Risk Factors Comparison 2025-02-19 to 2024-02-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Our business, financial condition, cash flows and results of operations are subject to various risks and uncertainties. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Form 10- K, including those risks set forth under the heading entitled " Forward- Looking Statements " and in other documents that we file with the SEC and the CSA, before making any investment decision with respect to our common shares or debt securities. If any of the risks or uncertainties actually occur or develop, our business, financial condition, cash flows, results of operations and / or future growth prospects could change, and such change could be materially adverse. Under these circumstances, the market value of our common shares and / or debt securities could decline, and you could lose all or part of your investment in our common shares and / or debt securities. Summary of Risk Factors The following is a summary of the risk factors our business faces. The list below is not exhaustive, and investors should read this " Risk Factors " section in full. Some of the risks we face include: • Current market and economic conditions in one or more of our markets could impact our ability to grow our business; Inflation could materially adversely affect ~~out~~ **our** business and operations; We may not realize the anticipated benefits from the Separation, and the Separation could harm our business; The Separation is subject to certain uncertainties. Furthermore, the Distribution **or the Sale Transaction** ~~(as defined below)~~ may not occur; The Separation is subject to challenge and could be subject to further challenges in the future, any of which could delay or prevent the consummation of such transactions or cause them to occur on worse terms than we currently expect; We have limited history of operating as an independent company, and our historical financial information prior to the B L IPO is not necessarily representative of the results that we would have achieved as an independent or standalone company and may not be a reliable indicator of our future results; Until the completion of the Separation, BHC will control the direction of our business, and the concentrated ownership of our common shares will prevent you and other shareholders from influencing significant decisions; Some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in BHC, and some of our directors may have actual or potential conflicts of interest because they also serve as directors of BHC; Potential tax liabilities that may arise as a result of the Separation or related transactions; ~~Certain requirements of~~ **If the Distribution occurs pursuant to** the public company " butterfly reorganization " rules in Section 55 of the Income Tax Act (Canada) (the " Tax Act ") **, certain requirements of those rules** depend on events that may not be within our control; We potentially could have received better terms from unaffiliated third parties than the terms we received in our agreements with BHC; The potential indemnification obligations to BHC and the ability of BHC to satisfy its corresponding indemnification obligations to us; As long as BHC owns a majority of our common shares, we may rely on certain exemptions from the corporate governance requirements of the ~~New York Stock Exchange (" NYSE ")~~ available to " controlled companies " and of the ~~Toronto Stock Exchange (" TSX ")~~ available to " majority controlled " companies; The impact of the actual or perceived future sales of our common shares ~~(including via the Distribution)~~ on our common share price ~~; The services that BHC provides to us may not be sufficient to meet our needs; The transfer of certain outstanding assets, liabilities and contracts relating to the Separation and any delays thereof~~ ; Our ability to successfully develop our pipeline of products, which is highly uncertain and requires significant expenditures and time, including risks relating to obtaining necessary government approvals; ~~•~~ Failure to comply with post- approval legal and regulatory requirements for our marketed products; • Interruptions to our manufacturing operations and those of our third- party manufacturers, including as a result of failure to comply with applicable regulations; • Certain of our products or components thereof are available from a single source or a limited number of sources; • Issues relating to inventory levels or fluctuations in buying patterns by our large distributors and retail customers and supply chain disruptions; • Failure to yield new products that achieve commercial success; • Changes in market acceptance of our products due to inadequate reimbursement for such products or otherwise. • The impact of competition and new medical and technological developments in our markets; • The loss of the services of, or our inability to recruit, retain, motivate, our executives and other key employees; • Pricing decisions, including as a result of price changes and / or new programs to enhance patient access to our products; • Failure to maintain our relationships with health care providers who recommend our products to their patients; • Our inability to control certain aspects of our third party distribution arrangements: • The impact on our revenues of our policies and programs relating to returns, allowances, chargebacks and marketing; • Risks associated with wholesaler concentration; • Acquisition and integration risks; • Potential obligations under our indemnity agreements and arrangements; • Environmental, social and governance (ESG) matters and our ability to monitor and respond appropriately; • Our indebtedness could adversely affect our business and our ability to meet our obligations; • International operations risks associated with conducting a significant portion of our business outside the United States, including with respect to foreign currency risk and the ongoing Ukraine- Russia **conflict** and **Middle East conflict involving** Israel ~~-~~ **,** Hamas ~~conflicts~~ **and other countries and militant groups in the region** ; • The loss of patent protection or exclusivity rights and, even where we retain patent protection or exclusivity rights, competition from similar products in the markets in which we participate; • The inability to obtain, maintain, license, enforce, defend or otherwise protect our intellectual property rights; • Breakdown, interruption or breach of our information technology systems; • Competition for our pharmaceutical, OTC products or medical devices; • The potential increase of our effective tax rates, including as a result of changes in applicable tax laws **; • The impact of potential imposition of and adverse changes to duties, tariffs and other trade protection measures (including any retaliations to such measures)** ; • The impact of ongoing and potential legal and governmental proceedings, including with respect to intellectual property; • Compliance by our third party partners and service providers of their contractual, legal and regulatory obligations; • Product liability matters, including potential product recalls or voluntary market

withdrawals; • Compliance with various laws and regulations, including with respect to marketing, promotional and business practices and fraud and abuse, anti- bribery, environmental and privacy and security matters; and • Enactment of new regulations or changes in existing regulations related to the health care system. Risks Relating to Economic and Market ~~ConditionsCurrent~~ **Conditions Current** market and economic conditions in one or more of our markets could impact our ability to grow our business. Over the last few years in the U. S. and globally, market and economic conditions have been challenging, particularly in light of **public health** ~~the COVID- 19 pandemic~~ **pandemics** and, more recently, as a result of uncertainty concerning government shutdowns, debt ceilings ~~and~~ **,** government funding **and potential trade wars** . Any negative impact on economic conditions and international markets, continued volatility or deterioration in the debt and equity capital markets, **heightened** inflation, deflation or other adverse economic conditions may adversely affect our business, liquidity, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Ongoing uncertain economic and financial market conditions may also adversely affect the financial condition of our customers, suppliers and other business partners. When our customers' financial conditions are adversely affected, it could materially and adversely affect our sales and financial results, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Our global business may be negatively affected by local economic conditions, including **heightened** inflation, increasing labor costs, potential recession **, the imposition of or adverse amendments to duties, tariffs and other trade restrictions (including any retaliation to such measures)** and currency exchange rate fluctuations, which could adversely affect our cost to manufacture and provide our products and services and revenues generated through sales of such products and services. There is no guarantee that we will be able to fully absorb any such additional costs or revenue declines in the prices for our products and services. ~~We also continue to monitor the impacts on our businesses of the COVID- 19 virus and variant and subvariant strains thereof in order to timely address new issues if and when they arise. To the extent the COVID- 19 pandemic persists, with surges in infection and associated government responses, it could have a significant adverse effect on our business, financial condition, cash flows, results of operations and could cause the market value of our common shares and / or debt securities to decline and may exacerbate other risk factors disclosed elsewhere in this " Risk Factors " section.~~ Inflation and other macroeconomic factors could materially adversely affect our business and operations. Our operating results could be materially impacted by changes in the overall global macroeconomic environment and other economic factors that impact our cost structure and revenue results. Changes in economic conditions, including supply chain constraints, logistics challenges, labor shortages **, imposition of or adverse amendments to duties, tariffs and other trade protection mechanisms (including any retaliation to such measures)** and steps taken by governments and central banks, **including** ~~particularly in response to the COVID- 19 pandemic, as well as other~~ stimulus and spending programs, have, in the past, led to (and could, in the future lead to) ~~higher~~ **heightened** inflation, resulting in an increase in costs and changes in fiscal and monetary policy, including increased interest rates. In a ~~higher~~ **heightened** inflationary environment, we may be unable to raise the prices of our products and services sufficiently to keep up with the rate of inflation. Moreover, negative macroeconomic conditions could adversely impact our ability to obtain financing in the future on terms acceptable to us, or at all. In addition, geopolitical instability (such as the **imposition of and adverse changes to U. S. duty, tariff and other trade protection measures, the** ongoing conflict between Russia and Ukraine and the ongoing ~~conflict~~ **conflicts** in the Middle East ~~involving Israel and Hamas~~) and related sanctions could continue to have significant ramifications on global financial markets, including volatility in the U. S. and global financial markets. These inflationary pressures and other negative macroeconomic conditions **(including the potential impact of tariffs)** could impact our revenues and resulting margins and could have an adverse impact on results of operations and could cause the market value of our common shares and / or debt securities to decline. Risks Relating to the SeparationWe may not realize the anticipated benefits from the Separation, and the Separation could harm our business. From 2013 until the completion of the B L IPO, we operated as a business within BHC. Since completion of the B L IPO, we have operated as an independent company from BHC, although BHC controls a majority of the voting power of our outstanding common shares and therefore generally is able to determine the outcome of all corporate actions that require shareholder approval. The ~~completion of the full~~ Separation ~~of the Company from BHC~~ remains subject to ~~the achievement of targeted debt leverage ratios and~~ the receipt of applicable shareholder and other necessary approvals and the various risk factors set forth herein. We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all. The Separation is expected to enhance strategic and management focus, provide a distinct investment identity and allow us to efficiently allocate resources and deploy capital. We may not achieve these and other anticipated benefits for a variety of reasons, including, among others: • the Separation has required significant amounts of management' s time and effort and may continue to require management' s further time and effort, which may divert management' s attention from operating and growing our business; • as a result of the Separation, we may be more susceptible to economic downturns and other adverse events than if we were still a part of BHC; • following the B L IPO, we commenced operating as an independent company and, as a result, our business is less diversified than BHC' s business prior to the completion of the B L IPO; • our business has and may continue to experience a loss of scale and purchasing power and access to certain financial, managerial and professional resources from which we have benefited at lower cost in the past; • the **manner and terms of the Separation; • the** other actions required to complete the Separation could disrupt our operations; and • the development of our operations and infrastructure in connection with the Separation, and any future expansion of such operations and infrastructure, may not be entirely successful, and may strain our operations and increase our operating expenses. If we fail to achieve some or all of the benefits expected to result from the Separation, or if such benefits are delayed, **or the anticipated structure of the Separation were to change,** our business could be harmed and could cause the market value of our common shares and / or debt securities to decline. The Separation is subject to certain uncertainties. Furthermore, the Distribution **or the Sale Transaction** ~~(as defined below)~~ may not occur. Unanticipated developments, including disruptions to business and commerce induced by changes in

global market, financial and economic conditions (such as ~~the COVID- 19 pandemic and~~ international conflicts **and trade wars**), possible delays in obtaining any necessary shareholder, stock exchange, regulatory or other approval or the failure to obtain any such approvals, possible delays in obtaining any required tax opinions or rulings or the failure to obtain any such tax opinions or rulings, that a portion of BHC' s ownership of Bausch Lomb is pledged as collateral securing BHC' s 9. 00 % senior secured notes **and a portion of its common shares would be pledged as collateral securing BHC' s bridge facility to the extent BHC borrows amounts thereunder** , negotiating challenges, the uncertainty of the financial markets **, any adverse impact on BHC' s financial condition** , changes in the law, and other challenges could delay or prevent the completion of the Separation, result in changes to the anticipated structure **and manner** of the Separation, or cause the Separation to occur on terms or conditions that are different or less favorable than expected. **For example, on December 12, 2024, we announced that the Board of Directors authorized management and its advisors to explore a potential sale of the Company, as one of several options being explored to complete the Separation.** Any changes to the Separation **, including its anticipated structure,** or delay in completing the Separation could cause us not to realize some or all of the expected benefits or realize them on a different timeline than expected. **Additionally, the structure and manner of the Separation may increase the likelihood that certain risks described in this Item 1A. " Risk Factors " may occur or result in other risks not described herein which could cause the market value of our common shares and / or debt securities to decline.** In particular, ~~as part of~~ the Separation **may include** ~~, BHC has indicated that it intends to transfer all or a portion of its remaining direct or indirect equity interest in us to its shareholders (~~ the ~~" Distribution ")~~ . **If a Distribution is to occur,** BHC informed us in the past that it intended to conduct the Distribution by way of a statutory plan of arrangement under applicable corporate law (the " Distribution Arrangement ") to be implemented in accordance with the terms and subject to the conditions set out in the plan of arrangement (the " Distribution Plan of Arrangement ") appended to the Arrangement Agreement entered into between Bausch Lomb and BHC (the " Distribution Arrangement Agreement "). Subject to the terms of the Distribution Arrangement Agreement, BHC may instead also effect the Distribution through one or more distributions effected as a dividend or a tax- free reduction of capital to all BHC shareholders, one or more distributions in exchange for BHC shares or other securities, or any combination thereof. Prior to the completion of any such Distribution **or as an alternative to the Distribution** , BHC may ~~also~~ sell **all or** a portion of its remaining direct or indirect equity interest in us through an offering to third parties ~~. In August 2023~~ , **whether** ~~BHC disclosed that it continues to evaluate all relevant factors and circumstances around the Distribution, and that while its initial intent was to effect the Distribution by way of the Distribution Plan of Arrangement, BHC has since determined it may be optimal to effect the Distribution through a tax- free reduction of capital rather than~~ pursuant to **a Sale Transaction or otherwise.** ~~the terms of the Distribution Plan of Arrangement; however,~~ BHC has indicated that it continues to evaluate **all relevant factors** ~~the structure of any Distribution~~ and **considerations relating to** ~~other~~ -- **the Separation** ~~related details~~ . However, BHC has no obligation to complete the Distribution on the terms that have been previously disclosed or at all, and it will have the ability to unilaterally terminate the Distribution Arrangement Agreement in its sole discretion at any time before the Distribution Arrangement is implemented, and **, as of the outside date of December 31, 2024,** Bausch Lomb may terminate the Distribution Arrangement Agreement in accordance with its terms ~~as of the outside date of December 31, 2024~~ (unless the parties otherwise agree) **. The Distribution Arrangement Agreement has not been terminated as of the date of this Form 10- K** . Whether BHC proceeds with the Distribution pursuant to the Distribution Arrangement or otherwise, in whole or in part, is subject to a number of conditions precedent, many of which are outside our control. These conditions precedent are expected to include, but are not limited to the following: achievement of targeted debt leverage ratios by BHC, receipt of any necessary regulatory or other approvals, existence of satisfactory market conditions, and in the case of a tax- free transaction, an opinion of counsel (and, at the election of BHC, a tax ruling from the IRS as to certain issues related to the Distribution (the " U. S. Tax Ruling ")) and a tax ruling requested from the Canada Revenue Agency (the " CRA ") confirming the tax- free treatment of the transaction to BHC, the Company and their respective shareholders (the " Tax Ruling "). Completion of any plan of arrangement under applicable corporate law (including the Distribution Plan of Arrangement) would also be subject to approvals, including by receipt of applicable shareholder approvals and receipt of and compliance with the interim and final orders from the Supreme Court of British Columbia (the " Interim Order " and the " Final Order, " respectively). If BHC proceeds with the Distribution pursuant to the Distribution Arrangement, at the hearing for the Final Order, the Supreme Court of British Columbia would consider whether to approve the Distribution based on the applicable legal requirements and the evidence and submissions before the Court as to, among other things, whether the Distribution Plan of Arrangement is fair and reasonable. There can be no certainty, nor can we provide any assurance, that all conditions precedent to the Distribution, whether under the Distribution Arrangement Agreement, through a reduction of capital or otherwise, will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If certain approvals and consents are not received prior to the anticipated effective date of the Distribution, we and BHC may decide to proceed nonetheless, or we and BHC may either delay or amend the implementation of all or part of the Distribution, including possibly delaying the completion of the Distribution in order to allow sufficient time to complete such matters or effecting the Distribution other than by way of a plan of arrangement under applicable corporate law (such as through a reduction of capital). Any such changes in timing or manner of effecting the Distribution could result in other conditions needing to be satisfied or waived ~~. If the Distribution is delayed, restructured or not completed, the market price of our common shares may be materially adversely affected. Furthermore, if the Distribution does not occur, or if BHC does not otherwise dispose of its ownership of our equity interests, the risks relating to BHC' s control of us and the potential business conflicts of interest between BHC and us will continue to be relevant to our securityholders. The liquidity of our common shares and / or debt securities in the market may be constrained for as long as BHC continues to hold a significant position in our common shares and / or debt securities. A lack of liquidity in our common shares and / or debt securities could depress the price of our common shares~~ . It is possible that future factors may arise that make it inadvisable to proceed with, or advisable to delay, all or part of the Distribution, which may include an amendment to the Distribution Plan of

