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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 2024

OR

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

For the transition period from to
Commission File Number: 001-35060

PACIRA BIOSCIENCES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**51-0619477**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

5401 West Kennedy Boulevard, Suite 890
Tampa, Florida 33609
(Address and Zip Code of Principal Executive Offices)
(813) 553-6680
(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value $0.001 per share	PCRX	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) ☒ Yes ☐ No

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

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

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

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

As of November 1, 2024, 46,173,240 shares of the registrant's common stock, $0.001 par value per share, were outstanding.

PACIRA BIOSCIENCES, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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PART I — FINANCIAL INFORMATION
Item 1. ***FINANCIAL STATEMENTS (Unaudited)***

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 245,965	$ 153,298
Short-term available-for-sale investments	207,845	125,283
Accounts receivable, net	100,653	105,556
Inventories, net	111,865	104,353
Prepaid expenses and other current assets	23,641	21,504
Total current assets	689,969	509,994
Noncurrent available-for-sale investments	—	2,410
Fixed assets, net	166,852	173,927
Right-of-use assets, net	53,830	61,020
Goodwill	—	163,243
Intangible assets, net	440,292	483,258
Deferred tax assets	134,022	144,485
Investments and other assets	36,726	36,049
Total assets	$ 1,521,691	$ 1,574,386
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 19,367	$ 15,698
Accrued expenses	76,377	64,243
Lease liabilities	9,191	8,801
Current portion of convertible senior notes, net	201,466	8,641
Total current liabilities	306,401	97,383
Convertible senior notes, net	278,867	398,594
Long-term debt, net	107,024	115,202
Lease liabilities	47,875	54,806
Contingent consideration	19,157	24,698
Other liabilities	12,784	13,573
Total liabilities	772,108	704,256
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, par value $0.001; 5,000,000 shares authorized; none issued and outstanding at September 30, 2024 and December 31, 2023	—	—
Common stock, par value $0.001; 250,000,000 shares authorized; 46,985,386 shares issued and 46,148,146 shares outstanding at September 30, 2024 and 46,481,174 shares issued and outstanding at December 31, 2023	47	46
Treasury stock, at cost, 837,240 and zero shares at September 30, 2024 and December 31, 2023, respectively, inclusive of excise tax	(25,121)	—
Additional paid-in capital	996,376	976,633
Accumulated deficit	(222,397)	(106,796)
Accumulated other comprehensive income	678	247
Total stockholders' equity	749,583	870,130
Total liabilities and stockholders' equity	$ 1,521,691	$ 1,574,386

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues:				
Net product sales	$ 167,722	$ 163,583	$ 509,933	$ 492,481
Royalty revenue	851	343	3,780	1,253
Total revenues	168,573	163,926	513,713	493,734
Operating expenses:				
Cost of goods sold	38,864	39,750	130,542	136,977
Research and development	19,104	20,830	57,680	56,794
Selling, general and administrative	74,333	67,947	214,485	203,640
Amortization of acquired intangible assets	14,322	14,322	42,966	42,966
Goodwill impairment	163,243	—	163,243	—
Contingent consideration (gains) charges, restructuring charges and other	(1,766)	3,356	2,872	(1,150)
Total operating expenses	308,100	146,205	611,788	439,227
(Loss) income from operations	(139,527)	17,721	(98,075)	54,507
Other income (expense):				
Interest income	5,482	2,766	14,134	8,019
Interest expense	(4,689)	(3,464)	(11,889)	(16,918)
Gain (loss) on early extinguishment of debt	—	—	7,518	(16,926)
Other, net	(122)	(422)	(320)	(701)
Total other income (expense), net	671	(1,120)	9,443	(26,526)
(Loss) income before income taxes	(138,856)	16,601	(88,632)	27,981
Income tax expense	(4,610)	(5,743)	(26,969)	(10,896)
Net (loss) income	$ (143,466)	$ 10,858	$ (115,601)	$ 17,085
Net (loss) income per common share:				
Basic and diluted net (loss) income per common share	$ (3.11)	$ 0.23	$ (2.50)	$ 0.37
Weighted average common shares outstanding:				
Basic	46,134	46,416	46,269	46,151
Diluted	46,134	52,067	46,269	46,343

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net (loss) income	$ (143,466)	$ 10,858	$ (115,601)	$ 17,085
Other comprehensive income (loss):				
Net unrealized gain on investments, net of tax	597	146	437	362
Foreign currency translation adjustments	(24)	17	(6)	8
Total other comprehensive income	573	163	431	370
Comprehensive (loss) income	$ (142,893)	$ 11,021	$ (115,170)	$ 17,455

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands)
(Unaudited)

