees;*
- *factors impacting our ability to achieve anticipated revenues for our products, including changes in anticipated marketing spend on such products and launch of competing products;*
- *factors impacting our ability to achieve anticipated market acceptance for our products, including the pricing of such products, effectiveness of promotional efforts, reputation of our products and launch of competing products;*
- *our ability to compete against companies that are larger and have greater financial, technical and human resources than we do, as well as other competitive factors, such as technological advances achieved, patents obtained and new products introduced by our competitors;*
- *the extent to which our products are reimbursed by government authorities, pharmacy benefit managers ("PBMs") and other third-party payors; the impact our distribution, pricing and other practices may have on the decisions of such government authorities, PBMs and other third-party payors to reimburse our products; and the impact of obtaining or maintaining such reimbursement on the price and sales of our products;*
- *the inclusion of our products on formularies or our ability to achieve favorable formulary status, as well as the impact on the price and sales of our products in connection therewith;*
- *the consolidation of wholesalers, retail drug chains and other customer groups and the impact of such industry consolidation on our business;*
- *our ability to maintain strong relationships with physicians and other health care professionals;*
- *our eligibility for benefits under tax treaties and the continued availability of low effective tax rates for the business profits of certain of our subsidiaries;*
- *the implementation of the Organisation for Economic Co-operation and Development inclusive framework on Base Erosion and Profit Shifting, including the global minimum corporate tax rate, by the countries in which we operate, and the potential impact of protective measures proposed by the United States in response to the inclusive framework, including the Trump Administration's executive order and the agreement in principle among the United States and the other G7 countries, and any changes in tax laws by non-U.S. countries in response thereto;*
- *the impacts of the new legislation commonly referred to as One Big Beautiful Bill Act, including the effects on the Company's tax provision for both 2025 and future years;*
- *the actions of our third-party partners or service providers of research, development, manufacturing, marketing, distribution or other services, including their compliance with applicable laws and contracts, which actions may be beyond our control or influence, and the impact of such actions on us;*
- *the risks associated with the international scope of our operations, including our presence in emerging markets and the challenges we face when entering and operating in new and different geographic markets (including the challenges created by new and different regulatory regimes in such countries and the need to comply with applicable anti-bribery and economic sanctions, laws and regulations);*
- *adverse global economic conditions and credit markets and foreign currency exchange uncertainty and volatility in certain of the countries in which we do business;*
- *risks associated with the ongoing conflict between Russia and Ukraine and the export controls, sanctions and other restrictive actions that have been or may be imposed by the United States, Canada, the EU and other countries against governmental and other entities and individuals in or associated with Russia, Belarus and parts of Ukraine, including its potential escalation and the potential impact on sales, earnings, market conditions and the ability of the Company to manage resources and historical investment in Russia;*
- *risks associated with the ongoing and escalating conflict in the Middle East involving Israel, Hamas, Iran and other countries and militant groups in the region, including its potential continued escalation and expansion and the potential impact on our operations, sale of products and revenues in this region;*
- *our ability to obtain, maintain and license sufficient intellectual property rights over our products and enforce and defend against challenges to such intellectual property;*
- *the introduction of generic, biosimilar or other competitors of our branded products and other products, including the introduction of products that compete against our products that do not have patent or data exclusivity rights;*