Arrangement to modify, add or remove certain steps in the Distribution Arrangement, or to amend the terms of the Distribution Arrangement Agreement. BHC will have the right, in its sole discretion to amend the Distribution Plan of Arrangement and to make any necessary conforming changes to the Distribution Arrangement Agreement so long as it has determined, acting reasonably, that such amendment (s) are not materially adverse to us or to our shareholders from a financial perspective. The Distribution Arrangement Agreement may also be terminated in certain circumstances, including by BHC in its sole discretion at any time before the Distribution Arrangement is implemented. BHC will have the right to abandon or change the structure of the Distribution if BHC determines to do so in its sole discretion. ~~Additionally~~ **As noted above** , **a Sale Transaction is one potential option for the completion of the Separation. However, the consummation of a Sale Transaction may be subject to a number of conditions, some of which are outside of our control, including the potential need to obtain consent of BHC to such Sale Transaction. In addition, any such Sale Transaction may be structured in a number of different ways. As a result, we cannot guarantee the timing or structure of any such Sale Transaction or that a Sale Transaction would be consummated at all (for example, recent engagement with potential buyers failed to result in the completion of a Sale Transaction). Even** if **such Sale Transaction were consummated, we may not realize all of the benefits that are anticipated from the Separation. If** the Distribution **or other means of effecting the Separation (including** , **but not limited to, any Sale Transaction) is delayed, restructured or not completed, the market price of our common shares may be materially adversely affected. Furthermore, if the Distribution or Sale Transaction** does not occur **, or if BHC does not otherwise dispose of its ownership of our equity interests,** on the timelines or in the manner currently anticipated or at all, ~~it may have a negative effect on~~ the ~~price~~ **risks relating to BHC' s control of us and the potential business conflicts of interest between BHC and us will continue to be relevant to our securityholders. The liquidity** of our common shares and / or debt securities **in the market may be constrained** ~~or~~ **for** ~~value~~ **as long as BHC continues to hold a significant position in our common shares and / or debt securities. A lack of liquidity in our common shares and / or debt securities could depress the price** of our common shares and / or debt securities. The Separation is subject to challenge and could be subject to further challenges in the future, any of which could delay or prevent the consummation of such transactions or cause them to occur on worse terms than we currently expect. The Separation is subject to challenge, which could delay or prevent the consummation of such transactions or cause them to occur on worse terms than we currently expect. For example, in March 2022, we and BHC were named in a declaratory judgment action in the Superior Court of New Jersey, Somerset County, Chancery Division (which was removed to the U. S. District Court for the District of New Jersey, but subsequently remanded back to the Superior Court of New Jersey), brought by certain individual investors in BHC' s common shares and debt securities who are also maintaining individual securities fraud claims against BHC and certain of its current or former officers and directors. This action seeks a declaratory judgment that the transfer of assets from BHC to us would constitute a voidable transfer under New Jersey' s Uniform Voidable Transactions Act and that we would become liable for damages awarded against BHC in the individual opt- out actions. In addition, we could, in the future, face additional legal proceedings and investigations and inquiries by governmental agencies relating to these or similar matters. For more information regarding legal proceedings, see Note ~~20~~ **19** , " LEGAL PROCEEDINGS " to our audited Consolidated Financial Statements. We are unable to predict the outcome of any such proceedings, investigations and inquiries, but we may incur significant costs and diversion of management attention as a result of these matters, regardless of the outcome. Some or all of these proceedings, investigations and inquiries may lead to damages, settlement payments, fines, penalties, consent orders or other administrative sanctions against us, even if they relate solely to alleged actions or misstatements of BHC. Furthermore, publicity surrounding these proceedings, investigations and inquiries or any enforcement action as a result thereof, even if ultimately resolved favorably for us could result in additional investigations and legal proceedings. As a result, these proceedings, investigations and inquiries could have a material adverse effect on our reputation, business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We have limited history of operating as an independent company, and our historical financial information prior to the B L IPO is not necessarily representative of the results that we would have achieved as an independent or standalone company and may not be a reliable indicator of our future results. Our historical financial information, for periods prior to the B L IPO, is not necessarily indicative of our future results of operations, financial condition or cash flows, nor does it reflect what our results of operations, financial condition or cash flows would have been as an independent public company during the periods presented. In particular, such historical financial information included in this Form 10- K is not necessarily indicative of our future results of operations, financial condition or cash flows primarily because of the following factors, among others: • Prior to the B L IPO, our business had been operated by BHC as part of its broader corporate organization, rather than as an independent company; BHC or one of its affiliates provided support for various corporate functions for us, such as information technology, compensation and benefits, human resources, engineering, finance and internal audit. • Our historical financial results prior to the B L IPO reflect the direct, indirect and allocated costs for such services historically provided by BHC. Following the B L IPO, BHC ~~continues~~ **continued** to provide some of these services to us on a transitional basis, pursuant to a transition services agreement that we entered into with BHC in connection with the Separation. Our historical financial information does not reflect our obligations under the various transitional and other agreements we entered into with BHC in connection with the Separation. ~~At~~ **As** ~~the~~ **these** ~~end of this transition~~ **transitional** ~~period~~ **services expire or are terminated (as most now have)** , we will need to perform these functions ourselves or hire third parties to perform these functions on our behalf, and these costs may differ significantly from the comparable expenses we have incurred in the past. • Prior to the B L IPO, our working capital requirements and capital expenditures historically were satisfied as part of BHC' s corporate- wide cash management and centralized funding programs, and our cost of debt and other capital may significantly differ from the historical amounts reflected in our historical financial statements. • Prior to the B L IPO, our business was integrated with that of BHC and we benefited from BHC' s size and scale in costs, employees and vendor and customer relationships. Thus, costs we incur as an independent company may significantly exceed comparable costs we

incurred as part of BHC. • As a standalone public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, or the Dodd- Frank Act, applicable Canadian securities laws and the regulations of the NYSE and the TSX. Such requirements have increased our legal, accounting and financial compliance costs, make some activities more difficult, time- consuming and costly and could be burdensome on our personnel, systems and resources. We have devoted and expect to continue to devote significant resources to address these public company- associated requirements, including compliance programs and investor relations, as well as our financial reporting obligations. Complying with these rules and regulations has and will substantially increase our legal and financial compliance costs and make some activities more time- consuming and costly. • In addition, as a public company, our management is required to conduct an annual evaluation of our internal controls over financial reporting and include a report of management on our internal controls in our annual reports on Form 10- K ~~, commencing with this Form 10- K~~ . In addition ~~, commencing with this Form 10- K~~ , we are required to have our independent registered public accounting firm attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act of 2002. If we are unable to conclude that we have effective internal controls over financial reporting, or if our registered public accounting firm is unable to provide us with an attestation and an unqualified report as to the effectiveness of our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common shares and / or debt securities. Moreover, failure to accurately report our financial performance on a timely basis could also jeopardize our continued listing on the NYSE, the TSX or any other exchange on which our common shares may be listed. Delisting of our common shares on any exchange would reduce the liquidity of the market for our common shares, which would reduce the price of and increase the volatility of the market price of our common shares. Until the completion of the Separation, BHC will control the direction of our business, and the concentrated ownership of our common shares will prevent you and other shareholders from influencing significant decisions. As of February ~~16~~ **12** , ~~2024~~ **2025** , BHC beneficially owns approximately 88. ~~4~~ **1** % of our issued and outstanding common shares. As long as BHC controls a majority of the voting power of our issued and outstanding common shares with respect to a particular matter, it will generally be able to determine the outcome of all corporate actions requiring shareholder approval (as further described below) and will be able to block a takeover bid made for the shares of the Company as Canadian securities laws require that a minimum of 50 % of the issued and outstanding shares be tendered to the bid in order for the bid to succeed. In addition, as controlling shareholder, BHC will have significant influence over our plans and strategies, including strategies relating to marketing and growth. Even if BHC were to control less than a majority of the voting power of our outstanding common shares, it may be able to influence the outcome of such corporate actions so long as it owns a significant portion of our common shares. If BHC does not complete the Distribution or otherwise dispose of its ownership of our equity interests, it could remain our controlling shareholder for an extended period of time or indefinitely. In such a case, the concentration of BHC' s holdings may delay or prevent any acquisition or delay or discourage takeover attempts that shareholders may consider to be favorable, or make it more difficult or impossible for a third- party to acquire control of the Company or effect a change in the Board of Directors and management, any of which may cause the market price of our common shares and / or debt securities to decline. Any delay or prevention of a change of control transaction could deter potential acquirors or prevent the completion of a transaction in which the Company' s shareholders could receive a premium over the then current market price for their common shares. As long as BHC controls the majority of the voting power of our outstanding common shares, except where Canadian law requires that a matter be determined by a majority of the votes cast by minority shareholders and excludes BHC from the minority for that purpose, BHC will generally be able to control, whether directly or indirectly through its ability to remove and elect directors, and subject to applicable law, substantially all matters affecting us, including: • any determination with respect to our business direction and policies, including the election and removal of directors and the appointment and removal of officers; • any determinations with respect to mergers, amalgamations, business combinations or dispositions of assets; • our financing and dividend policy, and the payment of dividends on our common shares, if any; • compensation and benefit programs and other human resources policy decisions; • changes to any other agreements that may adversely affect us; and • determinations with respect to our tax returns and other tax matters. In addition, pursuant to the Master Separation Agreement entered into by us and BHC in connection with the B L IPO (the " MSA "), until BHC ceases to hold 50 % of the total voting power of our outstanding share capital entitled to vote in the election of our directors, we will not be permitted, without BHC' s prior written consent, (or, in certain circumstances, the approval of the BHC Board of Directors), to take certain significant actions. As a result, our ability to take such actions may be delayed or prevented. We will not be able to terminate or amend the MSA, except in accordance with its terms. BHC' s interests may not be the same as, or may conflict with, our interests or the interests of our other shareholders **and other stakeholders.** Because BHC' s interests may differ from ours or from those of our other shareholders **and other stakeholders** , actions that BHC takes with respect to us, as our controlling shareholder and pursuant to its rights under the MSA, may not be favorable to us or our other securityholders **and stakeholders** . In addition, BHC will have the ability, should it choose to do so, to sell some or all of our common shares that it owns in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of our company **. In addition, BHC has pledged a portion of our common shares that it owns as collateral securing BHC' s 9. 00 % senior secured notes and an additional portion of our common shares that it owns would be pledged as collateral securing BHC' s bridge facility to the extent BHC borrows amounts thereunder. If BHC defaults under such debt, our common shares that have been pledged to secure such debt may be foreclosed upon and could be sold** . If BHC privately sells its significant equity interests in our company **or such equity interests are otherwise transferred (including in connection with a foreclosure on the common shares that are or may be pledged as collateral for certain of BHC' s debt)** , we may become subject to the control of a presently unknown third party. Such third party may have interests that conflict with those of other securityholders **and stakeholders** , and may attempt to cause us to revise or change our plans and strategies. A new owner may also have different plans with respect to the Separation,

including not effecting such Separation **. In addition, as a result of BHC being our controlling shareholder, BHC and its financial condition, business, reputation and operations (including its credit ratings) may have an impact on our business, including our credit ratings. In particular, although we do not guarantee BHC' s debt and are not subject to the restrictive covenants under the agreements governing BHC' s debt and BHC' s creditors therefore should not have any direct claim against us, any downgrade in BHC' s credit ratings may nonetheless have an adverse impact on and result in a downgrade in our credit ratings. If credit rating agencies downgrade our credit ratings, our ability to raise debt and the cost of capital for additional debt issuances may be adversely impacted** . Some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in BHC, and some of our directors may have actual or potential conflicts of interest because they also serve as directors of BHC. Because of their current or former positions with BHC, some of our directors and executive officers may own common shares of BHC or have options to acquire shares of BHC, and the individual holdings may be significant for some of these individuals compared to their total assets. In addition, certain of our directors also serve as directors of BHC. While our Board of Directors has determined that Thomas W. Ross, Sr., Nathalie Bernier, Andrew C. von Eschenbach, Sarah B. Kavanagh, John A. Paulson, Russel C. Robertson, ~~Richard U~~ **Karen L** . **Ling** ~~De Schutter~~ , Brett Icahn and Gary Hu are " independent directors " within the meaning of applicable regulatory and stock exchange requirements in the United States and within the meaning of Canadian securities ~~regulations~~ **laws** , certain of them have served and, in some cases, continue to serve, as directors of BHC. A director who has a material interest in a matter before our Board of Directors or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it in accordance with applicable law. In situations where a director has a material interest in a matter to be considered by our Board of Directors or any committee on which he or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Although all transactions with related parties will be approved by independent members of our Board of Directors that may meet in the absence of senior executive officers or non- independent directors, the ownership of BHC equity or service to BHC may create the appearance of conflicts of interest when the BHC- affiliated directors and officers are faced with decisions that could have different implications for BHC or us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between BHC and us regarding the terms of the agreements governing the Separation and the relationship thereafter between the companies. Potential conflicts of interest could also arise if we enter into commercial arrangements with BHC in the future. As a result of these actual or apparent conflicts, we may be precluded from pursuing certain growth initiatives. While the Board of Directors believes that, given its size and structure, such actual or potential conflicts of interest can be managed adequately, including that the independent members of our Board of Directors may meet in the absence of senior executive officers or non- independent directors in respect of the relevant matter, the actual or perceived conflicts of interest that may arise could cause reputational or other harm. To preserve the tax- free treatment of certain transactions related to the Distribution, we may not be able to engage in certain transactions. We could incur significant tax liabilities, or be liable to BHC, if certain transactions occur which result in these transactions or the Distribution being subject to tax. To preserve the tax- free treatment of certain transactions related to the Distribution, certain agreements we entered into with BHC in connection with the Separation (including the Distribution Arrangement Agreement) contain certain tax- related covenants. We previously expected that the Distribution would be effected pursuant to the public company " butterfly reorganization " rules in Section 55 of the Tax Act (although BHC has recently announced it is considering other alternative structures, including a tax- free reduction of capital) and so these covenants include agreements that, among other things and subject to certain limited exceptions: (a) we and BHC will: (i) not, on or before the effective date of the Distribution Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our respective control to be taken or performed or to occur, that, in each case, could reasonably be considered to interfere or be inconsistent with the Tax Ruling; (ii) not take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our respective control to be taken or performed or to occur, in each case, that would cause BHC to cease to be a " specified corporation " within the meaning of the Tax Act on or prior to the effective date of the Distribution Arrangement, except as specifically contemplated by the Distribution Arrangement Agreement and in the Tax Ruling; and (iii) fulfill all representations and undertakings provided by us (or by any of our subsidiaries), or on our behalf (or on behalf of any of our subsidiaries) with our knowledge and consent, in the Tax Ruling; and (b) we and BHC will not, for a period of three years after the effective date of the Distribution Arrangement, take or perform or fail to take or perform any act, including entering into any transaction or permitting any act or transaction within our respective control to be taken or performed or to occur, that, in each case, could reasonably be expected to cause the Distribution Arrangement and / or any transaction contemplated by the Distribution Arrangement and / or the Distribution Arrangement Agreement to be taxed in a manner inconsistent with that provided for in the Tax Ruling. Although BHC ~~recently~~ **has subsequently** announced that it may effect the Distribution through a tax- free reduction of capital **or may complete the Separation through an alternate transaction** , we remain subject to these tax covenants, which may restrict us from taking certain actions that we might otherwise choose to take or from pursuing certain strategic transactions or engaging in other transactions, some of which could be material. The nature, extent and effect of these restrictions will depend on the manner in which the Distribution is effected **, if at all** . If the Distribution were to be effected pursuant to the public company " butterfly reorganization " rules in Section 55 of the Tax Act as BHC initially anticipated, the Company and BHC would recognize a taxable gain on the completion of the Distribution if (a) within three years of completing the Distribution, we engage in a subsequent spin- off or split- up transaction under Section 55 of the Tax Act or BHC engages in a split- up (but not spin- off) transaction under Section 55 of the Tax Act, (b) a " specified shareholder " as defined for purposes of the " butterfly reorganization " rules in Section 55 of the Tax Act disposes of our shares or shares of BHC, or property that derives 10 % or more of its value from such shares and an unrelated person or a partnership acquires such property or property substituted therefor as part of the " series of transactions " which

includes the Distribution; (c) there is an acquisition of control of the Company or BHC that is part of the " series of transactions " that includes the Distribution; or (d) certain persons acquire shares in our capital (other than in specified permitted transactions) in contemplation of, and as part of the " series of transactions " that includes, the Distribution. If any of the above events were to occur and to cause the Distribution to be taxable to BHC and / or to the Company, then BHC or the Company, as applicable, and, in some cases, both BHC and the Company, would be liable for a substantial amount of tax. In addition, if such an event were due to an act of BHC (or one of its subsidiaries or controlled affiliates, other than the Company or its subsidiaries) or the Company (or one of its subsidiaries or controlled affiliates), or an omission by BHC or the Company to act, then BHC (in the case of an action taken by it or one of its subsidiaries or controlled affiliates (other than the Company and its subsidiaries)) or the Company (in the case of any action taken by it or one of its subsidiaries or controlled affiliates), as applicable, would generally be required to indemnify the other party for tax under the Distribution Arrangement Agreement. A breach by BHC or the Company of the other tax- related covenants in any of the Separation related agreements (including these tax covenants) may also require BHC or the Company, as applicable, to indemnify the other against any loss suffered or incurred from or in connection with such breach. The applicability of these restrictions and the extent and nature of any indemnity obligations will depend on the manner in which the Distribution is ultimately effected **(if at all)** , including whether or not the Distribution is effected pursuant to the public company " butterfly reorganization " rules of the Tax Act, which may be outside of our control. If the Distribution is effected through a tax free reduction of capital, certain of these restrictions may no longer apply to us or to BHC. See also " — The Separation is subject to certain uncertainties. Furthermore, the Distribution **or the Sale Transaction** may not occur. " In addition, in order to preserve the tax- free treatment of the Distribution, if effected, for U. S. federal income tax purposes, we will be restricted from taking certain actions, including, during the two- year period after the Distribution, discontinuing the active conduct of our trade or business, merging or amalgamating with any other person (other than in connection with the Distribution), redeeming or otherwise acquiring our shares (other than pursuant to certain open- market repurchases of less than 20 % of our common shares, in the aggregate), soliciting, participating or supporting any acquisition of our shares by any person or business combination having a similar effect, or otherwise taking any action that could reasonably be expected to adversely affect the tax- free treatment of the Distribution for U. S. federal income tax purposes. Notwithstanding the foregoing, we may be permitted to take certain of these actions if we receive a tax ruling or opinion of counsel, acceptable to BHC, to the effect that the action will not adversely affect the tax- free treatment of the Distribution for U. S. federal income tax purposes. Regardless of whether we are so permitted to take such action, we will be required to indemnify BHC for any tax- related losses that result from the taking of any such action. Due to these restrictions and indemnification obligations, we may be limited in our ability to pursue strategic transactions or other transactions that may be in our best interests, and our potential indemnity obligation to BHC could discourage, delay or prevent a merger or other business combination with us. Certain requirements of the public company " butterfly reorganization " rules in Section 55 of the Tax Act depend on events that may not be within our control. If the Distribution is to be achieved in accordance with the Distribution Plan of Arrangement, we would expect the Tax Ruling to require, among other things, that the Distribution complies with all of the requirements of the public company " butterfly reorganization " rules in Section 55 of the Tax Act. Although the Distribution would be expected to be structured to comply with these rules, and although BHC and the Company have each agreed to provide certain tax- related covenants in the Distribution Arrangement Agreement, certain events could occur that may not be within the control of the Company and / or BHC, including certain actions taken by one or more of the shareholders of the Company and / or BHC, none of whom are, to the Company' s knowledge, bound by any similar covenants (other than BHC pursuant to its tax- related covenants). These events include circumstances where: (i) a " specified shareholder " as defined for purposes of the " butterfly reorganization " rules in Section 55 of the Tax Act disposes of our shares or shares of BHC, or property that derives 10 % or more of its value from such shares and an unrelated person or a partnership acquires such property or property substituted therefor as part of the " series of transactions " which includes the Distribution; (ii) there is an acquisition of control of the Company or BHC that is part of the " series of transactions " that includes the Distribution; or (iii) certain persons acquire shares in our capital (other than in specified permitted transactions) in contemplation of, and as part of the " series of transactions " that includes, the Distribution. If the Distribution is effected through a " butterfly reorganization, " and if the requirements of the public company " butterfly reorganization " rules in Section 55 of the Tax Act are not met, then this could cause the Distribution to be taxable to BHC and / or to the Company, with the result that BHC or the Company, as applicable, and, in some cases, both BHC and the Company, would be liable for a substantial amount of tax for which indemnification from the other party may not be available. If incurred, tax liabilities could have a material effect on our financial position. We potentially could have received better terms from unaffiliated third parties than the terms we received in our agreements with BHC. The agreements we entered into with BHC in connection with the Separation (including the Distribution Arrangement Agreement) were negotiated while we were still part of BHC' s business. Accordingly, during the period in which the terms of those agreements were negotiated, we did not have an independent Board of Directors or a management team independent of BHC. The terms of the agreements negotiated in the context of the Separation relate to, among other things, the allocation of assets, intellectual property, liabilities, rights and other obligations between BHC and us. Arm' s- length negotiations between us and an unaffiliated third party in another form of transaction, such as a seller in a sale of a business, may have resulted in more favorable terms to us. We have agreed to indemnify BHC for certain liabilities, and BHC has agreed to indemnify us for certain liabilities. However, there can be no assurance that BHC' s indemnity will be sufficient to insure us against the full amount of such liabilities, or that BHC' s ability to satisfy its indemnification obligation will not be impaired in the future. Pursuant to the various Separation- related agreements with BHC, BHC has agreed to indemnify us for certain liabilities. However, there can be no assurance that the indemnity from BHC will be sufficient to protect us against the full amount of such liabilities, or that BHC will be able to fully satisfy its indemnification obligations in the future **(whether due to adverse changes in its financial condition or otherwise)** . Even if we ultimately succeed in recovering from BHC any amounts for which we are held liable, we may be temporarily