	Number of Shares Outstanding							
	Common Shares	Treasury Shares	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at June 30, 2024	46,954	(837)	$ 47	$ (25,121)	$ 983,178	$ (78,931)	$ 105	$ 879,278
Vested restricted stock units	31	—	—	—	—	—	—	—
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	—	—	—	—	(32)	—	—	(32)
Stock-based compensation	—	—	—	—	13,230	—	—	13,230
Other comprehensive income (Note 10)	—	—	—	—	—	—	573	573
Net loss	—	—	—	—	—	(143,466)	—	(143,466)
Balance at September 30, 2024	46,985	(837)	$ 47	$ (25,121)	$ 996,376	$ (222,397)	$ 678	$ 749,583

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at June 30, 2023	46,409	$ 46	$ 950,626	$ (142,524)	$ (173)	$ 807,975
Exercise of stock options	1	—	25	—	—	25
Vested restricted stock units	17	—	—	—	—	—
Stock-based compensation	—	—	12,530	—	—	12,530
Other comprehensive income (Note 10)	—	—	—	—	163	163
Net income	—	—	—	10,858	—	10,858
Balance at September 30, 2023	46,427	$ 46	$ 963,181	$ (131,666)	$ (10)	$ 831,551

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In thousands)
(Unaudited)

	Number of Shares Outstanding							
	Common Shares	Treasury Shares	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2023	46,481	—	$ 46	$ —	$ 976,633	$ (106,796)	$ 247	$ 870,130
Vested restricted stock units	448	—	1	—	—	—	—	1
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	—	—	—	—	(414)	—	—	(414)
Common stock issued under employee stock purchase plan	56	—	—	—	1,364	—	—	1,364
Stock-based compensation	—	—	—	—	38,905	—	—	38,905
Purchase of treasury stock, inclusive of excise tax	—	(837)	—	(25,121)	—	—	—	(25,121)
Purchase of capped call transaction, net of tax	—	—	—	—	(20,112)	—	—	(20,112)
Other comprehensive income (Note 10)	—	—	—	—	—	—	431	431
Net loss	—	—	—	—	—	(115,601)	—	(115,601)
Balance at September 30, 2024	46,985	(837)	$ 47	$ (25,121)	$ 996,376	$ (222,397)	$ 678	$ 749,583

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at December 31, 2022	45,928	$ 46	$ 924,095	$ (148,751)	$ (380)	$ 775,010
Exercise of stock options	63	—	1,939	—	—	1,939
Vested restricted stock units	386	—	—	—	—	—
Common stock issued under employee stock purchase plan	50	—	1,672	—	—	1,672
Stock-based compensation	—	—	35,475	—	—	35,475
Other comprehensive income (Note 10)	—	—	—	—	370	370
Net income	—	—	—	17,085	—	17,085
Balance at September 30, 2023	46,427	$ 46	$ 963,181	$ (131,666)	$ (10)	$ 831,551

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Operating activities:		
Net (loss) income	$ (115,601)	$ 17,085
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Goodwill impairment	163,243	—
Deferred taxes	17,113	9,014
Depreciation of fixed assets and amortization of intangible assets	57,542	57,089
Amortization of debt issuance costs	2,284	2,311
Amortization of debt discount	70	728
(Gain) loss on early extinguishment of debt	(7,518)	16,926
Stock-based compensation	38,905	35,475
Changes in contingent consideration	(5,541)	(3,847)
Other net (gains) losses	(53)	2,415
Changes in operating assets and liabilities:		
Accounts receivable, net	4,903	1,440
Inventories, net	(7,512)	(457)
Prepaid expenses and other assets	(6,338)	(6,986)
Accounts payable	3,409	1,988
Accrued expenses and income taxes payable	12,546	(26,156)
Other liabilities	(1,195)	40
Net cash provided by operating activities	156,257	107,065
Investing activities:		
Purchases of fixed assets	(8,518)	(13,363)
Purchases of available-for-sale investments	(207,017)	(111,682)
Sales of available-for-sale investments	132,627	200,970
Purchases of debt investments	—	(6,758)
Net cash (used in) provided by investing activities	(82,908)	69,167
Financing activities:		
Proceeds from exercises of stock options	—	1,939
Proceeds from shares issued under employee stock purchase plan	1,364	1,672
Payment of employee withholding taxes on restricted stock unit vests	(414)	—
Purchase of treasury stock	(25,000)	—
Proceeds from 2029 convertible senior notes	287,500	—
Proceeds from Term loan A facility	—	149,550
Repayment of 2024 convertible senior notes	(8,641)	—
Repayment of 2025 convertible senior notes	(190,994)	—
Repayment of Term loan B facility	—	(296,875)
Repayment of Term loan A facility	(8,438)	(30,625)
Purchase of capped call transactions	(26,709)	—
Debt extinguishment costs	—	(5,750)
Payment of debt issuance and financing costs	(9,350)	(1,163)
Net cash provided by (used in) financing activities	19,318	(181,252)
Net increase (decrease) in cash and cash equivalents	92,667	(5,020)
Cash and cash equivalents, beginning of period	153,298	104,139
Cash and cash equivalents, end of period	$ 245,965	$ 99,119