- *the expense, timing and outcome of pending or future legal and governmental proceedings, arbitrations, investigations, subpoenas, tax and other regulatory audits, examinations, reviews and regulatory proceedings against us or relating to us and settlements thereof;*
- *our ability to obtain components, raw materials or finished products supplied by third parties (some of which may be single-sourced) and other manufacturing and related supply difficulties, interruptions and delays;*
- *the disruption of delivery of our products and the routine flow of manufactured goods;*
- *potential work stoppages, slowdowns or other labor problems at our facilities and the resulting impact on our manufacturing, distribution and other operations;*
- *economic factors over which we have no control, including inflationary pressures as a result of heightened domestic and global inflation and otherwise, heightened interest rates, foreign currency rates, and the potential effect of such factors on revenues, expenses and resulting margins;*
- *interest rate risks associated with our floating rate debt borrowings;*
- *our ability to effectively distribute our products and the effectiveness and success of our distribution arrangements;*
- *our ability to effectively promote our own products and those of our co-promotion partners;*
- *our ability to secure and maintain third-party research, development, manufacturing, licensing, marketing or distribution arrangements;*
- *the risk that our products could cause, or be alleged to cause, personal injury and adverse effects, leading to potential lawsuits, product liability claims and damages and/or recalls or withdrawals of products from the market;*
- *the mandatory or voluntary recall or withdrawal of our products from the market and the costs associated therewith;*
- *the availability of, and our ability to obtain and maintain, adequate insurance coverage and/or our ability to cover or insure against the total amount of the claims and liabilities we face, whether through third-party insurance or self-insurance;*
- *our indemnity agreements, which may result in an obligation to indemnify or reimburse the relevant counterparty, which amounts may be material;*
- *the difficulty in predicting the expense, timing and outcome within our legal and regulatory environment, including with respect to approvals by the FDA, Health Canada, the European Medicines Agency ("EMA") and similar agencies in other jurisdictions, legal and regulatory proceedings and settlements thereof, the protection afforded by our patents and other intellectual and proprietary property, successful generic challenges to our products and infringement or alleged infringement of the intellectual property of others;*
- *the results of continuing safety and efficacy studies by industry and government agencies;*
- *the success of preclinical and clinical trials for our drug development pipeline or delays in clinical trials that adversely impact the timely commercialization of our pipeline products, as well as other factors impacting the commercial success of our products, which could lead to material impairment charges;*
- *uncertainties around the successful improvement and modification of our existing products and development of new products, which may require significant expenditures and efforts;*
- *the results of management reviews of our research and development portfolio (including following the receipt of clinical results or feedback from the FDA or other regulatory authorities), which could result in terminations of specific projects which, in turn, could lead to material impairment charges;*
- *the seasonality of sales of certain of our products;*
- *declines in the pricing and sales volume of certain of our products that are distributed or marketed by third parties, over which we have no or limited control;*
- *compliance by us or our third-party partners and service providers (over whom we may have limited influence), or the failure by us or these third parties to comply, with health care "fraud and abuse" laws and other extensive regulation of our marketing, promotional and business practices (including with respect to pricing), worldwide anti-bribery laws (including the U.S. Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public*

Officials Act), worldwide economic sanctions and/or export laws, worldwide environmental laws and regulation and privacy and security regulations;

- *the impacts of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the "Health Care Reform Act") and any potential amendment thereof and other legislative and regulatory health care reforms in the countries in which we operate, including with respect to recent government inquiries on pricing;*
- *the impact of any changes in or reforms to the legislation, laws, rules, regulation and guidance that apply to us and our businesses and products or the enactment of any new or proposed legislation, laws, rules, regulations or guidance that will impact or apply to us or our businesses or products;*
- *the impact of changes in federal laws and policy that have been and may be undertaken under the Trump administration;*
- *illegal distribution or sale of counterfeit versions of our products;*
- *interruptions, breakdowns or breaches in our information technology systems; and*
- *risks in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the U.S. Securities and Exchange Commission ("SEC") and the Canadian Securities Administrators (the "CSA") on February 19, 2025 and risks detailed from time to time in our other filings with the SEC and the CSA, as well as our ability to anticipate and manage the risks associated with the foregoing.*

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in our Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 19, 2025, under Item 1A. "Risk Factors" and in the Company's other filings with the SEC and the CSA. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. These forward-looking statements speak only as of the date made. We undertake no obligation to update or revise any of these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q or to reflect actual outcomes, except as required by law. We caution that, as it is not possible to predict or identify all relevant factors that may impact forward-looking statements, the foregoing list of important factors that may affect future results is not exhaustive and should not be considered a complete statement of all potential risks and uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Other than as indicated below under "— Interest Rate Risk", there have been no material changes to the Company's assessment of its sensitivity to market risks that affect the disclosures presented in the section entitled "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" of our Annual Report.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2025. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act or under other applicable U.S. or Canadian securities laws or stock exchange rules is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal controls over financial reporting that occurred during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.