required to bear these losses. Each of these risks could negatively affect our business, financial condition, results of operations and cash flows. Furthermore, any indemnification claim against the Company, by BHC, including for a breach of the tax-related covenants, could be substantial, may not be able to be satisfied and may have a material adverse effect on us. Each of these risks could also negatively affect our business, financial condition, results of operations and cash flows. As long as BHC owns a majority of our common shares, we may rely on certain exemptions from the corporate governance requirements of the NYSE available to " controlled companies " and of the TSX available to " majority controlled " companies. We are currently a " controlled company " within the meaning of the corporate governance requirements of the NYSE because BHC beneficially owns more than 50 % of our outstanding common shares. Until such time as we are no longer a " controlled company, " we are exempt from certain corporate governance requirements, including requirements that a majority of the Board of Directors consist of independent directors and having a compensation committee and a nominating and corporate governance committee that is composed entirely of independent directors. We may take advantage of these exemptions from time to time. Upon completion of the Distribution, we will no longer qualify as a controlled company and will be required to fully implement NYSE corporate governance requirements within one year of the Distribution. While BHC controls a majority of the voting power of our outstanding common shares, we may not have a majority of independent directors or our Talent and Compensation Committee may not consist entirely of independent directors. Prior to such time, shareholders may not have certain of the protections afforded to shareholders of companies that are required to comply with all of the corporate governance requirements of the NYSE. In Canada, National Policy 58- 201 (" NP 58- 201 ") provides guidance on corporate governance practices, which reflect best practices established by the Canadian securities regulatory authorities but are not intended to be prescriptive. NP 58- 201 provides, among other things, that (i) the board of directors of a reporting issuer should have a majority of independent directors; (ii) the chair of the board of directors should be an independent director; (iii) the board of directors should appoint a nominating committee composed entirely of independent directors; and (iv) the board of directors should appoint a compensation committee composed entirely of independent directors. National Instrument 58- 101 requires a company to disclose the extent to which it complies with the best practices set forth in NP 58- 201. To the extent that we take advantage of the " controlled company " exemption of the NYSE, and as a result do not comply with NP 58- 201, we will be required to explain why we do not comply with Canadian director independence standards. The Distribution or future sales by BHC or others of our common shares, or the perception that the Distribution or such sales may occur, could depress our common share price. Future sales of our common shares in the public market will be subject to the volume and other restrictions of Rule 144 under the Securities Act of 1933, as amended (the " Securities Act "), for so long as BHC is deemed to be our affiliate, unless such sales of shares are registered with the SEC or qualify for another applicable exemption from registration. Similarly, any sale of any of our common shares by BHC will constitute a " control distribution " under Canadian securities laws (generally a sale by a person or a group of persons holding more than 20 % of our outstanding voting securities) and will be subject to restrictions under Canadian securities laws, unless the sale is qualified under a prospectus filed with Canadian securities regulatory authorities, is made pursuant to a prospectus exemption, or if prior notice of the sale is filed with the Canadian securities regulatory authorities at least seven days before any sale and there has been compliance with certain other requirements and restrictions regarding the manner of sale, payment of commissions, reporting and availability of current public information about us and compliance with applicable Canadian securities laws. We have granted certain registration rights to BHC. We are unable to predict with certainty whether or when BHC will sell a substantial number of our common shares to the extent it retains shares following the Distribution or in the event the Distribution does not occur. The Distribution or sale by BHC of a substantial number of our common shares, or a perception that the Distribution or such sales could occur **(including in connection with a foreclosure on the common shares that are or may be pledged as collateral for certain of BHC' s debt)** , could significantly reduce the market price of our common shares. The services that BHC provides to us may not be sufficient to meet our needs, which may result in increased costs and otherwise adversely affect our business. Pursuant to the Transition Services Agreement entered into with BHC in connection with the B L IPO, BHC agreed to provide us with corporate and shared services for a transitional period, including information technology services, technical and engineering support, application support for operations, legal, payroll, finance, tax and accounting, general administrative services and other support services and other services in exchange for the fees specified in the Transition Services Agreement between us and BHC. ~~Certain~~ **A limited number** of these transitional services are still being provided to us by BHC. If we no longer receive these services from BHC due to the termination of the Transition Services Agreement or otherwise, we may not be able to perform these services ourselves and / or find appropriate third party arrangements at a reasonable cost (and any such costs may be higher than those charged by BHC). In addition, we have received informal support from BHC, which may not be addressed in the agreements we have entered into with BHC, and the level of this informal support may diminish as we become a more independent company. Any failure or significant downtime in our own administrative systems or in BHC' s administrative systems during the remainder of the transitional period could result in unexpected costs, impact our results and / or prevent us from paying our suppliers or employees and performing other administrative services on a timely basis ~~. Certain contracts used in our business will need to be replaced, or assigned from BHC or its affiliates to us in connection with the Separation, which may require the consent of the counterparty to such an assignment, and failure to obtain such replacement contracts or consents could increase our expenses or otherwise adversely affect our results of operations. In addition, the transfer of certain other assets and liabilities from BHC to us contemplated by the Separation are not yet complete. The Separation requires us to replace shared contracts and, with respect to certain contracts that are to be assigned from BHC or its affiliates to us or our affiliates, to obtain consents and assignments from third parties. It is possible that, in connection with the replacement or consent process, some parties may seek more favorable contractual terms from us. While many of these replacement contracts and consents have already been obtained in connection with the Separation and the B L IPO, certain replacement contracts and consents remain outstanding. BHC has agreed to use commercially reasonable efforts to ensure that we receive the economic benefits of the contract in question. Nonetheless, we may be unable to obtain~~

~~some of the benefits, assets and contractual commitments that are intended to be allocated to us as part of the Separation. If we are unable to obtain such replacement contracts or consents, the loss of these contracts could increase our expenses or otherwise materially adversely affect our business, results of operations and financial condition~~ . Development and Regulatory RisksThe successful development of our pipeline products is highly uncertain and requires significant expenditures and time. In addition, obtaining necessary government approvals is time- consuming and not assured. The failure to commercialize certain of our pipeline products could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We currently have a number of pipeline products in development. We and our development partners, as applicable, conduct extensive preclinical studies and clinical trials to demonstrate the safety and efficacy in humans of our pipeline products in order to obtain regulatory approval for the sale of our pipeline products. Preclinical studies and clinical trials are expensive, complex, can take many years and have uncertain outcomes. None of, or only a small number of, our research and development programs may actually result in the commercialization of a product. We will not be able to commercialize our pipeline products if preclinical studies do not produce successful results or if clinical trials do not demonstrate safety and efficacy in humans. Furthermore, success in preclinical studies or early- stage clinical trials does not ensure that later stage clinical trials will be successful nor does it ensure that regulatory approval for the product candidate will be obtained. In addition, the process for the completion of pre- clinical and clinical trials is lengthy and may be subject to a number of delays for various reasons, which would delay the commercialization of any successful product. If our development projects are not successful or are significantly delayed, we may not recover our substantial investments in the pipeline product and our failure to bring these pipeline products to market on a timely basis, or at all, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, the FDA and Health Canada approval must be obtained in the U. S. and Canada, respectively, EMA approval (drugs) and CE Marking (devices) and / or registration under the European Commission' s Medical Device Regulation ~~(" MDR ")~~ 2017 / 745 must be obtained in countries in the EU and similar approvals must be obtained from comparable agencies in other countries, prior to marketing or manufacturing new pharmaceutical and medical device products for use by humans. Obtaining such regulatory approvals for new products and devices and manufacturing processes can take a number of years and involves the expenditure of substantial resources. We may face additional challenges with respect to EMA approval and CE Marking in the EU as a result of additional requirements for approval in the EU that may be more burdensome than those required by the FDA and Health Canada. Even if such products appear promising in development stages, regulatory approval may not be achieved and no assurance can be given that we will obtain approval in those countries where we wish to commercialize such products. Nor can any assurance be given that if such approval is secured, the approved labeling will not have significant labeling limitations, including limitations on the indications for which we can market a product, or require onerous risk management programs. Furthermore, from time to time, changes to the applicable legislation, regulations or policies may be introduced that change these review and approval processes for our products, which changes may make it more difficult and costly to obtain or maintain regulatory approvals. Our marketed products will be subject to ongoing regulatory review. Following initial regulatory approval of any products, we or our partners may develop or acquire, we will be subject to continuing regulatory review by various government authorities in those countries where our products are marketed or intended to be marketed, including the review of adverse drug events and clinical results that are reported after product candidates become commercially available. This also includes the need to monitor our medical device products both before and after receipt of the applicable market authorizations, including with respect to managing adverse device cases for reportable events, which may, for example, result in the need to file field safety notifications to competent health authorities. In addition, we are subject to ongoing audits and investigations of our facilities and products by the FDA, as well as other regulatory agencies in and outside the United States. If we fail to comply with the regulatory requirements in those countries where our products are sold, we could lose our marketing approvals or be subject to fines or other sanctions. Also, as a condition to granting marketing approval of a product, the applicable regulatory agencies may require a company to conduct additional clinical trials or remediate Current Good Manufacturing Practice (" cGMP ") issues, the results of which could result in the subsequent loss of marketing approval, changes in product labeling or new or increased concerns about side effects or efficacy of a product. Also our compliance requirements extend to other current good practices with which we must comply and adhere to with respect to the development and commercialization of our products and medical devices, including not only cGMP, but also Current Good Laboratory Practices (" cGLP "), Current Good Clinical Practices (" ~~cGLP~~ **cGCP** ") and Current Good Distribution Practices (" cGDP "). In April 2017, the European Union adopted **the European Medical Device Regulations (" EU** MDR **")** , which repeals and replaces the Medical Device Directive (" MDD ") and active implantable medical devices Directive (" AIMDD ") 90 / 385 / EEC. The **EU** MDR, for most parts, became applicable on May 26, 2021. Under the **EU** MDR, several transitional measures apply to medical devices that are certified under the MDD or AIMDD prior to May 26, 2021 or, for class I device, for which a declaration of conformity was drawn up prior to May 26, 2021, allowing these devices to be placed on the market after May 26, 2021 under certain conditions for a transitional period. However, if we make any significant changes in the design or intended purpose of our devices, they will no longer benefit from such transitional periods. Generally, the **EU** MDR imposes stricter requirements on manufacturers, importers and distributors of medical devices. Moreover, the requirements to provide clinical data for medical devices has become stricter and as a result we may need to conduct new time consuming and costly clinical investigations with our existing medical devices to meet the new requirements, including to obtain CE certificates under the **EU** MDR. We may, or may not, be able to provide this data in time to obtain **EU** MDR certifications in a timely fashion when our existing certificates expire. These new regulations impact all of our existing and pipeline medical device products being sold in the EEA for which we are legal manufacturer, importer and / or distributor, including contact lens, lens care, eye health, aesthetic and surgical areas, as well as certain of our products outside the EEA, which rely on the EEA registration to support registration in those other countries. These products, in the aggregate, account for

a meaningful portion of our net revenue in this region. While we are working to ensure compliance with these new regulations for all impacted products, we may not be able to achieve compliance for all products within the applicable transition period. If we fail to achieve compliance, we will not be able to market and sell the non- compliant products in the EEA, nor will we be able to rely on the non- compliant registration for such products in regions outside of the EEA, which could have a material adverse effect on our business, financial condition, cash flows and results of operations in the EEA and, possibly, on a consolidated basis, and could cause the market value of our common shares and / or debt securities to decline. While EU law is applicable in Northern Ireland, the UK Medical Devices Regulations 2002 / 618 (" UK MDR 2002 ") also need to be complied with in Great Britain. Medical device manufacturers who have CE marked devices will be able to continue to place them on the market in the whole of the UK if they have an EU MDR CE certificate, until June 30, 2030, without a change in labeling. Legacy medical devices with an EU MDD CE certificate or an EU Declaration of Conformity may continue to be placed on the UK market as long as they meet the transitional provisions of the EU MDR for Northern Ireland and the UK MDR 2002 for Great Britain. For class III and class IIb implantable devices (subject to some exclusions), these transitional provisions will end on December 31, 2027 in both Great Britain and Northern Ireland and, for all other classes in scope, these transitional provisions will end on June 30, 2028 in Great Britain and December 31, 2028 in Northern Ireland. After that, devices destined for Great Britain will be required to follow the future UK regulatory regime, which is expected to come into force in 2025. Northern Ireland will, however, continue to accept CE marked devices. There are some additional requirements for manufacturers who are based outside the UK such as the requirement to appoint a UK Responsible Person (" UKRP ") to take on certain regulatory responsibilities. To enable devices to be placed on the market in the UK after January 1, 2021 (even for CE marked devices), a UK manufacturer, a UKRP for an overseas manufacturer or an EU Authorised Representative based in Northern Ireland (for the purposes of the Northern Ireland market) must register with the Medicines and Healthcare products Regulatory Agency (" MHRA "). The registering entity will then register each of the devices for which they are responsible for placing on the market in the UK, whether in Great Britain or Northern Ireland, as required by the UM MDR 2002. This may create added expense and challenges as explained below. Until May 25, 2021, our products bearing a CE mark could be exported from the EEA to Switzerland. However, as of May 26, 2021, the Mutual Recognition Agreement between the EEA and Switzerland has not been updated to include the requirements of EU MDR. Accordingly, legal manufacturers in Switzerland are required to appoint a European Union authorized representative, and manufacturers outside of Switzerland are required to appoint a Swiss authorized representative in compliance with the Swiss Medical Device Ordinance. As a consequence, beginning in June 2021 ~~through May 2022~~ , we have been required to appoint an authorized representative in Switzerland in order to export our CE- marked medical devices to Switzerland. Additionally, the name and address of the Swiss authorized representative must be placed on the packaging. This has created added expenses and challenges. In addition, incidents of adverse drug reactions, unintended side effects or misuse relating to our products could result in additional regulatory controls or restrictions, or even lead to the regulatory authority requiring us to recall or withdraw the product from the market. Further, if faced with these incidents of adverse drug reactions, unintended side effects or misuse relating to our products, we may elect to voluntarily implement a recall or market withdrawal of our product. A recall or market withdrawal, whether voluntary or required by a regulatory authority, may involve significant costs to us, potential disruptions in the supply of our products to our customers and reputational harm to our products and business, all of which could harm our ability to market our products and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Complying with existing government regulation of dietary supplements, including our eye vitamins and mineral supplements, in the U. S., Canada and elsewhere could increase our costs significantly and adversely affect our financial results. The manufacturing, formulation, packaging, labeling and advertising of the Company' s dietary supplement products are also subject to regulation by certain federal, state and foreign agencies, including the FDA, the Federal Trade Commission (the " FTC "), and the Consumer Product Safety Commission, in the U. S., and by Health Canada in Canada. The FDA has authority in the U. S. over the adulteration or misbranding of dietary supplements. There are requirements relating to ingredient safety, new dietary ingredient notifications, labeling, claims notifications, and adverse event reporting among other requirements. While we believe our products comply with those requirements, the FDA may challenge positions we have taken with respect to the formulation or labeling of a dietary supplement product or the claims we make with respect to such products. We are also subject to risks relating to evolving regulations of dietary supplement products, including our eye vitamins and mineral supplements, as the FDA and other applicable agencies have in the past and may in the future consider additional or more stringent regulations of dietary supplements and other products. Such developments could require reformulation of certain of our products to meet new standards, additional record- keeping obligations, increased documentation of the properties of certain products, additional or different labeling, additional scientific substantiation, adverse event reporting or similar obligations, amended or different promotional claims and materials, or could result in recalls or the discontinuance of certain of our products that are not able to be reformulated. Any such developments could increase our costs significantly. In addition, the FDA also has comprehensive regulations for cGMP for those who manufacture, package or hold dietary supplement products. These regulations focus on practices that ensure the identity, purity, quality, strength and composition of dietary supplements manufacture. We or our contract manufacturers may not be able to comply with such regulations without incurring additional expenses, which could be significant. Manufacturing and Supply RisksIf we or our third- party manufacturers are unable to manufacture our products or the manufacturing process is interrupted due to failure to comply with regulations or for other reasons, the interruption of the manufacture of our products could adversely affect our business. Other manufacturing and supply difficulties or delays may also have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Our manufacturing facilities and those of our contract manufacturers must be inspected and found to be in full compliance with cGMP, quality system management requirements or similar standards before approval for marketing. Compliance with cGMP regulations