See accompanying condensed notes to consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Supplemental cash flow information:		
Cash paid for interest	$ 10,191	$ 24,931
Net cash paid for income taxes	$ 9,575	$ 2,072
Non-cash investing and financing activities:		
Fixed assets included in accounts payable and accrued liabilities	$ 415	$ 1,470
Excise tax on share repurchases included in accrued liabilities	$ 121	$ —

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1—DESCRIPTION OF BUSINESS

Pacira BioSciences, Inc. and its subsidiaries (collectively, the "Company" or "Pacira") delivers innovative, non-opioid pain therapies to transform the lives of patients. The Company's long-acting, local analgesic, EXPAREL® (bupivacaine liposome injectable suspension), was commercially launched in the United States, or U.S., in April 2012 and approved in select European countries and the United Kingdom, or U.K., in November 2021. EXPAREL utilizes the Company's proprietary multivesicular liposome, or pMVL, drug delivery technology that encapsulates drugs without altering their molecular structure and releases them over a desired period of time. EXPAREL is currently indicated to produce postsurgical local analgesia via infiltration in patients aged 6 years and older, and postsurgical regional analgesia via an interscalene brachial plexus block in adults, a sciatic nerve block in the popliteal fossa in adults, and an adductor canal block in adults for postsurgical pain management. In November 2021, the Company acquired Flexion Therapeutics, Inc., or Flexion (the "Flexion Acquisition"), and added ZILRETTA® (triamcinolone acetonide extended-release injectable suspension) to its product portfolio. ZILRETTA is the first and only extended-release, intra-articular (meaning in the joint) injection indicated for the management of osteoarthritis, or OA, knee pain. In April 2019, the Company added iovera°® to its commercial offering with the acquisition of MyoScience, Inc., or MyoScience (the "MyoScience Acquisition"). The iovera° system is a handheld cryoanalgesia device that delivers immediate, long-acting, drug-free pain control using precise, controlled doses of cold temperature to a targeted nerve. The company is also advancing the development of PCRX-201 (enekinragene inzadenovec), a novel, locally administered gene therapy with the potential to treat large prevalent diseases like OA.

Pacira is subject to risks common to companies in similar industries and stages, including, but not limited to, competition from larger companies and potential generic entrants, reliance on revenue from three products, reliance on a limited number of wholesalers, reliance on a limited number of manufacturing sites, new technological innovations, dependence on key personnel, reliance on third-party service providers and sole source suppliers, protection of proprietary technology, compliance with government regulations and risks related to cybersecurity.

The Company is managed and operated as a single business focused on the development, manufacture, marketing, distribution and sale of non-opioid pain management and regenerative health solutions. The Company is managed by a single management team, and consistent with its organizational structure, the Chief Executive Officer—who is the Company's chief operating decision maker—manages and allocates resources at a consolidated level. Effective January 2, 2024, the Company appointed a new Chief Executive Officer. Consistent with the Company's predecessor chief operating decision maker, the Company views its business as one reportable operating segment to evaluate its performance, allocate resources, set operational targets and forecast its future financial results.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

These interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP, and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the "SEC"), for interim reporting. Pursuant to these rules and regulations, certain information and footnote disclosures normally included in complete annual financial statements have been condensed or omitted. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report").

The condensed consolidated financial statements at September 30, 2024, and for the three and nine-month periods ended September 30, 2024 and 2023, are unaudited, but include all adjustments (consisting of only normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the financial information set forth herein in accordance with GAAP. The condensed consolidated balance sheet at December 31, 2023 is derived from the audited consolidated financial statements included in the Company's 2023 Annual Report. The condensed consolidated financial statements as presented reflect certain reclassifications from previously issued financial statements to conform to the current year presentation. The accounts of wholly-owned subsidiaries are included in the condensed consolidated financial statements. Intercompany accounts and transactions have been eliminated in consolidation.

The results of operations for these interim periods are not necessarily indicative of results that may be expected for any other interim periods or for the full year.