requires the dedication of substantial resources and requires significant expenditures. In addition, while we attempt to build in certain contractual obligations on our third party manufacturers, we may not be able to ensure that such third- parties comply with these obligations. Our failure or that of our contract manufacturers to comply with cGMP regulations, quality system management requirements or similar regulations outside of the United States, or compliance with environmental laws or regulations, could result in enforcement action by the FDA or its foreign counterparts, or other regulatory bodies, including, but not limited to, warning letters, fines, injunctions, civil or criminal penalties, recall or seizure of products, total or partial suspension of production or importation, suspension or withdrawal of regulatory approval for approved or in- market products, refusal of the government to renew marketing applications or approve pending applications or supplements, refusal of certificates for export to foreign jurisdictions, suspension of ongoing clinical trials, imposition of new manufacturing requirements, closure of facilities and criminal prosecution. These enforcement actions could lead to a delay or suspension in production, which could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows and could cause the market value of our common shares and / or debt securities to decline. In addition, our manufacturing and other processes use complicated and sophisticated equipment, which sometimes requires a significant amount of time to obtain and install. Manufacturing complexity, testing requirements and safety and security processes combine to increase the overall difficulty of manufacturing these products and resolving manufacturing problems that we may encounter. Although we endeavor to properly maintain our equipment (and require our contract manufacturers to properly maintain their equipment), including through on- site quality control and experienced manufacturing supervision, periodic upgrades and have key spare parts on hand, our business could suffer if certain manufacturing or other equipment, or all or a portion of our or their facilities, were to become inoperable for a period of time. We could experience substantial production delays or inventory shortages in the event of any such occurrence until we or they repair such equipment or facility or we or they build or locate replacement equipment or a replacement facility, as applicable, and seek to obtain necessary regulatory approvals for such replacement. Any interruption in our manufacture of products could adversely affect the sales of our current products or introduction of new products and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. The supply of our products to our customers (or, in some cases, supply from our contract manufacturers to us) is subject to and dependent upon the availability and cost of transportation services. Disruption of our or our contract manufacturer' s manufacturing operations or such transportation services (including as a result of weather conditions or other natural disasters) could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, any prolonged disruption in the operations of our existing manufacturing or distribution facilities, whether due to technical, labor or other difficulties, weather conditions, equipment malfunction, contamination, failure to follow specific protocols and procedures, destruction of or damage to any facility or other reasons, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. ~~We~~ **In the past, we** have ~~been experiencing~~ **experienced** certain supply chain challenges which have caused disruptions in availability and delays in shipping, which has led to challenges in meeting end market demand, primarily within our contact lens and surgical businesses. **Although now largely resolved,** ~~These~~ **these** supply- chain challenges ~~have~~ impacted our revenues and resulting margins, despite our effort to manage these impacts through strategic pricing actions and other initiatives. **If such** ~~We are unable to predict the duration and extent of these~~ challenges ~~and~~ **were to occur again,** they could have an adverse impact on results of operations and could cause the market value of our common shares and / or debt securities to decline. For some of our finished products and raw materials, we obtain supply from one or a limited number of sources. If we are unable to obtain components or raw materials, or products supplied by third parties, our ability to manufacture and deliver our products to the market would be impeded, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Some components and raw materials used in our manufactured products and some finished products sold by us, are currently available only from one or a limited number of domestic or foreign suppliers. For example, with respect to some of our largest or most significant products, the supply of the finished product for each of our Lumify ®, Vyzulta ®, SofLens ®, MIEBO ®, XIIDRA ® and PureVision ® products are only available from a single source, the supply of the active pharmaceutical ingredients (“ API ”) or other components for our **Lumify ®,** Vyzulta ®, MIEBO ® and PreserVision ® products are also only available from a single source and certain of our Biotrue ®, Softlens ® and **Bausch Lomb** Ultra ® contact lens products are also only available from a single source. In the event an existing supplier fails to supply product on a timely basis and / or in the requested amount, supplies product that fails to meet regulatory requirements, becomes unavailable through business interruption or financial insolvency or loses its regulatory status as an approved source or we are unable to renew current supply agreements when such agreements expire and we do not have a second supplier, we may be unable to obtain the required components, raw materials or products on a timely basis or at commercially reasonable prices. We attempt to mitigate these risks by maintaining safety stock of these products, but such safety stock may not be sufficient. In addition, in some cases, only a single source of active pharmaceutical ingredient is identified in filings with regulatory agencies, including the FDA, and cannot be changed without prior regulatory approval, which would involve time and expense to us. A prolonged interruption in the supply of a single- sourced raw material, including the API, or single- sourced finished product could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, these third-party manufacturers may have the ability to increase the supply price payable by us for the manufacture and supply of our products, in some cases without our consent. As a result, our dependence upon others to manufacture and supply our products may adversely affect our profit margins and our ability to obtain approval for and produce our products on a timely and competitive basis, which could have a material adverse effect on our business, financial condition, cash flows and results of

operations and could cause the market value of our common shares and / or debt securities to decline. Changes in inventory levels or fluctuations in buying patterns by our large distributor and retail customers may adversely affect our sales and earnings and add to sales variability from quarter to quarter. We balance the need to maintain inventory levels that are sufficient to ensure competitive lead times against the risk of inventory obsolescence because of changing customer requirements, fluctuating commodity prices, changes to our products, product transfers or the life- cycle of our products. In order to successfully manage our inventories, we must estimate demand from our customers and produce products that substantially correspond to that demand. If we fail to adequately forecast demand for any new or existing product, or fail to determine the appropriate product mix for production purposes, we may face production capacity issues in manufacturing sufficient quantities of a given product. In addition, failures in our information technology systems or human error could also lead to inadequate forecasting of our overall demand or product mix. We have a significant number of unique products and we anticipate that number will continue to grow over time. As a result, the demand forecasting precision required for us to avoid production capacity issues will also increase, which could increase the risk of product unavailability and lost sales. Additionally, an increasing number of unique products could increase global inventory requirements, negatively impacting our working capital performance and leading to write- offs due to obsolescence and expired products. Due to the lead times necessary to obtain and install new equipment and ramp up production of product lines, if we fail to adequately forecast the need for additional manufacturing capacity, whether for new or existing products, we may be unable to scale production in a timely manner to meet demand for our products. In addition, the technically complex manufacturing processes required to manufacture many of our products increase the risk of production failures and can increase the cost of producing our goods. As a result, because the production process for many of our products is complex and sensitive, the cost of production and the chance of production failures and lengthy supply interruptions is increased, which can have a substantial impact on our inventory levels. Finally, a significant portion of our products are sold to major health care distributors and major retail chains in Canada, the United States and abroad. Consequently, our sales and quarterly growth comparisons, as well as our estimates for required inventory levels, may be affected by fluctuations in the buying patterns of major distributors, retail chains and other trade buyers. These fluctuations may result from seasonality, pricing, large retailers' and distributors' buying decisions or other factors. If we overestimate demand and produce too much of a particular product, we face a risk of inventory obsolescence, leaving us with inventory that we cannot sell profitably or at all. In addition, we may have to write down such inventory if we are unable to sell it for its recorded value. Conversely, if we underestimate demand and produce insufficient quantities of a product, we could be forced to produce that product at a higher price and forego profitability in order to meet customer demand. For example, if a competitor initiates a recall and there is an unexpected increase in the demand for our products, we may not be able to meet such increased demand. Insufficient inventory levels may lead to shortages that result in loss of sales opportunities altogether as potential end- customers turn to competitors' products that are readily available. If any of these situations occur frequently or in large volumes or if we are unable to effectively manage our inventory and that of our distribution partners, this could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Commercialization RisksOur approved products may not achieve or maintain expected levels of market acceptance. Even if we are able to obtain and maintain regulatory approvals for our pharmaceutical and medical device products, generic or branded, the success of these products is dependent upon achieving and maintaining market acceptance. Launching and commercializing products is time consuming, expensive and unpredictable. The commercial launch of a product takes significant time, resources, personnel and expertise, which we may not have in sufficient levels to achieve success, and is subject to various market conditions, some of which may be beyond our control. There can be no assurance that we will be able to, either by ourselves or in collaboration with our partners or through our licensees or distributors, successfully launch and commercialize new products or gain market acceptance for such products. New product candidates that appear promising in development may fail to reach the market or may have only limited or no commercial success. While we have been successful in launching some of our products, we may not achieve the same level of success with respect to all of our new products, and we may face additional challenges associated with operating as an independent company following the completion of the Separation. Our inability to successfully launch our new products may negatively impact the commercial success of such products, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Our inability to successfully launch our new products could also lead to material impairment charges. Levels of market acceptance for our new products could be impacted by several factors, some of which are not within our control, including but not limited to the following: • safety, efficacy, convenience and cost- effectiveness of our products compared to the products of our competitors; • scope of approved uses and marketing approval; • availability of patent or regulatory exclusivity; • timing of market approvals and market entry; • ongoing regulatory obligations following approval, such as the requirement to conduct Risk Evaluation and Mitigation Strategy (" REMS ") programs; • any restrictions or " black box " warnings required on the labeling of such products; • availability of alternative products from our competitors; • acceptance of the price of our products; • effectiveness of our sales forces and promotional efforts; • the level of reimbursement of our products; • acceptance of our products on government and private formularies; • ability to market our products effectively at the retail level or in the appropriate setting of care; and • the reputation of our products. Further, the market perception and reputation of our products and their safety and efficacy are important to our business and the continued acceptance of our products. Any negative publicity about our products, such as the discovery of safety issues with our products, adverse events involving our products, or even public rumors about such events, could have a material adverse effect on our business, financial condition, cash flows or results of operation or could cause the market value of our common shares and / or debt securities to decline. In addition, the discovery of significant problems with a product similar to one of our products that implicate (or are perceived to implicate) an entire class of products or the withdrawal or recall of such similar products could have a material adverse effect on sales of our products. Accordingly, new data about our

products, or products similar to our products, could cause us reputational harm and could negatively impact demand for our products due to real or perceived side effects or uncertainty regarding safety or efficacy and, in some cases, could result in product withdrawal. If our products fail to gain, or lose, market acceptance, our revenues would be adversely impacted and we may be required to record material impairment charges, all of which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. For certain of our products, we depend on reimbursement from governmental and other third- party payors and a reduction in reimbursement could reduce our product sales and revenue. In addition, failure to be included in formularies developed by managed care organizations and coverage by other organizations may negatively impact the utilization of our products, which could harm our market share and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Sales of certain of our products are dependent, in part, on the availability and extent of reimbursement from government health administration authorities, private health insurers, pharmacy benefit managers and other organizations of the costs of our products and the continued reimbursement and coverage of our products in such programs. Changes in government regulations or private third- party payors' reimbursement policies may reduce reimbursement for our products. In addition, such third- party payors may otherwise make the decision to reduce reimbursement of some or all **of** our products or fail to cover some or all **of** our products in such programs or assert that reimbursements were not in accordance with applicable requirements. For example, these decisions may be based on the price of our products or our current or former pricing practices and decisions. Any reduction or elimination of such reimbursement or coverage could result in a negative impact on the utilization of our products and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Managed care organizations and other third- party payors try to negotiate the pricing of medical services and products to control their costs. Managed care organizations and pharmacy benefit managers typically develop formularies to reduce their cost for medications. Formularies can be based on the prices and therapeutic benefits of the available products. Due to their lower costs, generic products are often favored. The breadth of the products covered by formularies varies considerably from one managed care organization to another, and many formularies include alternative and competitive products for treatment of particular medical conditions. Failure to be included in such formularies or to achieve favorable formulary status may negatively impact the utilization and market share of our products. If our products are not included within an adequate number of formularies or adequate reimbursement levels are not provided, or if those policies increasingly favor generic products, this could have a material adverse effect on our business, financial condition, cash flows and results of operations or result in additional pricing pressure on our products and could cause the market value of our common shares and / or debt securities to decline. Catastrophic events may disrupt our business. We have operations and facilities which manufacture, sell and / or distribute our products in many parts of the world. Natural events (such as a hurricane or major earthquake), terrorist attack, pandemics, epidemics, outbreaks of an infectious disease or similar events or other catastrophic events, including adverse weather events associated with global climate change which have increased in severity and frequency in recent years, could cause delays in developing, manufacturing or selling our products. Such events that occur in major markets where we sell our products could reduce the demand for our products in those areas and, as a result, impact our sales into those markets. In either case, any such disruption could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our common shares and / or debt securities to decline. Employment- related RisksThe loss of the services of, or our inability to recruit, retain, motivate, our executives and other key employees could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We must retain and motivate our executives and other key employees and recruit other executives and employees in order to strengthen our management team and workforce. Our ability to retain or recruit executive and other key employees may be hindered or delayed by, among other things, competition from other employers who may be able to offer more attractive compensation packages. We have a limited history of operating as an independent company and do not have the same resources we had as a part of BHC and, as a result, we may experience additional challenges retaining and motivating our key personnel. A failure by us to retain, motivate and recruit executives and other key employees or the unanticipated loss of the services of any of these executives or key employees for any reason, whether temporary or permanent, could create disruptions in our business, could cause concerns and instability for management and employees, current and potential customers, credit rating agencies and other third parties with whom we do business and our securityholders and could cause concern regarding our ability to execute our business strategy or to manage operations in the manner previously conducted and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, we may experience challenges in building and retaining our workforce in certain markets, where pressure from inflation and competition have exacerbated turnover and retention trends continuing from the COVID- 19 pandemic. Labor shortages and competition for qualified personnel could cause disruptions in our business operations. Furthermore, as a result of any failure to retain, or loss of, any executives or key employees, we may experience increased costs in order to identify and recruit a suitable replacement in a timely manner (and, even if we are able to hire a qualified successor, the search process and transition period may be difficult to manage and result in additional periods of uncertainty), which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, once identified and recruited, the transition of new executives and key employees may be difficult to manage and we cannot guarantee that new executives and employees will efficiently transition into their roles or ultimately be successful in their roles. Finally, as a result of changes in our executives and key employees, there may be changes in the way we conduct our business, as well as changes to our business strategy. We cannot predict what these changes may involve or the timing of any such

changes and how they will impact our product sales, revenue, business, financial condition, cash flows or results of operation, but any such changes could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. ~~We have recently appointed a new chairman and chief executive officer, as well as a number of other new executive officers and other key employees, and our inability to successfully manage the transition to our new executive officers and other key employees or other operational disruptions resulting from such transitions could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Effective March 6, 2023, we appointed Brent Saunders to become our new Chairman of the Board of Directors and Chief Executive Officer. Subsequent to that appointment, we also appointed or hired a number of other new executive officers and key employees, including a new Chief Legal Officer, a new Chief Human Resources Officer, a new Chief Supply Chain and Operations Officer and a new President of our Global Pharmaceuticals and International Consumer businesses. The transition of these new executive officers and other new key employees may be difficult to manage and we cannot guarantee that all such individuals will efficiently transition into their respective roles or ultimately be successful in such roles. As a result of any such inadequate transitions, we may experience operational disruptions and there may be additional uncertainty, instability and concerns for management, employees, current and potential customers, other third parties with whom we do business, credit rating agencies and our shareholders regarding our ability to continue to execute our business strategy and manage operations in the manner previously conducted, and we may also experience difficulties in executing our business strategies and goals. Furthermore, our new chairman and chief executive officer and other executive officers have implemented and may continue to implement changes to our business strategies, which could create further disruption and uncertainty among management, employees, current and potential customers, other third parties with whom we do business and shareholders. Any of these factors relating to the appointment and transition of these new executive officers and other key employees could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline.~~ Risks Relating to Our Business and our Business StrategyWe are, and may in the future be, subject to certain limitations or restrictions on pricing increases for certain of our products. These pricing limitations or restrictions could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. For certain of our products, we are, and may in the future be, subject to certain restrictions that limit our ability to increase or make changes to the pricing of those products. These restrictions or limitations are or may be imposed contractually (such as through our contracts with group purchasing organizations or others), through legislation (such as the ~~new~~ Inflation Reduction Act, which, among other things, **currently** requires manufacturers to pay rebates to Medicare if prices increase faster than inflation for products used by Medicare beneficiaries) or through decisions or commitments we decide to make ourselves (such as through the pricing committees we have established or may establish for certain of our businesses). At this time, we cannot predict what pricing changes we will make (or be required to make) nor can we predict what other changes in our business practices we may implement with respect to pricing. We also cannot predict the impact such pricing decisions or changes will or would have on our business. However, any such changes could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. For example, any pricing changes and programs could affect the average realized prices for our products and may have a significant impact on our revenue trends. In addition, limiting or eliminating price increases on certain of our products will result in fewer or lower price appreciation credits from certain of our wholesalers. Price appreciation credits are generated when we increase a product' s wholesaler acquisition cost (" WAC ") under our contracts with certain wholesalers. Under such contracts, we are entitled to credits from such wholesalers for the impact of that WAC increase on inventory currently on hand at the wholesalers. In wholesaler contracts, such credits, which can be significant, are offset against the total distribution service fees we pay on all of our products to each wholesaler. As a result, to the extent we decide to cease or limit price increases, we will have fewer or lower price appreciation credits to use to offset against our distribution fees owing to these wholesalers. In addition, under certain of our agreements with our wholesaler customers, we have price protection or price depreciation provisions, pursuant to which we have agreed to adjust the value of any on- hand or in- transit inventory with such customers in the event we reduce the price of any of our products. As a result, to the extent we reduce the WAC price for any of our products, we may owe a payment to such customers (or such customers may earn a credit to be offset against any amounts owing to us) equal to the amount of such inventory multiplied by the difference between the price at which they acquired the product inventory and the new reduced price. If we fail to maintain our relationships with, and provide appropriate training in our products to, health care providers, including physicians, eyecare professionals, hospitals, large drug store chains, wholesale distributors, pharmacies, government entities and group purchasing organizations, customers may not buy certain of our products and our sales and profitability may decline. We market our products to physicians, hospitals, pharmacies and wholesalers through our own sales force and sell through wholesalers. In some markets, we additionally sell directly to physicians, hospitals and large drug store chains and we sell through distributors in countries where we do not have our own sales staff. We have developed and strive to maintain strong relationships with members of each of these groups who assist in product research and development and advise us on how to satisfy the full range of consumer needs. We rely on these groups to educate their patients and other members of their organizations regarding our products. Consumers in the pharmaceutical industry, particularly the contact lens and lens care customers in the eye health industry, have a tendency not to switch products regularly and are repeat consumers. Our ability to maintain strong relationships is essential to our future performance. The success of certain of our products, particularly our vision care and consumer health care products, is impacted by a physician' s initial recommendation of such products and a consumer' s initial choice to use such products. As a result, the failure of certain of our products, particularly in our vision care business, to retain the support of pharmaceutical professionals, hospitals or group purchasing organizations and to retain the

support of the end- users and the distributors and retailers to whom we sell such products, could have a material adverse effect on our sales and profitability. We have entered into distribution agreements with other companies to distribute certain of our products at supply prices based on net sales. Declines in the pricing and / or volume, over which we have no or limited control, of such products, and therefore the amounts paid to us, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Certain of our products are the subject of third- party distribution or sublicense agreements, pursuant to which we may manufacture and sell products to other companies, which distribute such products in return for a royalty or a supply price, in both cases which are often based on net sales. Our ability to control pricing and volume of these products may be limited and, in some cases, these companies make all distribution and pricing decisions independently of us. If the pricing or volume of such products declines, our revenues would be adversely impacted which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Our policies regarding returns, allowances and chargebacks, and marketing programs adopted by wholesalers, may reduce our revenues in future fiscal periods. We provide certain rebates, allowances, chargebacks and other credits to our customers with respect to certain of our products. For example, we make payments or give credits to certain wholesalers for the difference between the invoice price paid to us by our wholesaler customer for a particular product and the negotiated price that such wholesaler sells such products to its hospitals, group purchasing organizations, pharmacies or other retail customers. We also give certain of our customers credits on our products that such customers hold in inventory after we have decreased the WAC prices of such products, such credit being for the difference between the old and new price. In addition, we also implement and maintain returns policies, pursuant to which our customers may return product to us in certain circumstances in return for a credit. Although we establish reserves based on our prior experience, wholesaler data, then- current on- hand inventory, our best estimates of the impact that these policies may have in subsequent periods and certain other considerations, we cannot ensure that our reserves are adequate or that actual product returns, rebates, allowances and chargebacks will not exceed our estimates, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We may experience declines in sales volumes or prices of certain of our products as the result of the concentration of sales to wholesalers and the continuing trend towards consolidation of such wholesalers and other customer groups and this could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. For certain of our products, a significant portion of our sales are to a relatively small number of customers. If our relationship with one or more of such customers is disrupted or changes adversely or if one or more of such customers experience financial difficulty or other material adverse changes in their businesses, it could materially and adversely affect our sales and financial results, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, wholesalers and retail drug chains have undergone, and are continuing to undergo, significant consolidation. This consolidation may result in these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures facing our business. The result of these developments could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We have recently completed a number of acquisition and in- licensing transactions and may, in the future, seek to identify and acquire certain other assets, products and businesses. We may experience difficulties in integrating any acquired assets, products and businesses and we may fail to realize the anticipated benefits of any such acquisitions. ~~We~~ **Over the last several years, we** have ~~recently~~ completed a number of acquisitions and in- licensing transactions ~~, including our recent acquisition of XIIDRA ® (lifitegrast ophthalmic solution) and certain other ophthalmology assets from Novartis Pharma AG and Novartis Finance Corporation (the " XIIDRA Acquisition ")~~ . We may in the future seek to identify and acquire complementary businesses, products, technologies or other assets to augment our pipeline. Such transactions may be complex, time consuming and expensive. There can be no guarantee that we will be able to successfully consummate acquisitions or other arrangements, which could result in significant diversion of management and other employee time, as well as substantial out- of- pocket costs. If such transactions are not completed for any reason, we may incur significant costs and the market price of our common shares and / or debt securities may decline. In addition, even if an acquisition is consummated, the integration of the acquired business, product or other assets into our Company may be complex and time-consuming, and we may not achieve the anticipated benefits, cost- savings or growth opportunities we expect. Potential difficulties that may be encountered in the integration process include the following: integrating personnel ~~(such as the XIIDRA salesforce brought on as part of the XIIDRA Acquisition)~~ , operations and systems, while maintaining focus on selling and promoting existing and newly- acquired products; coordinating geographically dispersed organizations; distracting management and employees from operations; retaining existing customers and attracting new customers; maintaining the business relationships the acquired company has established, including with health care providers; and managing inefficiencies associated with integrating the operations of the Company and the acquired business, product or other assets. **We may also not be able to successfully bring pipeline assets acquired to market.** In addition, delays encountered in the integration process could result in a failure to realize the anticipated benefits on the anticipated timeline, or at all. Finally, these acquisitions and other arrangements, even if successfully integrated, may fail to further our business strategy as anticipated or to achieve anticipated benefits and success, expose us to increased competition or challenges with respect to our products or geographic markets, and expose us to additional liabilities associated with an acquired business, product, technology or other asset or arrangement. Any one of these challenges or risks could impair our ability to realize any benefit from our acquisition or arrangement after we have expended resources on them. **In** ~~With respect to the XIIDRA Acquisition, in~~ addition to the integration challenges we face, the anticipated benefits we expect from ~~this~~ **these** acquisition are subject to numerous

assumptions, including assumptions derived from our diligence efforts concerning the status of and prospects for the **acquired** ~~XIDRA ®~~ business ~~and~~ **, product or** ~~the~~ **other** ~~pipeline~~ assets. We cannot provide any assurances with respect to the accuracy of our assumptions, including our assumptions with respect to future revenues of the ~~XIDRA ®~~ **business or** products or assumptions regarding our ability to successfully develop and obtain regulatory approval for ~~the~~ **any** acquired pipeline assets. There are a variety of risks and uncertainties, some of which are outside of our control, which could cause actual results to differ materially from these anticipated benefits. ~~As a result, there can be no assurance that we will realize the anticipated benefits from the XIDRA Acquisition in the anticipated timelines, or at all.~~ In addition, as described above, we may expend significant expenses in connection with the consummation of these transactions and the integration of the acquired business with our business. These expenses may include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and fees associated with any financing required in connection with the funding for such transactions. Many of these expenses must be paid regardless of whether the transaction is consummated. Additional unanticipated costs may be incurred in the integration of the acquired business with our business. In addition ~~, as was the case with the XIDRA Acquisition~~ , we may also incur additional indebtedness to finance the transaction, which indebtedness may be material and may limit our operating or financial flexibility relative to our then current position. We have various indemnity agreements and indemnity arrangements in place, which may result in an obligation to indemnify or reimburse the relevant counterparty, which amounts may be material. We have entered into customary indemnification agreements with our directors and certain of our officers. We have also obtained directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions. The maximum amount of any potential future payment cannot be reasonably estimated but could have a material adverse effect on the Company. In the normal course of business, we have entered or may enter into agreements that include indemnities in favor of third parties, such as purchase and sale agreements, license agreements, engagement letters with advisors and consultants and various product and service agreements. These indemnification arrangements may require us to compensate counterparties for losses incurred by the counterparties as a result of breaches in representations, covenants and warranties provided by us or as a result of litigation or other third- party claims or statutory sanctions that may be suffered by the counterparties as a consequence of the relevant transaction. In some instances, the terms of these indemnities are not explicitly defined. We, whenever possible, try to limit this potential liability within the particular agreement or contract (such as through maximum claim amounts, specified claim periods and other conditions and limits), but due to the unpredictability of future events the maximum amount of any potential reimbursement cannot be reasonably estimated, but could have a material adverse effect on the Company. Our ability to effectively monitor and respond to the rapid and ongoing developments and expectations relating to environmental, social and governance (" ESG ") matters, including related social expectations and concerns, **have imposed (and** may **continue to** impose **)** unexpected costs **and /** or **may** result in reputational or other harm that could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. There are rapid and ongoing developments and **regulations and** changing expectations relating to ESG matters and factors such as the impact of our operations on climate change, water and waste management, our practices relating to sustainability and product stewardship, product safety, access to health care and affordable drugs, management of business ethics and human capital development, which may result in increased regulatory, social or other scrutiny on us. ~~If~~ **This scrutiny may be intensified as a result of the varying pro- ESG and anti- ESG views held by certain stakeholders. As a result, we are developing our integrated ESG program to position us for timely reporting for the European Union' s Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD), California' s Climate Corporate Data Accountability Act (SB 253) and Climate- Related Financial Risk Report (SB 261) regulations, and other pending requirements, if and when they come into force. However, if** we are unable to adequately recognize and respond to such developments and governmental, societal, investor and consumer expectations relating to such ESG matters, we may miss corporate opportunities, become subject to additional scrutiny, incur unexpected costs or experience damage to our reputation or our various brands. If any of these events were to occur, there may be a material adverse effect on our business, financial condition, cash flows and results of operations and the market value of our common shares and / or debt securities may decline. Debt- Related RisksOur indebtedness could adversely affect our business and our ability to meet our obligations. As of December 31, ~~2023~~ **2024** , we had $ 3, ~~236~~ **441** million and $ 1, 400 million in outstanding aggregate principal amount of issued variable rate and fixed rate debt, respectively. Our variable rate debt exposes us to interest rate risk. When interest rates increase, our debt service obligations on the variable rate indebtedness increase even though the amount borrowed remains the same. Our credit facilities and our indenture governing the October 2028 Secured Notes contain customary affirmative and negative covenants and specified events of default. These affirmative and negative covenants include, among other things, and subject to certain qualifications and exceptions, covenants that restrict our ability and the ability of our subsidiaries to: incur or guarantee additional indebtedness; create or permit liens on assets; pay dividends on capital stock or redeem, repurchase or retire capital stock or subordinated indebtedness; make certain investments and other restricted payments; engage in mergers, acquisitions, consolidations and amalgamations; transfer and sell certain assets; and engage in transactions with affiliates. The Revolving Credit Facility ~~also~~ contains financial covenants **(the " Revolving Facility Financial Covenant ")** that: (1) prior to the IG Trigger (as defined herein), require us to, if, as of the last day of any fiscal quarter (commencing with the fiscal quarter ending December 31, 2022), loans under the Revolving Credit Facility and swingline loans are outstanding in an aggregate amount greater than 40 % of the total commitments in respect of the Revolving Credit Facility at such time, maintain a maximum first lien net leverage ratio of not greater than 4. 50: 1. 00 and (2) after the IG Trigger, require us to, as of the last day of each fiscal quarter ending after the IG Trigger, (a) maintain a total leverage ratio of not greater than 4. 00: 1. 00 (provided that such ratio will increase to 4. 50: 1. 00 in connection with certain acquisitions for the four fiscal quarter period commencing with the quarter in which such acquisition is consummated) and (b) maintain an interest coverage ratio of not less than 3. 00: 1. 00. The **Revolving Facility** ~~financial~~ **Financial** ~~covenant~~ **Covenant** in effect prior to the IG Trigger may be

waived or amended **with the consent of a majority of the lenders under the Revolving Facility, and** without the consent of the ~~term loan facility~~ lenders **under the Term Facilities or any other person,** and contains a customary term loan facility **standstill and customary cure rights. The May 2027 Incremental Term Facility contains a financial covenant (the " May 2027 Incremental Term Facility Financial Covenant ") that requires Bausch Lomb to, as of the last day of each fiscal quarter of Bausch Lomb (commencing with the fiscal quarter ending March 31, 2025), maintain a maximum first lien net leverage ratio of not greater than (1) for the first four full fiscal quarters ending after the effective date of the May 2027 Incremental Term Facility, 5. 00: 1. 00 and (2) thereafter, 4. 50: 1. 00. The May 2027 Incremental Term Facility Financial Covenant may be waived or amended with the consent of a majority of the lenders under the Revolving Facility, and without the consent of the lenders under any other Senior Secured Credit Facility (as defined herein) or any other person, and contains a customary** standstill and customary cure rights. The indenture governing the October 2028 Secured Notes also contains negative covenants and events of default that are similar to those contained in the **Senior Secured** Credit Facilities ~~(as defined herein)~~. Such financial or other covenants limit our operational flexibility in a number of other ways, including: • causing us to be less able to take advantage of business opportunities, such as making certain investments and other restricted payments and engaging in mergers, acquisitions consolidations and amalgamations, and to react to changes in market or industry conditions; • increasing our vulnerability to adverse economic, industry, or competitive developments; • affecting our ability to pay or refinance debts as they become due during adverse economic, financial market, and industry conditions; • requiring us to use a portion of cash flow for debt service, reducing funds available for other purposes; • decreasing our profitability and / or cash flow; • causing us to be disadvantaged compared to competitors with less leverage; and • limiting our ability to borrow additional funds in the future to fund working capital, capital expenditures, and other general corporate purposes. Further, our credit facilities have Secured Overnight Financing Rate (" SOFR ")- based interest rates. SOFR is a relatively new reference rate, has a very limited history and is based on short- term repurchase agreements, backed by Treasury securities. Changes in SOFR can be volatile and difficult to predict. As a result, the amount of interest we may pay on our credit facilities is difficult to predict. Risks Relating to the International Scope of our BusinessOur business, financial condition, cash flows and results of operations are subject to risks arising from the international scope of our operations. We conduct a significant portion of our business outside the United States and Canada and may, in the future, expand our operations into new countries, including emerging markets. We sell our products in many countries around the world. All of our foreign operations are subject to risks inherent in conducting business abroad, including, among other things: • difficulties in coordinating and managing foreign operations, including ensuring that foreign operations comply with foreign laws as well as Canadian and U. S. laws applicable to Canadian companies with U. S. and foreign operations, such as export and sanctions laws and the FCPA, the Canadian Corruption of Foreign Public Officials Act and other applicable worldwide anti- bribery laws; • price and currency exchange controls; • restrictions on the repatriation of funds; • scarcity of hard currency, including the U. S. dollar, which may require a transfer or loan of funds to the operations in such countries, which they may not be able to repay on a timely basis; • political and economic instability; • ongoing uncertainties as a result of instability or changes in geopolitical conditions, including military or political conflicts, such as those caused by the ongoing ~~conflicts~~ **conflict** between Russia and Ukraine or **the conflict in the Middle East involving** Israel ~~and~~ **,** Hamas **and other countries and militant groups in the region** (the potential escalation or geographic expansion of which could heighten other risks identified elsewhere in this " Risk Factors " section); • compliance with multiple regulatory regimes; • compliance with economic sanctions laws and other laws that apply to our activities in the countries where we operate; • less established legal and regulatory regimes in certain jurisdictions, including as relates to enforcement of anti- bribery and anti- corruption laws and the reliability of the judicial systems; • differing degrees of protection for intellectual property; • unexpected changes in foreign regulatory requirements, including quality standards and other certification requirements; • new export license requirements; • adverse changes in tariff and trade protection measures **, especially in light of recent comments made by the new Trump administration** ; • differing labor regulations; • potentially negative consequences from changes in or interpretations of tax laws; • restrictive governmental actions; • possible nationalization or expropriation; • credit market uncertainty; • restrictions on business activities and other challenges associated with pandemics, ~~including the lingering COVID- 19 pandemic,~~ epidemics, outbreaks of an infectious disease or similar events; • differing local practices, customs and cultures, some of which may not align or comply with our Company practices and policies or U. S. laws and regulations; • difficulties with licensees, contract counterparties, or other commercial partners; and • differing local product preferences and product requirements. As a result of changes to U. S. policy, **especially in light of recent comments made by the new Trump administration,** there may be changes to existing trade agreements **, the imposition of new tariffs (including potential tariffs on imported pharmaceuticals into the United States)** and greater restrictions on trade generally. In addition, support for protectionism and rising anti- globalization sentiment in the United States and other countries may slow global growth. In particular, a protracted and wide- ranging trade conflict between the United States ~~and~~ **its trading partners, including** China **, Canada and Mexico, or the imposition of tariffs or other trade protection measures by either country in any other context,** could adversely affect global economic growth. Concerns also remain around the social, political and economic impacts of the changing political landscape in Europe and elsewhere ~~. In addition, there are growing concerns over an economic slowdown in emerging markets in light of capital outflows in favor of developed markets and expected interest rate increases~~. Broader geopolitical tensions remain high among the United States, Russia, China and across the Middle East. Given the international scope of our operations, any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Similarly, adverse economic conditions impacting our customers in these countries or uncertainty about global economic conditions could cause purchases of our products to decline, which would adversely affect our revenues and operating results. Moreover, our projected revenues and operating results are based on assumptions concerning certain levels