Concentration of Major Customers

The Company sells EXPAREL through a drop-ship program under which orders are processed through wholesalers (including AmerisourceBergen Health Corporation, Cardinal Health, Inc. and McKesson Drug Company), but shipments of the product are sent directly to individual accounts, such as hospitals, ambulatory surgery centers and individual physicians. The table below includes the percentage of revenues comprised by the Company's three largest wholesalers in each period presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Largest wholesaler	35%	33%	35%	33%
Second largest wholesaler	23%	24%	23%	24%
Third largest wholesaler	20%	19%	20%	20%
Total	78%	76%	78%	77%

Recent Accounting Pronouncements Not Adopted as of September 30, 2024

In November 2023, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures.* The ASU amendment improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses on an interim and annual basis. The new segment disclosure requirements apply for entities with a single reportable segment. The ASU's amendments are effective for fiscal years beginning after December 15, 2023 and interim periods thereafter, with early adoption permitted. The ASU amendment will require adoption on a retrospective basis. The Company is currently evaluating the impact of adopting ASU 2023-07 on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*. The ASU amendment addresses investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The ASU's amendments are effective for fiscal years beginning after December 15, 2024 and may be adopted on a prospective or retrospective basis. The Company is currently evaluating the impact of adopting ASU 2023-09 on its consolidated financial statements.

NOTE 3—REVENUE

Revenue from Contracts with Customers

The Company's net product sales consist of (i) EXPAREL in the U.S., the European Union, or E.U., and the U.K.; (ii) ZILRETTA in the U.S.; (iii) iovera° in the U.S., Canada and Europe and (iv) sales of its bupivacaine liposome injectable suspension for veterinary use. Royalty revenues are related to a collaborative licensing agreement from the sale of its bupivacaine liposome injectable suspension for veterinary use. The Company does not consider revenue from sources other than sales of EXPAREL and ZILRETTA to be material sources of its consolidated revenue. As such, the following disclosure is limited to revenue associated with net product sales of EXPAREL and ZILRETTA.

Net Product Sales

The Company sells EXPAREL through a drop-ship program under which orders are processed through wholesalers based on orders of the product placed by end-users, namely hospitals, ambulatory surgery centers and healthcare provider offices. EXPAREL is delivered directly to the end-user without the wholesaler ever taking physical possession of the product. The Company primarily sells ZILRETTA to specialty distributors and specialty pharmacies, who then subsequently resell ZILRETTA to physicians, clinics and certain medical centers or hospitals. The Company also contracts directly with healthcare providers and intermediaries such as group purchasing organizations, or GPOs. Product revenue is recognized when control of the promised goods are transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods. EXPAREL and ZILRETTA revenue is recorded at the time the products are transferred to the customer.

Revenues from sales of products are recorded net of returns allowances, prompt payment discounts, service fees, government rebates, volume rebates and chargebacks. These reserves are based on estimates of the amounts earned or to be claimed on the related sales. These amounts are treated as variable consideration, estimated and recognized as a reduction of the transaction price at the time of the sale, using the most likely amount method, except for returns, which is based on the expected

value method. The Company includes these estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transaction will not occur, or when the uncertainty associated with the variable consideration is resolved.

Chargebacks for fees and discounts represent the estimated obligations resulting from contractual commitments to sell products to Department of Veteran Affairs hospitals, participating GPO members, 340B qualified entities and other contracted customers at prices lower than the list price. The 340B Drug Discount Program is a U.S. federal government program that requires participating drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at reduced prices. Customers claim the difference between the amount invoiced and the discounted selling price through a chargeback issued by a wholesaler. Reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue and trade receivables, net. Chargeback amounts are determined at the time of sale and the Company generally issues credits for such amounts within weeks of receiving notification from a wholesaler. Reserves for chargebacks consist of anticipated credits the Company expects to issue based on expected units sold and chargebacks that customers have claimed for which credits have not yet been issued.

The calculation for some of these items requires management to make estimates based on sales data, historical return data, contracts, statutory requirements and other related information that may become known in the future. The adequacy of these provisions is reviewed on a quarterly basis.

Accounts Receivable

The majority of accounts receivable arise from product sales and represent amounts due from wholesalers, hospitals, ambulatory surgery centers, specialty distributors, specialty pharmacies and individual physicians. Payment terms generally range from zero to four months from the date of the transaction, and accordingly, there is no significant financing component.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Accounting Standards Codification, or ASC, 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

At contract inception, the Company assesses the goods promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good that is distinct. When identifying individual performance obligations, the Company considers all goods promised in the contract regardless of whether explicitly stated in the customer contract or implied by customary business practices. The Company's contracts with customers require it to transfer an individual distinct product, which represents a single performance obligation. The Company's performance obligation with respect to its product sales is satisfied at a point in time, which transfers control upon delivery of EXPAREL and ZILRETTA to its customers. The Company considers control to have transferred upon delivery because the customer has legal title to the asset, physical possession of the asset has been transferred, the customer has significant risks and rewards of ownership of the asset and the Company has a present right to payment at that time.