of customer spending. Any failure to attain our projected revenues and operating results as a result of adverse economic or market conditions could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Due to the large portion of our business conducted in currency other than U. S. dollars, we have significant foreign currency risk. We face foreign currency exposure on the translation into U. S. dollars of the financial results of our operations in numerous jurisdictions, including Europe, Canada, Latin America and Asia. Where possible, we manage foreign currency risk by managing same currency revenue in relation to same currency expenses. We may also use derivative financial instruments from time to time to mitigate our foreign currency risk and not for trading or speculative purposes. We face foreign currency exposure in those countries where we have revenue denominated in the local foreign currency and expenses denominated in other currencies. Both favorable and unfavorable foreign currency impacts to our foreign currency- denominated operating expenses are mitigated to a certain extent by the natural, opposite impact on our foreign currency- denominated revenue. In addition, the repurchase of our U. S. dollar denominated debt may result in foreign exchange gains or losses for Canadian income tax purposes. One half of any foreign exchange gains or losses will be included in our Canadian taxable income. Any foreign exchange gain will result in a corresponding reduction in our available Canadian tax attributes ~~. The strengthening of the U. S. dollar in 2022 has adversely impacted our results of operations. The dollar has also strengthened to date in 2023 and may continue to adversely impact our results of operations~~ . As a result of the current conflict between Russia and Ukraine, the current and any future responses by the global community to such conflict and any counter responses by the Russian government or other entities or individuals, and the potential expansion of the conflict to other countries, we have experienced and may continue to experience an adverse impact on our business and operations in this region, as well as on our business and operations generally, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. On February 24, 2022, Russia launched a military invasion of Ukraine. The ongoing military conflict between Ukraine and Russia has provoked strong reactions from the United States, the UK, the EU, Canada and various other countries around the world, including the imposition of export controls and broad financial and economic sanctions against Russia, Belarus and specific areas of Ukraine. In retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities also imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non- Russian parties, banned exports of various products and imposed other economic and financial restrictions. Additional sanctions or other measures may be imposed by the global community, and counteractive measures may be taken by the Russian government, other entities in Russia or governments or other entities outside of Russia. In ~~2023~~ **2024** , we derived approximately 3 % of our revenues from sales of our products in Russia, Ukraine and Belarus. As of the date of this Form 10- K, the conflict between Ukraine and Russia has continued to impact our business in the region, and we are continuously monitoring developments to assess any potential future impact that may arise. Given the nature of our products, we do not believe that the current sanctions and other measures imposed by the United States and other countries preclude us from conducting business in the region. However, we anticipate that the ongoing conflict in this region and the sanctions and other actions by the global community in response may continue to hinder our ability to conduct business with customers and vendors in this region. For example, we have experienced and may in the future experience disruption and delays in the supply of our products to our customers in Russia, Belarus and Ukraine. We have experienced and may in the future also experience decreased demand for our products in these countries as a result of the conflict and invasion. In addition, we may experience difficulties in collecting receivables from such customers. If we are hampered in our ability to conduct business with new or existing customers and vendors in this region, our business, and operations, including our revenues, profitability and cash flows, could be adversely impacted. Furthermore, if the sanctions and other retaliatory measures imposed by the global community change, we may be required to cease or suspend our operations in the region or, should the conflict worsen, we may voluntarily elect to do so. **For example, the sanctions and export controls that have been imposed by the U. S. against Russia and Belarus temporarily impacted our ability to distribute our U. S. manufactured contact lenses and our U. S. surgical products to Russia and Belarus, until we were able to apply for and obtain all licenses or other applicable governmental authorizations necessary to allow us to sell the applicable currently sanctioned products in each of these countries. Similarly, the sanctions that were imposed by the EU against Russia also required us to obtain licenses for products and services provided to Russia from the EU and from the relevant EU member states. The new Trump administration has indicated that it may impose additional sanctions against Russia if negotiations are not commenced respecting a ceasefire or possible end to the conflict in Ukraine.** We **cannot guarantee that we will be able to obtain licenses or other governmental authorizations for any future sanctions or export controls that may be imposed. In addition, we** cannot provide assurance that current sanctions or potential future changes in these sanctions or other measures will not have a material impact on our operations in Russia, Belarus and Ukraine. The disruption to, or suspension of, our business and operations in Russia, Belarus and Ukraine would adversely impact our business, financial condition, cash flows and results of operations in this region which may, in turn, materially adversely impact our overall business, financial condition, cash flows and results of operations, which impact could be material, and could cause the market value of our common shares and / or debt securities to decline. Finally, we are also subject to risks if exchange controls were to be imposed that would limit the repatriation of profits from our operations in Russia. While we do not rely on profits or dividends from our Russian operations to fund our debt repayment or other business activities generally, as our operations from Russia primarily involve the sale of products purchased from our affiliates located outside of Russia, any exchange controls that would limit the purchase of or payment for products or goods from outside of Russia may have an adverse impact on our operations in Russia or the way we conduct business in Russia. The ongoing military conflict and sanctions on the Russian and global economies have resulted in significant volatility in financial markets and depreciation of the Russian ruble and the Ukrainian hryvnia against the U. S.

dollar, as well as in an increase in energy and commodity prices globally. As the conflict continues, certain economic and security consequences have been experienced and may continue or worsen, including, but not limited to, supply shortages of different kinds, further increases in prices of commodities, including piped gas, oil and agricultural goods, reduced consumer purchasing power, significant disruptions in logistics infrastructure, telecommunications services and risks relating to the unavailability of information technology systems and infrastructure. The resulting impacts to the global economy, financial markets, inflation, interest rates and unemployment, among others, could adversely impact economic and financial conditions. Other potential consequences include, but are not limited to, growth in the number of popular uprisings in the region, increased political discontent, especially in the regions most affected by the conflict or economic sanctions, increase in cyberterrorism activities and attacks, displacement of persons to regions close to the areas of conflict and an increase in the number of refugees fleeing across Europe, among other unforeseen social and humanitarian effects. In addition, as a result of the ongoing conflict between Russia and Ukraine, we may experience other risks, difficulties and challenges in the way we conduct our business and operations generally. For example, there may be an increased risk of cybersecurity attacks due to the current conflict between Russia and Ukraine, including cybersecurity attacks perpetrated by Russia or others at its direction in response to economic sanctions and other actions taken against Russia as a result of its invasion of Ukraine. Any increase in such attacks on us or our third- party providers or other systems could adversely affect our network systems or other operations. In order to address the risks associated with cybersecurity attacks from the region (including state- sponsored cybersecurity attacks), we have taken action to consolidate network traffic from Russia and Belarus through a single point, which is designed to allow us to more closely inspect that traffic. In addition, if required, this consolidation provides a single point to quickly and efficiently disconnect the region from our corporate network. At this time, to the best of our knowledge, we do not believe we have experienced any cyberattacks that are related to the conflict between Russia and Ukraine. Although we have taken steps to enhance our protections against such attacks, we may not be able to address these cybersecurity threats proactively or implement adequate preventative measures and there can be no assurance that we will promptly detect and address any such disruption or security breach, if at all. In addition, as a result of the risk of collectability of receivables from our customers in Russia, Belarus and Ukraine, we may be required to adjust our accounting practices relating to revenue recognition in this region, with the result that we may not be able to recognize revenue from these customers until collected. We may also suffer reputational harm as a result of our continued operations in Russia, which may adversely impact our sales and other businesses in other countries. Finally, while we are not currently conducting clinical trials in Russia, Belarus or Ukraine, certain planned trials in Russia and any future trials in this region will need to be postponed and / or relocated; however, we do not anticipate that the impact of this postponement or relocation will have a material impact to any of our development programs or pipeline products. A further protracted conflict between Ukraine and Russia, any escalation of that conflict, and the financial and economic sanctions and import and / or export controls imposed on Russia by the United States, the UK, the EU, Canada and others, and the above-mentioned adverse effect on our operations (both in this region and generally) and on the wider global economy and market conditions could, in turn, have a material adverse impact on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Risks Relating to Intellectual Property and ~~ExclusivityThe~~ --- **Exclusivity The** expiration or loss of patent protection or regulatory exclusivity rights for our key products could adversely impact our business. In addition, we have faced competition in the past and expect to face additional competition in the future, including with respect to our products that have patent protection or exclusivity rights. Competitors (including generic and potential biosimilar competitors) of our products could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. The development of new and innovative products, as well as protecting the underlying intellectual property of our product portfolio, is important to our success in all areas of our business. Some of our products either: (i) have no meaningful exclusivity protection via patent or marketing or data exclusivity rights or (ii) are protected by patents or regulatory exclusivity periods that will be expiring in the near future. The expiration or loss of patent protection or regulatory exclusivity rights for our key products could adversely impact our business. In addition, even for our products that have patent protection or exclusivity rights, we face competition from similar products in the markets in which we participate. As a result, we face significant competition with respect to a substantial majority of our products. Without patent protection or regulatory exclusivity, competitors (including generics and biosimilars) face fewer barriers in introducing competing products. Upon the expiration or loss of patent protection or regulatory exclusivity for our products or otherwise upon the introduction of generic, biosimilar or other competitors (which may be sold at significantly lower prices than our products), we could lose a significant portion of sales and market share of that product in a very short period and, as a result, our revenues could be lower. In addition, the introduction of generic and biosimilar competitors may have a significant downward pressure on the pricing of our branded products which compete with such generics and biosimilars. Where we have the rights, we may elect to launch an authorized generic of such product (either ourselves or through a third party) prior to, upon or following generic entry, which may mitigate the anticipated decrease in product sales; however, even with the launch of an authorized generic, the decline in product sales of such product would still be expected to be significant and the effect on our future revenues could be material. The introduction of competing products (including generic products and biosimilars) could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We may fail to obtain, maintain, license, enforce or defend the intellectual property rights required to conduct our business, or third parties may allege that we are infringing, misappropriating or otherwise violating their intellectual property rights, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We strive to acquire, maintain and defend patent, trademark and other intellectual property protections over our products and the processes used to manufacture these products. However, we may not be successful in obtaining such protections, or the patent, trademark and

intellectual property rights we do obtain may not be sufficient in breadth and scope to fully protect our products or prevent competing products, or such patent, trademark and intellectual property rights may be susceptible to third- party challenges, which could result in the loss of such intellectual property rights or the narrowing of scope of protection afforded by such rights. Our intellectual property rights may also be circumvented by third parties and we may not be able to enforce our intellectual property rights against such third parties. The failure to obtain, maintain, enforce or defend such intellectual property rights, for any reason, could allow third parties to develop, manufacture and sell products that compete with our products or may impact our ability to develop, manufacture and market our own products, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Further, the pharmaceutical and medical device industries historically have generated substantial litigation concerning the manufacture, use and sale of products and we expect this litigation activity to continue. As a result, we expect that patents related to our products will be routinely challenged, and the validity or enforceability of our patents may not be upheld. In order to protect or enforce patent rights, we may initiate litigation against third parties. Our patents may also be challenged in administrative proceedings in the United States Patent and Trademark Office and patent offices outside of the United States. If we are not successful in defending an attack on our patents and maintaining exclusive rights to market one or more of our products still under patent protection, we could lose a significant portion of sales in a very short period. Even in cases where we prevail in an infringement claim, legal remedies available for harm caused to us may not be sufficient to make us whole. We may also become subject to infringement claims by third parties and may have to defend against charges that we infringed, misappropriated or otherwise violated patents or the intellectual property or proprietary rights of third parties. Third parties may also request a preliminary or permanent injunction from a court of law to prevent us from marketing a product. Even if we believe third- party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. If we are found to infringe, misappropriate or otherwise violate the intellectual property rights of others, we could lose our right to develop, manufacture or sell products, including our generic products, or could be required to pay monetary damages or royalties to license proprietary rights from third parties, which could be substantial and include treble damages if we are found to willfully infringe intellectual property rights or others. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Any of the foregoing events could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. For certain of our products and manufacturing processes, we rely on trade secrets and other proprietary information, which we seek to protect, in part, through information technology systems discussed in more detail in the following section, and, in part, by confidentiality and nondisclosure agreements with our employees, consultants, advisors and partners. Trade secrets and proprietary information are difficult to protect. We also attempt to enter into agreements whereby such employees, consultants, advisors and partners assign to us the rights in any intellectual property they develop in the course of their engagement with us. These agreements may be breached, and we may not have adequate remedies for any breach. There can be no assurance that these agreements will be self- executing or otherwise provide meaningful protection for our trade secrets or other intellectual property or proprietary information. These agreements may not effectively prevent disclosure or misappropriation of such information and disputes may still arise with respect to the ownership of intellectual property. In addition, third parties may independently develop the same or similar proprietary information. Further, we have employed and expect to employ individuals who were previously employed at universities or other companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, advisors and partners do not use the proprietary information or know- how of others in their work for us, we may be subject to claims that we or such persons have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information of their former employers or other third parties, or to claims that we have improperly used or obtained such trade secrets. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights and face increased competition to our business. The unauthorized access to or disclosure of our proprietary information or the loss of such intellectual property rights may impact our ability to develop, manufacture and market our own products or may assist competitors in the development, manufacture and sale of competing products, which could have a material adverse effect on our revenues, financial condition, cash flows or results of operations and could cause the market value of our common shares and / or debt securities to decline. For a number of our commercialized products and pipeline products, including MIEBO ®, XIPERE ®, LUMIFY ® and VYZULTA ®, we rely on licenses to patents and other technologies, know- how and proprietary rights held by third parties. Any loss, expiration, termination or suspension of our rights to such licensed intellectual property could result in our inability to continue to develop, manufacture and market our products or product candidates and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. If these licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, third parties, including our competitors, could have the freedom to seek regulatory approval of, and to market, products identical to ours. Under some license agreements, we may not control the preparation, filing, prosecution or maintenance of the licensed intellectual property, or may not have the first right to enforce the intellectual property. In those cases, we may not be able to adequately influence patent prosecution or enforcement, or prevent inadvertent lapses of coverage due to failure to pay maintenance fees and we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interests of our business and that does not compromise the patent rights. In the future, we may also need to obtain such licenses from third parties to develop, manufacture, market or continue to develop, manufacture or market our products. If we are unable to timely obtain these licenses on commercially reasonable terms, our ability to develop, manufacture and market our products may be inhibited or prevented, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market

value of our common shares and / or debt securities to decline. Intellectual property litigation could cause us to spend substantial resources, distract our personnel from their normal responsibilities and cause the value of our common shares and / or debt securities to decline. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the value of our common shares and / or debt securities. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties or enter into development collaborations that would help us commercialize our product candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects and could cause the market value of our common shares and / or debt securities to decline. Risks Relating to Information TechnologyWe have become increasingly dependent on information technology systems and infrastructure and any breakdown, interruption, breach or other compromise of our information technology systems or those of our third party service providers could subject us to liability or interrupt the operation of our business, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We are increasingly dependent upon our information technology systems and infrastructure, as well as those of third parties with whom we interact, and internal and public internet sites, data hosting and processing facilities, cloud- based services and hardware, social media sites and mobile technology, in connection with the conduct of our business. We must constantly update our information technology systems and infrastructure and undertake investments in new information technology systems and infrastructure. However, we cannot provide assurance that the information technology systems and infrastructure on which we depend, including those of third parties, will continue to meet our current and future business needs or adequately safeguard our operations. Furthermore, modification, upgrade or replacement of such systems and infrastructure may be costly or out of our control. Any failure to so modify, upgrade or replace such systems and infrastructure, any disruptions that occur during the process of such modification, upgrade or replacement and / or any breakdown, interruption or corruption of our information technology systems and infrastructure could create system disruptions, shutdowns, delays in generating or the corruption or loss of data and information or other disruptions that could result in negative financial, operational, business or reputational consequences for us. The size and complexity of the information technology systems and infrastructure on which we rely makes such systems and infrastructure potentially vulnerable to internal or external inadvertent or intentional security breaches, including as a result of private or state- sponsored cybercrimes, terrorism, war, malware, ransomware, human error, system malfunction, telecommunication and electrical failures, natural disaster, misplaced or lost data, socially engineered breaches or other similar events. In addition, during the normal course of our business operations, including through the use of information technology systems and infrastructure, we are involved in the collection, processing, transmission, use and retention of sensitive, confidential, non- public or personal data including personal health data and information in Canada, the United States and abroad. Cyber- attacks are increasing in frequency, sophistication and intensity and are made by groups and individuals with a wide range of motives and expertise. Cyber- attacks could include the deployment of harmful malware, ransomware, denial- of- service attacks, worms, social engineering, improper modification of information, fraudulent " phishing " e- mails and other means to affect service reliability or threaten data confidentiality, integrity or availability. Techniques used in these attacks are often highly sophisticated, change frequently and may be difficult to detect for periods of time. We have established: (i) physical, electronic and organizational measures to safeguard and secure our systems to prevent a compromise and (ii) policies and procedures designed to provide for the timely investigation of cybersecurity incidents and the timely disclosure of cybersecurity incidents consistent with our legal and contractual obligations. We also rely on commercially available systems, software, tools and monitoring to provide security for the processing, transmission and storage of digital information. While we attempt to take appropriate security and cybersecurity measures to protect our information technology systems and infrastructure (including any trade secrets, confidential or other sensitive information) and to prevent and detect breakdowns, unauthorized breaches and cyber- attacks, we cannot guarantee that these measures will be successful and that breakdowns and breaches of, or attacks on, our systems and data, or those of third parties upon which we rely, will be prevented. Such breakdowns and breaches of, or attacks on, our systems and infrastructure, or the public perception that we or any third party upon which we rely have suffered a cybersecurity incident or breakdown, may cause business interruption and could have a material adverse effect on our business, financial condition, cash flows and results of operations, damage our reputation with customers, employees and third parties with whom we do business and cause the market value of our common shares and / or debt securities to decline, and we may suffer financial damage or other loss, including fines or criminal penalties or may be subject to litigation, including potentially class action law suits because of lost or misappropriated information. While we maintain insurance against some of these risks, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from a breakdown, breach, cyber- attack or other compromise of or interruption to our information technology systems and infrastructure or confidential and other sensitive information. In addition, we provide confidential and other sensitive information to third parties when necessary to pursue our business objectives. While we obtain assurances that these third parties will protect this information and, where appropriate, monitor the protections employed by these third parties, there is a risk that the confidentiality of information held by third

parties, including trade secrets and sensitive personal information, may be compromised. If personal information of our customers or employees is misappropriated, our reputation with our customers and employees may be injured, resulting in loss of business and / or morale. Any such incidents could require us to incur costs to remediate possible injury to our customers and employees, to further improve our protective measures or to pay fines or take other action with respect to litigation, judicial or regulatory actions arising out of such incidents which may be significant. Any of the foregoing could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. **We utilize artificial intelligence, which could expose us to liability or could have a material adverse effect on our business and financial condition. We have begun to incorporate proprietary and third party artificial intelligence (AI) into certain aspects of our business and operations, including as part of our commercial, manufacturing, R & D, information technology, procurement and human resources functions. However, there may be significant risks involved in utilizing AI and no assurance can be provided that our use will enhance our business and operations or produce the intended results. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable. If the AI solutions that we create or obtain from third parties are deficient, inaccurate or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on our business and financial results. In addition, regulation of AI is rapidly evolving worldwide and AI and its uses are subject to a variety of laws and regulations, including intellectual property, privacy, data protection and information security, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. We may not be able to anticipate how to respond to these rapidly evolving laws and regulations, and we may need to expend resources to adjust our use of AI in certain jurisdictions if the legal and regulatory frameworks are inconsistent across jurisdictions. In addition, the use of AI may subject us to new or heightened ethical or other challenges. Conversely, if we are unable or unwilling to adopt AI technologies in our businesses and operation, we may face competitive risks from our peers, who are utilizing these technologies, which in turn could adversely impact our business. financial condition, cash flows and results of operations.** Competitive ~~Risks~~ **RisksWe** ~~We~~ operate in an extremely competitive industry. If competitors develop or acquire more effective or less costly pharmaceutical, OTC products or medical devices for our target indications, it could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Our vision care business operates within an extremely competitive environment. In contact lenses, we face intense competition from competitors' products and may face increasing competition as other new products enter the market, for example, with increased product entries from contact lens manufacturers in Asia. New market entrants and existing competitors are also challenging distribution models with innovation in non- traditional, disruptive models such as direct- to- consumer, Internet and other e- commerce sales opportunities, which could adversely impact the traditional eye care professional (" ECP ") channel in which we have a significant presence. The market for contact lenses is intensely competitive and is characterized by declining sales volumes for older and reusable product lines and growing demand for daily lenses and advanced materials lenses. As the market for contact lenses shifts toward daily lenses, we expect our sales in daily lenses to, at least in part, cannibalize sales of our reusable contact lenses and contact lens care offerings. Furthermore, our ocular health product category is also highly competitive. Many of our competitors spend significantly more on research and development related activities than we do. Others may succeed in developing or acquiring products and technologies that are more effective, more advanced or less costly than those currently marketed or proposed for development by us. In addition, academic institutions, government agencies and other public and private organizations conducting research may seek patent protection with respect to potentially competitive products and may also establish exclusive collaborative or licensing relationships with our competitors. These competitors and the introduction of competing products (that may be more effective or less costly than our products) could make our products less competitive or obsolete, which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We cannot predict the timing or impact of the introduction of competitive products, including new market entries, " generic " versions of our approved products, or private label products that treat the same conditions as those of our products. In addition, the introduction of alternatives in medical devices and medical prescriptions could also alter the eye health markets and impede our sales growth. Our ability to respond to these competitive pressures will depend on our ability to decrease our costs and maintain gross margins and operating results and to introduce new products successfully and on a timely basis, and to achieve manufacturing efficiencies and sufficient manufacturing capacity and capabilities for such products. Tax- and Accounting- related RisksOur effective tax rates may increase. We have operations in various countries that have differing tax laws and rates. Our tax reporting is supported by current domestic tax laws in the countries in which we operate and the application of tax treaties between the various countries in which we operate. Our income tax reporting is subject to audit by domestic and foreign authorities. Our effective tax rate may change from year to year based on changes in the mix of activities and income earned among the different jurisdictions in which we operate; changes in tax laws in these jurisdictions; changes in the tax treaties between various countries in which we operate; changes in our eligibility for benefits under those tax treaties; and changes in the estimated values of deferred tax assets and liabilities. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Such changes could result in a substantial increase in the effective tax rate on all or a portion of our income ~~. In August 2022, the Inflation Reduction Act (the " IRA ") was signed into law, which includes implementation of a new corporate alternative minimum tax (the " CAMT "), among other provisions. The CAMT imposes a minimum tax on the adjusted financial statement income (" AFSI ") for " applicable corporations " with average annual AFSI over a three- year~~

~~period in excess of $ 1 billion. A corporation that is a member of a foreign- parented multinational group, as defined, must include the AFSI (with certain modifications) of all members of the group in applying the $ 1 billion test, but would only be subject to the CAMT if the three- year average AFSI of its US members, US trades or business of foreign group members that are not subsidiaries of US members, and foreign subsidiaries of US members exceeds $ 100 million. We are currently considered a member of BHC' s foreign- parented multinational group and our " applicable corporations " would be combined with that of BHC' s " applicable corporations " to determine the applicability of the CAMT to the US members of our group. Although we currently do not believe that the CAMT will have a significant impact on our tax results, there are a number of uncertainties and ambiguities as to the interpretation and application of the CAMT, and it is possible that any future guidance with respect to the interpretation and application of the CAMT could result in the CAMT having a material effect on our liability for corporate taxes and our consolidated effective tax rate~~ . On October 8, 2021, the Organisation for Economic Co- operation and Development (" OECD ") / G20 inclusive framework on Base Erosion and Profit Shifting (the " Inclusive Framework ") published a statement updating and finalizing the key components of a two- pillar plan on global tax reform originally agreed on July 1, 2021, and a timetable for implementation by 2023. The timetable for implementation **was** ~~has since been~~ extended to 2024 or, with respect to certain components of the plan, to 2025. The Inclusive Framework plan has now been agreed to by ~~145~~ **more than 140** OECD members, including several countries which did not agree to the initial plan. Under ~~pillar~~ **Pillar** ~~one~~ **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~~ **Pillar** ~~two~~ **Two** , the Inclusive Framework has agreed on a global minimum corporate tax rate of 15 % for companies with revenue above € 750 million, calculated on a country- by- country basis. On October 30, 2021, the G20 formally endorsed the new global minimum corporate tax rate rules. The Inclusive Framework agreement must ~~now~~ be implemented by the OECD Members who have agreed to the plan, effective in 2024. 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 ~~expected to become~~ 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, 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 implementation of the model rules** . 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. ~~The OECD~~ **On January 20, 2025, the Trump Administration issued an executive order declaring the Inclusive Framework** has ~~published model~~ **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. In addition, legislation has been introduced in the U. S. Congress that would increase U. S. tax rates on non- U. S. companies and investors if** ~~other~~ **their** ~~guidance~~ **home jurisdictions impose discriminatory or extraterritorial taxes on U. S. companies. We cannot predict whether the U. S. will adopt any such protective measures or whether any such legislation will be adopted, or whether or how any non- U. S. countries may change their tax laws, including** with respect to **taxes imposed under** ~~pillar~~ **Pillar** ~~two, which are generally consistent with the agreement reached by the Inclusive Framework in October 2021. On~~ **One** ~~February 1~~ **or Pillar Two** , ~~2023,~~ **in response to** the ~~Inclusive Framework released a package of technical and administrative guidance~~ **executive order, any action taken thereunder or the legislation described above. It is possible that any changes in U. S. or non- U. S. tax law could have material adverse effect** on **our future** ~~the implementation of pillar two, including the scope of companies that will be subject to the Global Anti- Base Erosion Rules, transition rules, and guidance on domestic minimum taxes~~ -- **tax** ~~that countries~~ **liabilities and our effective tax rate. While** ~~may~~ **many** ~~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. Many~~ jurisdictions in which the Company operates have adopted the global minimum tax provision of ~~the OECD pillar~~ **Pillar** ~~two~~ **Two** effective for tax years beginning in January 2024 ~~. It~~ **, the Company has concluded that there** is ~~possible~~ **minimal impact to its 2024 tax rate due to the accounting for the tax effects of intercompany transactions. The Company expects** that ~~the~~ **there** ~~implementation of~~ **is risk that** the **impact of** ~~Inclusive Framework agreement, including~~ the global minimum ~~corporate~~ tax **and other changes in** ~~rate, could have a material effect on our liability for corporate taxes~~ -- **tax law in jurisdictions in which it operates may eventually result in** ~~and~~ - **an** ~~our consolidated~~ **increase to its overall** effective tax rate ~~in the future~~ . Our provision for income taxes is based on certain estimates

and assumptions made by management. Our consolidated income tax rate is affected by the amount of pre- tax income earned in our various operating jurisdictions, the availability of benefits under tax treaties and the rates of taxes payable in respect of that income. We enter into many transactions and arrangements in the ordinary course of business in respect of which the tax treatment is not entirely certain. We therefore make estimates and judgments based on our knowledge and understanding of applicable tax laws and tax treaties and the application of those tax laws and tax treaties to our business, in determining our consolidated tax provision. For example, certain countries could seek to tax a greater share of income than we will allocate to our business in such countries. The final outcome of any audits by taxation authorities may differ from the estimates and assumptions that we may use in determining our consolidated tax provisions and accruals. This could result in a material adverse effect on our consolidated income tax provision, financial condition and the net income for the period in which such determinations are made. Our deferred tax liabilities, deferred tax assets and any related valuation allowances are affected by events and transactions arising in the ordinary course of business, acquisitions of assets and businesses and non- recurring items. The assessment of the appropriate amount of a valuation allowance against the deferred tax assets is dependent upon several factors, including estimates of the realization of deferred income tax assets, which realization will be primarily based on future taxable income, including the reversal of existing taxable temporary differences. Significant judgment is applied to determine the appropriate amount of valuation allowance to record. Changes in the amount of any valuation allowance required could materially increase or decrease our provision for income taxes in a given period. We have significant goodwill and other intangible assets and potential impairment of goodwill and other intangibles may have a significant adverse impact on our profitability. Goodwill and intangible assets represent a significant portion of our total assets. Finite- lived intangible assets are subject to an impairment analysis whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Goodwill and indefinite- lived intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. If impairment exists, we would be required to take an impairment charge with respect to the impaired asset. For example, in **2024,** 2023 ~~,~~ **and** 2022 ~~and 2021~~, we recognized impairments to finite- lived and indefinite- lived intangible assets of **$ 5 million,** less than $ 1 million ~~,~~ **and** $ 1 ~~million and $ 12~~ million, respectively. These asset impairments were primarily attributable to the discontinuance of certain product lines. The Company conducted its annual goodwill impairment test as of October 1, ~~2023~~ **2024** . No impairment to the goodwill of any reporting unit was identified. If market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future. See Note 5, " FAIR VALUE MEASUREMENTS " and Note 8, " INTANGIBLE ASSETS AND GOODWILL " to our audited Consolidated Financial Statements included elsewhere in this **Form** 10- K for further information on these impairment charges. Events giving rise to impairment are difficult to predict, including the uncertainties associated with the launch of new products, and are an inherent risk in the pharmaceutical and medical device industries. As a result of the significance of goodwill and intangible assets, our financial condition and results of operations in a future period could be negatively impacted should such an impairment of goodwill or intangible assets occur, which could cause the market value of our common shares and / or debt securities to decline. We may be required to take additional impairment charges in the future and such impairment charges may be material. Legal and Reputational RisksWe are or may become subject to legal and governmental proceedings that are uncertain, costly and time- consuming and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We are involved, or may become involved, from time to time in legal and governmental proceedings, which may be material. In addition, the Company has agreed with BHC to assume a portion of future liability or damages associated with certain legal and administrative proceedings that existed at the time of the B L IPO. These legal and administrative proceedings will remain with BHC and will be controlled by BHC, but the Company will share in applicable future liabilities, should any result from these proceedings. These proceedings are complex and extended and occupy the resources of our management and employees. These proceedings are also costly to prosecute and defend and may involve substantial awards or damages payable by us if not found in our favor. We may also be required to pay substantial amounts or grant certain rights on unfavorable terms in order to settle such proceedings. Defending against or settling such claims and any unfavorable legal decisions, settlements or orders could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. See Note ~~20~~ **19** , " LEGAL PROCEEDINGS " to our audited Consolidated Financial Statements for additional information. For example, the pharmaceutical industry, has been the focus of both private payor and governmental concern regarding pricing of pharmaceutical products. Related actions, including Congressional and other governmental investigations and litigation, are costly and time- consuming and adverse resolution of such actions or changes in our business practices, such as our approach to the pricing of our pharmaceutical products, could adversely affect our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, in the United States, it has become increasingly common for patent infringement actions to prompt claims that antitrust laws have been violated during the prosecution of the patent or during litigation involving the defense of that patent. Such claims by direct and indirect purchasers and other payers are typically filed as class actions. The relief sought may include treble damages and restitution claims. Similarly, antitrust claims may be brought by government entities or private parties following settlement of patent litigation, alleging that such settlements are anti- competitive and in violation of antitrust laws. In the United States and Europe, regulatory authorities have continued to challenge as anti- competitive so- called " reverse payment " settlements between branded and generic drug manufacturers. We may also be subject to other antitrust litigation involving competition claims unrelated to patent infringement and prosecution **, including claims covered by anti- greenwashing amendments to the Competition Act (Canada)** . A successful antitrust claim by a private party or government entity against us could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We depend on third parties to meet their contractual,

legal, regulatory and other obligations. We rely on distributors, suppliers, contract research organizations, vendors, service providers, business partners and other third parties to research, develop, manufacture, distribute, market and sell our products, as well as perform other services relating to our business. We rely on these third parties to meet their contractual, legal, regulatory and other obligations. A failure to maintain these relationships or poor performance by these third parties could negatively impact our business. In addition, we cannot guarantee that the contractual terms and protections and compliance controls, policies and procedures we have put in place will be sufficient to ensure that such third parties will meet their legal, contractual and regulatory obligations or that these terms, controls, policies, procedures and other protections will protect us from acts committed by our agents, contractors, distributors, suppliers, service providers or business partners that violate contractual obligations or the laws or regulations of the jurisdictions in which we operate, including matters respecting anti- corruption, fraud, bribery and kickbacks and false claims, pricing, sales and marketing practices, privacy laws and other legal obligations. Any failure of such third parties to meet these legal, contractual and regulatory obligations or any improper actions by such third parties or even allegations of such non- compliance or actions could damage our reputation, adversely impact our ability to conduct business in certain markets and subject us to civil or criminal legal proceedings and regulatory investigations, monetary and non- monetary damages and penalties and could cause us to incur significant legal and investigatory fees and, as a result, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. If our products cause, or are alleged to cause, serious or widespread personal injury, we may have to withdraw those products from the market and / or incur significant costs, including payment of substantial sums in damages, and we may be subject to exposure relating to product liability claims. In addition, our product liability self- insurance program may not be adequate to cover future losses. We face an inherent business risk of exposure to significant product liability and other claims in the event that the use of our products caused, or is alleged to have caused, adverse effects. Product liability proceedings may be costly to prosecute and defend and may involve substantial awards or damages payable by us if not found in our favor. Furthermore, our products may cause, or may appear to have caused, adverse side effects (including death) or potentially dangerous drug interactions that we may not learn about or understand fully until the drug has been administered to patients for some time. The withdrawal of a product following complaints and / or incurring significant costs, including the requirement to pay substantial damages in personal injury cases or product liability cases, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In addition, we self- insure substantially all of our product liability risk, and will periodically evaluate and adjust our claims reserves to reflect trends in our own experience, as well as industry trends. However, historical loss trends may not be adequate to cover future losses, as historical trends may not be indicative of future losses. If ultimate results exceed our estimates, this would result in losses in excess of our reserved amounts. If we were required to pay a significant amount on account of these liabilities for which we self- insure, this could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Our marketing, promotional and business practices, as well as the manner in which sales forces interact with purchasers, prescribers and patients, are subject to extensive regulation and any material failure to comply could result in significant sanctions against us. The marketing, promotional and business practices of pharmaceutical and medical device companies, as well as the manner in which companies' in- house or third- party sales forces interact with purchasers, prescribers and patients, are subject to extensive regulation, enforcement of which may result in the imposition of civil, regulatory and / or criminal penalties, injunctions and / or limitations on marketing practice for some of our products and / or pricing restrictions or mandated price reductions for some of our products. Many companies, including us, have been the subject of claims related to these practices asserted by federal authorities. These claims have resulted in fines and other consequences, such as entering into corporate integrity agreements with the U. S. government. Companies may not promote drugs or devices for " off- label " uses — that is, uses that are not described in the product' s labeling and that differ from those approved by the FDA, Health Canada, EMA or other applicable regulatory agencies. A company that is found to have improperly promoted off- label uses may be subject to significant liability, including civil and administrative remedies (such as entering into corporate integrity agreements with the U. S. government), as well as criminal sanctions. In addition, management' s attention could be diverted from our business operations and our reputation could be damaged. Risks Relating to Specific Legislation and RegulationsWe are subject to various laws and regulations, including " fraud and abuse " laws, anti- bribery laws, environmental laws and privacy and security laws, and a failure to comply with such laws and related regulations or prevail in any litigation or investigation related to noncompliance could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. Pharmaceutical and medical device companies have faced lawsuits and investigations pertaining to violations of health care " fraud and abuse " laws, such as the federal False Claims Act, the federal Anti- Kickback Statute (" AKS ") and other state and federal laws and regulations. The AKS prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any health care item or service reimbursable under federally financed health care programs. This statute has been interpreted to apply to arrangements between pharmaceutical or medical device manufacturers, on the one hand, and prescribers, purchasers, formulary managers and other health care related professionals, on the other hand. More generally, the federal False Claims Act, among other things, prohibits any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government. Pharmaceutical and medical device companies have been prosecuted or faced civil liability under these laws for a variety of alleged promotional and marketing activities, including engaging in off- label promotion that caused claims to be submitted for non- covered off- label uses. If we are in violation of any of these requirements or any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, this could have a significant impact on our business, including the imposition of significant criminal and civil fines and