Disaggregated Revenue

The following table represents disaggregated net product sales in the periods presented as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net product sales:				
EXPAREL	$ 132,004	$ 128,667	$ 401,286	$ 394,202
ZILRETTA	28,420	28,798	84,966	82,393
iovera°	5,655	5,260	16,359	13,645
Bupivacaine liposome injectable suspension	1,643	858	7,322	2,241
Total net product sales	$ 167,722	$ 163,583	$ 509,933	$ 492,481

NOTE 4—INVENTORIES

The components of inventories, net are as follows (in thousands):

	September 30, 2024	December 31, 2023
Raw materials	$ 52,533	$ 54,099
Work-in-process	23,100	31,215
Finished goods	36,232	19,039
Total	$ 111,865	$ 104,353

NOTE 5—FIXED ASSETS

Fixed assets, net, summarized by major category, consist of the following (in thousands):

	September 30, 2024	December 31, 2023
Machinery and equipment [1] [2]	$ 154,652	$ 121,773
Leasehold improvements [2]	80,956	61,826
Computer equipment and software [2]	23,797	17,186
Office furniture and equipment	2,645	2,543
Construction in progress [2]	34,529	105,905
Total	296,579	309,233
Less: accumulated depreciation [1]	(129,727)	(135,306)
Fixed assets, net	$ 166,852	$ 173,927

(1) During the nine months ended September 30, 2024, the Company disposed $19.0 million of fully depreciated machinery and equipment associated with its 45-liter EXPAREL manufacturing process at its contract manufacturing facility located in Swindon, England. The Company continues to operate its 200-liter EXPAREL manufacturing process at the same facility.

(2) During the nine months ended September 30, 2024, a 200-liter EXPAREL manufacturing suite at the Company's Science Center Campus in San Diego, California was placed into service, for which approximately $76.1 million was reclassified from construction in progress to machinery and equipment, leasehold improvements and computer equipment and software.

For the three months ended September 30, 2024 and 2023, depreciation expense was $6.0 million and $4.1 million, respectively. For the three months ended September 30, 2024 and 2023, there was $0.5 million and $0.7 million of capitalized interest on the construction of manufacturing sites, respectively.

For the nine months ended September 30, 2024 and 2023, depreciation expense was $14.6 million and $14.1 million, respectively. For the nine months ended September 30, 2024 and 2023, there was $1.9 million and $2.8 million of capitalized interest on the construction of manufacturing sites, respectively.

At September 30, 2024 and December 31, 2023, total fixed assets, net, includes manufacturing process equipment and leasehold improvements located in Europe in the amount of $30.4 million and $36.8 million, respectively.

As of September 30, 2024 and December 31, 2023, the Company had asset retirement obligations of $4.1 million and $4.3 million, respectively, included in accrued expenses and other liabilities on its condensed consolidated balance sheets, for costs associated with returning leased spaces to their original condition upon the termination of certain of its lease agreements.

During the three months ended September 30, 2024, the United States Food and Drug Administration, or FDA, approved a generic competitor to EXPAREL and a U.S. District Court ruled that one of the Company's patents was not valid (for more information, see Note 15, *Commitments and Contingencies*). The Company determined that these events and a subsequent decrease in the Company's common stock price constituted impairment indicators under ASC 360 *Property, Plant and Equipment*. As of September 30, 2024, the Company performed a quantitative recoverability test of the carrying values of its asset group. The Company estimated the undiscounted future cash flows expected to result from the use of these asset groups and found that no impairment charge to long-lived assets was necessary.

NOTE 6—LEASES

The Company leases all of its facilities, including its EXPAREL and iovera° handpiece manufacturing facility at its Science Center Campus in San Diego, California. The Company also has two embedded leases with Thermo Fisher Scientific Pharma Services for the use of their manufacturing facility in Swindon, England for the production of EXPAREL and ZILRETTA. A portion of the associated monthly base fees has been allocated to the lease components based on a relative fair value basis.

Since July 2022 and February 2023, the Company has been recognizing sublease income for laboratory space leased in Woburn, Massachusetts and a portion of office space leased in Burlington, Massachusetts, respectively, from leases that were assumed as part of the Flexion Acquisition. In February 2024, the lease and sublease term concluded for the laboratory space in Woburn, Massachusetts.

The operating lease costs for the facilities include lease and non-lease components, such as common area maintenance and other common operating expenses, along with executory costs such as insurance and real estate taxes. Total operating lease expense, net is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Fixed lease costs	$ 3,459	$ 3,559	$ 10,416	$ 10,818
Variable lease costs	562	499	1,345	1,444
Sublease income	(56)	(167)	(248)	(489)
Total	$ 3,965	$ 3,891	$ 11,513	$ 11,773

Supplemental cash flow information related to operating leases is as follows (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Cash paid for operating lease liabilities, net of lease incentives	$ 9,686	$ 11,055

The Company has elected to net the amortization of the right-of-use asset and the reduction of the lease liability principal in other liabilities in the condensed consolidated statements of cash flows.

The Company has measured its operating lease liabilities at an estimated discount rate at which it could borrow on a collateralized basis over the remaining term for each operating lease. The weighted average remaining lease terms and the weighted average discount rates are summarized as follows:

	September 30,	
	2024	2023
Weighted average remaining lease term	5.36 years	6.26 years
Weighted average discount rate	6.99 %	7.03 %

Maturities of the Company's operating lease liabilities are as follows (in thousands):

Year	Aggregate Minimum Payments Due
2024 (remaining three months)	$ 3,264
2025	12,788
2026	12,823
2027	12,587
2028	10,924
Thereafter	16,426
Total future lease payments	68,812
Less: imputed interest	(11,746)
Total operating lease liabilities	$ 57,066

NOTE 7—GOODWILL AND INTANGIBLE ASSETS

Goodwill

The Company's goodwill results from the acquisition of Pacira Pharmaceuticals, Inc. (the Company's California operating subsidiary) from SkyePharma Holding, Inc. (now Vectura Group Limited, a subsidiary of Philip Morris International, Inc.) in 2007, the MyoScience Acquisition in 2019 and the Flexion Acquisition in 2021. The goodwill balance at December 31, 2023 was $163.2 million.

Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired in a business combination and is subject to impairment testing at least annually or upon the occurrence of a triggering event that could indicate a potential impairment. During the three months ended September 30, 2024, the FDA approved a generic competitor to EXPAREL and a U.S. District Court ruled that one of the Company's patents was not valid (for more information, see Note 15, *Commitments and Contingencies*). The Company determined that these events, combined with a subsequent decrease in the Company's common stock price, indicated that it was more likely than not that the fair value of goodwill may be less than its carrying value, which required the Company to perform a quantitative impairment test. This was performed by comparing the fair value of the Company with its carrying value. If the estimated fair value of the reporting unit is less than the carrying amount of the reporting unit, impairment is indicated, requiring recognition of a goodwill impairment charge up to the carrying value of goodwill. The fair value of the Company was calculated through an income approach, in which the Company calculated the fair value based on the present value of estimated future cash flows. Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate the future cash flows used to assume fair value. The Company's estimates of future cash flows consider past performance, current and anticipated market conditions, internal projections and operating plans which incorporate estimates for sales growth and future margins. Additional assumptions include forecasted growth rates, estimated discount rates and the probability of success for the Company's product pipeline candidate products. The assumptions also reflect current and anticipated market conditions and are consistent with those that would be used by other marketplace participants for similar valuation purposes. Such assumptions are subject to change due to changing economic and competitive conditions. The conclusion of the income approach as of September, 30 2024 resulted in the carrying value of the Company exceeding its fair value by more than the goodwill balance. As a result, the goodwill balance of $163.2 million was fully impaired during the three months ended September 30, 2024.

As detailed further in Note 5, *Fixed Assets*, certain events during the three months ended September 30, 2024 constituted impairment indicators under ASC 360 *Property, Plant and Equipment*. As of September 30, 2024, the Company performed a quantitative recoverability test of the carrying values of its asset group. The Company estimated the undiscounted future cash flows expected to result from the use of these asset groups and found that no impairment charge to long-lived assets was necessary. Intangible assets were included within the assessed long-lived assets.

Intangible Assets

Intangible assets, net, consists of the in-process research and development, or IPR&D, and developed technology from the Flexion Acquisition and developed technology and customer relationships from the MyoScience Acquisition and are summarized as follows (dollar amounts in thousands):

September 30, 2024	Gross Carrying Value	Accumulated Amortization	Intangible Assets, Net	Weighted-Average Useful Lives
Developed technologies	$ 590,000	$ (184,615)	$ 405,385	10 years, 5 months
Customer relationships	90	(49)	41	10 years
Total finite-lived intangible assets, net	590,090	(184,664)	405,426	
Acquired IPR&D	34,866	—	34,866	
Total intangible assets, net	$ 624,956	$ (184,664)	$ 440,292	

December 31, 2023	Gross Carrying Value	Accumulated Amortization	Intangible Assets, Net	Weighted-Average Useful Lives
Developed technologies	$ 590,000	$ (141,655)	$ 448,345	10 years, 5 months
Customer relationships	90	(43)	47	10 years
Total finite-lived intangible assets, net	590,090	(141,698)	448,392	
Acquired IPR&D	34,866	—	34,866	
Total intangible assets, net	$ 624,956	$ (141,698)	$ 483,258	

Amortization expense on intangible assets was $14.3 million for both the three months ended September 30, 2024 and 2023. Amortization expense on intangible assets was $43.0 million for both the nine months ended September 30, 2024 and 2023.