penalties, exclusion from federal health care programs or other sanctions, including consent orders or corporate integrity agreements. In addition, the U. S. Department of Health and Human Services Office of Inspector General recommends, and increasingly states require pharmaceutical companies to have comprehensive compliance programs. Moreover, the Physician Payment Sunshine Act enacted in 2010 imposes reporting and disclosure requirements on device and drug manufacturers for any " transfer of value " made or distributed to prescribers and other health care providers. Failure to submit this required information may result in significant civil monetary penalties. While we have developed corporate compliance programs based on what we believe to be current best practices, we cannot provide assurance that we or our employees or agents are or will be in compliance with all applicable federal, state or foreign regulations and laws. If we are in violation of any of these requirements or any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant criminal and civil fines and penalties, exclusion from federal health care programs or other sanctions, including consent orders or corporate integrity agreements. The U. S. FCPA, the Canadian Corruption of Foreign Public Officials Act and similar worldwide anti- bribery laws generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti- bribery laws. We operate in many parts of the world that have experienced governmental corruption and in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices or may require us to interact with doctors and hospitals, some of which may be state controlled, in a manner that is different than in the United States and Canada. We cannot provide assurance that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees, consultants, distributors, third party contractors or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in criminal or civil penalties or remedial measures, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We are also subject to various state, federal and international laws and regulations governing the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health- related and other sensitive and personal information, including the HIPAA. Many states in which we operate have laws that protect the privacy and security of sensitive and personal information, including health- related information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act (" CPRA, " and collectively, " CCPA ") imposes stringent data privacy and security requirements and obligations with respect to the personal information of California residents and provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal data that may increase the likelihood of, and risks associated with, data breach litigation. The effects on our business of the CCPA and other similar state laws are potentially significant. State laws are changing rapidly and there is discussion in Congress of a new federal data protection and privacy law to which we may be subject. For instance, the CPRA maintains the core framework of the CCPA while also making a number of substantive changes **. Additionally, some statutory requirements, both in the United States and abroad, include obligations for companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or our service providers. For example, laws in all 50 U. S. states require businesses to provide notice to customers whose personal data has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. We are also subject to various state and federal rules and laws governing cybersecurity risks and incidents, including an SEC rule relating to disclosure of material cybersecurity incidents and risks and state laws regarding notification of data breaches** . Since these data security regimes are evolving, uncertain and complex, especially for a global business such as ours, we will need to update or enhance our compliance measures from time to time and these updates or enhancements will require further implementation costs. Any failure, or perceived failure, by us to comply with current and future regulatory or customer- driven privacy, data protection, and information security requirements, or to prevent or mitigate security breaches, cyber- attacks, or improper access to, use of, or disclosure of data, or any security issues or cyber- attacks affecting our business, could result in significant liability, costs (including the costs of mitigation and recovery), a material loss of revenue resulting from the adverse impact on its reputation and brand, loss of proprietary information and data, disruption to its business and relationships, and diminished ability to retain or attract customers and business partners. Such events may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause customers and business partners to lose trust in us, which could have an adverse effect on our reputation and business. Internationally, laws and regulations in many jurisdictions apply broadly to the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health- related and other sensitive and personal information. For example, the EU' s General Data Protection Regulation (" GDPR "), and the UK' s General Data Protection Regulation (" UK GDPR ") together with national legislation, regulations and guidelines of the EU member states and the UK governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, analyze, store, transfer and otherwise process personal data, including health data from clinical trials and adverse event reporting. The GDPR authorizes fines for certain violations of up to 4 % of global annual revenue or € 20 million (or GBP 17. 5 million under the UK GDPR), whichever is greater. European data protection authorities may interpret the GDPR and national laws differently and impose additional requirements, which contributes to the complexity of processing personal data in or from the European Economic Area or UK. Guidance on implementation and compliance practices is often updated or otherwise revised. These laws require data controllers to implement stringent operational requirements, including, for example, transparent and expanded disclosure to data subjects

about how their personal data is collected and processed, grant rights for data subjects to access, delete or object to the processing of their data, mandatory data breach notification requirements (and in certain cases, affected individuals), set limitations on retention of information and outline significant documentary requirements to demonstrate compliance through policies, procedures, training and audits. The GDPR also provides that EU member states may introduce further conditions, including limitations, and make their own laws and regulations, further limiting the processing of ' special categories of personal data,' including personal data related to health, biometric data used for unique identification purposes and genetic information, which could limit our ability to collect, use and share EU data, and could cause our compliance costs to increase, ultimately having an adverse impact on our business, and harm our business and financial condition. The withdrawal of the UK from the European Union also has created uncertainty with regard to the regulation of data protection in the UK. Since January 1, 2021, when the transitional period following Brexit expired, we have been required to comply with the GDPR as well as the UK GDPR (combining the GDPR and the UK' s Data Protection Act of 2018), which exposes us to two parallel regimes, each of which authorizes similar fines and may subject us to increased compliance risk based on differing, and potentially inconsistent or conflicting, interpretation and enforcement by regulators and authorities (particularly, if the laws are amended in the future in divergent ways). With respect to transfers of personal data from the EEA, on June 28, 2021, the European Commission issued an adequacy decision in respect of the UK' s data protection framework, enabling data transfers from EU member states to the UK to continue without requiring organizations to put in place contractual or other measures in order to lawfully transfer personal data between the territories. While it is intended to last for at least four years, the European Commission may unilaterally revoke the adequacy decision at any point, and if this occurs, it could lead to additional costs and increase our overall risk exposure. **In the EU, we are also subject to the new European Union Artificial Intelligence Act (the " EU AI Act "), regulating development and deployment of AI systems. The new EU AI Act applies to both public and private actors inside and outside of the EU as long as the AI system is placed on the EU market, or its use has an impact on people located in the EU. In the context of the European Strategy for Data, we may also be subject to the EU' s Data Act, a new regulation intended to make data more accessible and usable, encouraging data- driven innovation and increasing data availability in the area of connected devices.** We are also subject to Canada' s federal Personal Information Protection and Electronic Documents Act (" PIPEDA ") and substantially similar equivalents at the provincial level with respect to the collection, use and disclosure of personal information in Canada. Such federal and provincial legislation impose data privacy and security obligations on our processing of personal information of Canadian residents. The federal, Quebec and Alberta legislation include mandatory data breach notification requirements. Canada' s Anti- Spam Legislation (" CASL ") also applies to the extent that we send commercial electronic messages from Canada or to electronic addresses in Canada. CASL contains prescriptive consent, form, content and unsubscribe mechanism requirements. Penalties for non- compliance with CASL are up to CAD $ 10 million per violation. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible they will be interpreted and applied in ways that will materially and adversely affect our business. The regulatory framework for data privacy, data security and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Complying with all of these laws and regulations involves costs to our business, and failure to comply with these laws and regulations can result in the imposition of significant civil and criminal penalties, as well as litigation, all of which could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We are also subject to U. S. federal laws regarding reporting and payment obligations with respect to our participation in federal health care programs, including Medicare and Medicaid. Because our processes for calculating applicable government prices and the judgments involved in making these calculations involve subjective decisions and complex methodologies, these calculations are subject to risk of errors and differing interpretations. In addition, they are subject to review and challenge by the applicable governmental agencies, and it is possible that such reviews could result in changes that could have material adverse legal, regulatory, or economic consequences **. As of February 12, 2025, the new Trump administration has signed over 60 executive orders on a range of topics, including with respect to diversity, equity, inclusion and accessibility programs, policies and related issues, tariffs and other trade protection measures, environmental and energy- related matters, regulation of artificial intelligence and review of existing legislation and regulations (such as the FCPA and Inflation Reduction Act). Additional executive orders are anticipated. In addition, these executive orders may inform future legislative reform. We are in the process of monitoring and assessing these executive orders and what, if any, impact they will have on our business and operations, but such impact could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline** . Legislative or regulatory reform of the health care system may affect our ability to sell our products profitably and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. In the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory proposals to change the health care system in ways that could impact our ability to sell our products profitably. The Patient Protection and Affordable Care Act, as amended by the Health Care Reform Act (as defined below) may affect the operational results of companies in the pharmaceutical and medical device industries, including the Company and other health care related industries, by imposing on them additional costs. Effective January 1, 2010, the Health Care Reform Act increased the minimum Medicaid drug rebates for pharmaceutical companies, expanded the 340B drug discount program, and made changes to affect the Medicare Part D coverage gap, or " donut hole. " The law also revised the definition of " average manufacturer price " for reporting purposes, which may affect the amount of our Medicaid drug rebates to states. Beginning in 2011, the law imposed a significant annual fee on companies that manufacture or import branded prescription drug products. More recently, the Bipartisan Budget Act of 2018 amended the Patient Protection and Affordable Care Act, effective January 1, 2019, to close the donut hole in most Medicare drug plans. In

addition, in April 2018, the Centers for Medicare & Medicaid Services published a final rule that gives states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the Patient Protection and Affordable Care Act for plans sold through such marketplaces. Although efforts at replacing the Health Care Reform Act have stalled in Congress, there could still be changes to this legislation in the near term. We cannot predict what those changes will be or when they will take effect, and we could face additional risks arising from such changes or changed interpretations of our obligations under the legislation. Because of this continued uncertainty, including the potential for further legal challenges or repeal of that legislation, we cannot quantify or predict with any certainty the likely impact of the Health Care Reform Act or its repeal on our business model, prospects, financial condition or results of operations, in particular on the pricing, coverage or reimbursement of any of our product candidates that may receive marketing approval. Additionally, policy efforts designed specifically to reduce patient out- of- pocket costs for medicines could result in new mandatory rebates and discounts or other pricing restrictions. Legislative efforts relating to drug pricing, the cost of prescription drugs under Medicare, the relationship between pricing and manufacturer patient programs, and government program reimbursement methodologies for drugs have been proposed and considered at the U. S. federal and state level. At the federal level, the administration' s budget proposal for fiscal year 2019 contained further drug price control measures that could be enacted in future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid and to eliminate cost sharing for generic drugs for low- income patients. While any proposed measures will require authorization through additional legislation to become effective, Congress and the administration have each indicated an intent to continue to seek new legislative or administrative measures to control drug costs, such as the Inflation Reduction Act, which, among other things, enables the U. S. government to impose penalties if drug prices are increased at a rate faster than inflation. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. We also anticipate that Congress, state legislatures, and third- party payors may continue to review and assess alternative health care delivery and payment systems and may in the future propose and adopt legislation or policy changes or implementations effecting additional fundamental changes in the health care delivery system. We cannot provide assurance as to the ultimate content, timing, or effect of changes, nor is it possible at this time to estimate the impact of any such potential legislation. In 2019, the U. S. Health and Human Services Administration announced a preliminary plan to allow for the importation of certain lower- cost drugs from Canada. The preliminary plan excludes insulin, biological drugs, controlled substances and intravenous drugs. The preliminary plan relies on individual states to develop proposals for safe importation of those drugs from Canada and submit those proposals to the federal government for approval. Although the preliminary plan has some support from the current administration, at this time, studies to evaluate the related costs and benefits, evaluate the reasonableness of the logistics and measure the public reaction of such a plan have not been performed. While we do not believe this will have a significant impact on our future cash flows, we cannot provide assurance as to the ultimate content, timing, effect or impact of such a plan. In 2019, the Government of Canada (Health Canada) published in the Canada Gazette amendments to the pricing regulation for patented drugs. These regulations were scheduled to become effective on July 1, 2021, but were delayed until July 1, 2022. The new regulations, among other things, change the mechanics of establishing the pricing for products submitted for approval after August 21, 2019 and the number and composition of reference countries used to determine if a drug' s price is excessive. While we do not believe this will have a significant impact on our future cash flows, as additional facts materialize, we cannot provide assurance as to the ultimate content, timing, effect or impact of such regulations. The Health Care Reform Act and further changes to health care laws or regulatory framework that reduce our revenues or increase our costs could also have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We are subject to a broad range of environmental laws and regulations and may be subject to environmental remediation obligations under such safety and related laws and regulations. The impact of these obligations and the Company' s ability to respond effectively to them may have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We are subject to a broad range of federal, state, provincial and local environmental laws and regulations concerning the environment, safety matters, regulation of chemicals and product safety in the countries where we manufacture and sell our products or otherwise operate our business. These requirements include, among other matters, regulation of the handling, manufacture, transportation, storage, use and disposal of materials, including the discharge of pollutants, hazardous substances and waste into the environment. Compliance with environmental, health and safety laws and regulations could require us to incur significant operating or capital expenditures or result in significant restrictions on our operations. If we fail to comply with these environmental, health and safety laws and regulations, including failing to obtain any necessary permits, we could incur substantial civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to conduct or fund remedial or corrective measures, install pollution control equipment, reformulate or cease the marketing of our products or perform other actions. In the normal course of our business, regulated substances and waste may be released into the environment, which could cause environmental or property damage or personal injuries and which could subject us to remediation obligations regarding contaminated soil and groundwater, potential liability for damage claims or to social or reputational harm and other similar adverse impacts. Under certain of these laws and regulations, we may be subject to joint and several liability for environmental investigations and cleanups, including at properties that we currently or previously owned or operated, or at sites at which waste we generated was disposed, even if the contamination was not caused by us or was legal at the time it occurred. We are also subject to extensive and evolving regulations regarding the manufacturing, processing,

distribution, importing, exporting and labeling of our products and their raw materials. These laws and regulations may materially affect our operations by subjecting our products or raw materials to testing or reporting requirements or restrictions, moratoria, phase outs or other limitations on their sale or use. In particular, some of our products might be characterized as nanomaterials and then be subject to evolving, new nanomaterial regulations. In recent years, legislation and regulation related to environmental protection have become increasingly stringent. Such legislation and regulations are complex and constantly changing. In particular, legislation and regulation relating to global climate, sustainability and product stewardship including greenhouse gas emissions, are at various stages of consideration and implementation. **As noted above, given recent executive orders, additional proposed changes to such legislation and regulations are also anticipated from the new Trump administration.** Future events, such as changes in existing laws or regulations or the enforcement thereof or the discovery of contamination at our facilities may, among other things, require us to install additional controls for certain of our emission sources, undertake changes in our manufacturing processes, remediate soil or groundwater contamination at facilities where such cleanup is not currently required or to take action to address social expectations or concerns arising from or relating to such changes and our response to such changes. The cost of such additional compliance or remediation obligations or responding to such social expectations or concerns may be significant and could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common shares and / or debt securities to decline. We are currently governed by the corporate laws of Canada that in some cases have a different effect on shareholders than the corporate laws of Delaware. We are currently governed by the Canada Business Corporations Act (" CBCA ") and other relevant laws which may affect the rights of shareholders differently than those of a company governed by the laws of a U. S. jurisdiction. There are certain material differences between the CBCA and Delaware General Corporation Law (" DGCL "). These include, but are not limited to, the following: (i) for material corporate transactions (such as mergers and amalgamations, other extraordinary corporate transactions or amendments to the Company' s articles) the CBCA generally requires approval by 66 2 / 3 % of the votes cast by shareholders who voted, or as set out in the articles, as applicable, whereas DGCL generally requires only a majority vote; (ii) under the CBCA, holders of 5 % or more of the Company' s shares that carry the right to vote at a meeting of shareholders can requisition a special meeting of shareholders, whereas such right does not exist under the DGCL; and (iii) in an uncontested election of directors at a shareholder meeting, the directors must be elected on an individual basis by majority vote. Risks Relating to our Common ~~Shares~~ **SharesOur** ~~Our~~ by- laws designate specific courts in Canada and the federal district courts of the United States as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us. Pursuant to our by- laws, unless we consent in writing to the selection of an alternative forum, the Supreme Court of British Columbia and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of ours to us; (iii) any action or proceeding asserting a claim arising out of any provision of the CBCA or our by- laws (as they may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and / or officers, other than claims related to the business carried on by the Company or such affiliates (such provision, the " Canadian Forum Provision "). The Canadian Forum Provision will not apply to any causes of action arising under the Securities Act, the Exchange Act or other federal securities laws of the United States for which there is exclusive federal or concurrent federal and state jurisdiction. Additionally, our by- laws further provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (such provision, the " U. S. Federal Forum Provision "). In addition, our by- laws provide that any person or entity purchasing or otherwise acquiring any interest in our share capital is deemed to have notice of and consented to the Canadian Forum Provision and the U. S. Federal Forum Provision; provided, however, that shareholders cannot and will not be deemed to have waived our compliance with the U. S. federal securities laws and the rules and regulations thereunder. The Canadian Forum Provision and the U. S. Federal Forum Provision in our by- laws may impose additional litigation costs on shareholders in pursuing any such claims. Additionally, the forum selection clauses in our by- laws may limit our shareholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our shareholders. In the event a court finds either exclusive forum provision contained in our by- laws to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. The courts of the Province of British Columbia and appellate courts therefrom and the federal district courts of the United States may also reach different judgments or results than would other courts, including courts where a shareholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our shareholders. We do not expect to pay dividends on our common shares for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. Even if we decide in the future to pay a quarterly cash dividend to the holders of our common shares, we may change our dividend policy at any time. We do not expect to pay dividends on our common shares for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. As a result, returns on your investment will primarily depend on the appreciation, if any, in the price of our common shares. Even if we decide in the future to pay a quarterly cash dividend to the holders of our common shares, our dividend policy may change at any time. The declaration and payment of dividends to holders of our common shares will be at the discretion of our Board of Directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, cash flows, impact on our effective tax rate, indebtedness, legal requirements and other

factors that our Board of Directors deems relevant. Payment of dividends may be subject to withholding taxes. General Risk FactorsOur operating results and financial condition may fluctuate. Our operating results and financial condition may fluctuate from quarter to quarter for a number of reasons. In addition, the market price of our common shares and / or debt securities can be volatile. The following events or occurrences, among others, could cause fluctuations in our financial performance and / or the market price of our common shares and / or debt securities from period to period: • development and launch of new competitive products; • the timing and receipt of regulatory approvals or lack of approvals; • costs related to business development transactions; • changes in the amount we spend to promote our products; ~~51~~ **• delays between our expenditures to acquire new products, technologies or businesses and the generation of revenues from those acquired products, technologies or businesses; 52**