Assuming no changes in the gross carrying amount of these intangible assets, the future estimated amortization expense on the finite-lived intangible assets will be $14.3 million for the remaining three months of 2024, $57.3 million each year from 2025 to 2030, $37.4 million in 2031, $7.9 million in 2032 and $2.2 million in 2033.

NOTE 8—DEBT

The carrying value of the Company's outstanding debt is summarized as follows (in thousands):

	September 30, 2024	December 31, 2023
Term loan A facility maturing March 2028	$ 107,024	$ 115,202
2.125% Convertible senior notes due May 2029	278,867	—
0.750% Convertible senior notes due August 2025	201,466	398,594
3.375% Convertible senior notes due May 2024 [1]	—	8,641
Total	$ 587,357	$ 522,437

(1) The 3.375% convertible senior notes due May 2024 matured and were repaid on May 1, 2024.

2028 Term Loan A Facility

On March 31, 2023, the Company entered into a credit agreement (as amended to date, the "TLA Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders, to refinance the indebtedness outstanding under the Company's then-existing TLB Credit Agreement (as defined and discussed below). The term loan issued under the TLA Credit Agreement (the "TLA Term Loan") was issued at a 0.30% discount and provides for a single-advance term loan A facility in the principal amount of $150.0 million, which is secured by substantially all of the Company's and any subsidiary guarantor's assets. Subject to certain conditions, the Company may, at any time, on one or more occasion, add one or more new classes of term facilities and/or increase the principal amount of the loans of any existing class by requesting one or more incremental term facilities. The net proceeds of the TLA Term Loan were approximately $149.6 million after deducting an original issue discount of $0.4 million.

On May 8, 2024, the Company, JPMorgan Chase Bank, N.A., as administrative agent, and certain lenders entered into a first amendment (the "First TLA Amendment") to the TLA Credit Agreement. The First TLA Amendment, among other things, permits the Company's $150.0 million share repurchase program and the Capped Call Transactions as described below.

The total debt composition of the TLA Term Loan is as follows (in thousands):

	September 30, 2024	December 31, 2023
Term loan A facility maturing March 2028	$ 108,125	$ 116,563
Deferred financing costs	(798)	(988)
Discount on debt	(303)	(373)
Total debt, net of debt discount and deferred financing costs	$ 107,024	$ 115,202

The TLA Term Loan matures on March 31, 2028 and the TLA Credit Agreement requires quarterly repayments of principal in the amount of $2.8 million which commenced on June 30, 2023, increasing to $3.8 million commencing March 31, 2025, with a remaining balloon payment of approximately $85.3 million due at maturity. Due to voluntary principal prepayments made, the Company is not required to make further principal payments until September 2026, although the Company retains the option to do so.

The TLA Credit Agreement requires the Company to, among other things, maintain (i) a Senior Secured Net Leverage Ratio (as defined in the TLA Credit Agreement), determined as of the last day of each fiscal quarter, of no greater than 3.00 to 1.00 and (ii) a Fixed Charge Coverage Ratio (as defined in the Credit Agreement), determined as of the last day of each fiscal quarter, of no less than 1.50 to 1.00. The TLA Credit Agreement requires the Company to maintain an unrestricted cash and cash equivalents balance of at least $300.0 million ($500.0 million less a $200.0 million prepayment of the 2025 Notes (as defined below) in the nine months ended September 30, 2024) less any additional prepayments of the 2025 Notes at any time

from 91 days prior to the maturity date through the earlier of (i) the latest maturity date of the 2025 Notes and (ii) the date on which there is no outstanding principal amount of the 2025 Notes. The TLA Credit Agreement also contains customary affirmative and negative covenants, financial covenants, representations and warranties, events of default and other provisions. As of September 30, 2024, the Company was in compliance with all financial covenants under the TLA Credit Agreement.

The Company may elect to borrow either (i) alternate base rate borrowings or (ii) term benchmark borrowings or daily simple SOFR (as defined in the TLA Credit Agreement) borrowings. Each term loan borrowing that is an alternate base rate borrowing bears interest at a rate per annum equal to (i) the Alternate Base Rate (as defined in the TLA Credit Agreement), plus (ii) a spread based on the Company's Senior Secured Net Leverage Ratio ranging from 2.00% to 2.75%. Each term loan borrowing that is a term benchmark borrowing or daily simple SOFR borrowing bears interest at a rate per annum equal to (i) the Adjusted Term SOFR Rate or Adjusted Daily Simple SOFR (as each is defined in the Credit Agreement), plus (ii) a spread based on the Company's Senior Secured Net Leverage Ratio ranging from 3.00% to 3.75%. During the nine months ended September 30, 2024, the Company made $8.4 million voluntary principal prepayments. During the year ended December 31, 2023, the Company made a scheduled principal payment of $2.8 million as well as $30.6 million of voluntary principal prepayments. As of September 30, 2024, borrowings under the TLA Term Loan consisted entirely of term benchmark borrowings at a rate of 7.95%.

2026 Term Loan B Facility

In December 2021, the Company entered into a term loan credit agreement (the "TLB Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent and the initial lender. The term loan issued under the TLB Credit Agreement (the "TLB Term Loan") was issued at a 3.00% discount and allowed for a single-advance term loan B facility in the principal amount of $375.0 million, which was secured by substantially all of the Company's and each subsidiary guarantor's assets. The net proceeds of the TLB Term Loan were approximately $363.8 million after deducting an original issue discount of $11.2 million.

On March 31, 2023, the Company used the $149.6 million of net borrowings under the TLA Credit Agreement and cash on hand to repay the $296.9 million then-outstanding principal under the TLB Credit Agreement and concurrently terminated the TLB Credit Agreement, which resulted in a $16.9 million loss on early extinguishment of debt. The Company incurred a prepayment fee of 2.00% of the outstanding principal balance of the TLB Term Loan in connection with the termination.

Convertible Senior Notes Due 2029

In May 2024, the Company completed a private placement of $287.5 million in aggregate principal amount of its 2.125% convertible senior notes due 2029, or 2029 Notes, and entered into an indenture with Computershare Corporate Trust, N.A., or 2029 Indenture, with respect to the 2029 Notes. The 2029 Notes accrue interest at a fixed rate of 2.125% per year, payable semiannually in arrears on May 15th and November 15th of each year. The 2029 Notes mature on May 15, 2029.

The total debt composition of the 2029 Notes is as follows (in thousands):

	September 30, 2024
2.125% convertible senior notes due May 2029	$ 287,500
Deferred financing costs	(8,633)
Total debt, net of deferred financing costs	$ 278,867

Holders may convert the 2029 Notes prior to the close of business on the business day immediately preceding November 15, 2028, only if certain circumstances are met, including, but not limited to, if during the previous calendar quarter, the last reported sales price of the Company's common stock was greater than 130% of the conversion price then applicable for at least 20 out of the last 30 consecutive trading days of the quarter. During the quarter ended September 30, 2024, the conditions for conversion were not met.

On or after November 15, 2028, until the close of business on the second scheduled trading day immediately preceding May 15, 2029, holders may convert their 2029 Notes at any time.

Upon conversion, holders will receive the principal amount of their 2029 Notes and any excess conversion value, calculated based on the per share volume-weighted average price for each of the 50 consecutive trading days during the observation period (as more fully described in the 2029 Indenture). For the principal, the Company will settle in cash per the terms of the 2029 Notes. For any excess conversion value, holders may receive cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's option. The initial conversion rate for the

2029 Notes is 25.2752 shares of common stock per $1,000 principal amount, which is equivalent to an initial conversion price of $39.56 per share of the Company's common stock. The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. The initial conversion price of the 2029 Notes represents a premium of approximately 32.5% to the closing sale price of $29.86 per share of the Company's common stock on the Nasdaq Global Select Market on May 9, 2024, the date that the Company priced the private offering of the 2029 Notes.

As of September 30, 2024, the 2029 Notes had a market price of $757 per $1,000 principal amount. In the event of conversion, holders would forgo all future interest payments, any unpaid accrued interest and the possibility of further stock price appreciation. Upon the receipt of conversion requests, the settlement of the 2029 Notes will be paid pursuant to the terms of the 2029 Indenture. In the event that all of the 2029 Notes are converted, the Company would be required to repay the $287.5 million in principal value in cash, whereas any conversion premium would be required to be repaid in any combination of cash and shares of its common stock (at the Company's option).

Prior to the close of business on the business day immediately preceding November 15, 2028, the 2029 Notes are convertible only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2024 (and only during such calendar quarter), if the last reported sale price of the Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is equal to or greater than 130% of the conversion price on each applicable trading day; (2) during the five business-day period after any five consecutive trading-day period (the "measurement period") in which the trading price per $1,000 principal amount of the 2029 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day; (3) upon the occurrence of specified corporate events; or (4) upon a Company redemption. On or after November 15, 2028, until the close of business on the second scheduled trading day immediately preceding May 15, 2029, holders of the 2029 Notes may convert all or a portion of their 2029 Notes, at any time. Upon conversion, the 2029 Notes will be settled by paying or delivering, as applicable, cash or a combination of cash and shares of the Company's common stock, based on the applicable conversion rate. No sinking fund is provided for the 2029 Notes.

On or after May 17, 2027 and on or before the 50th scheduled trading day immediately before the maturity date, the Company may redeem for cash all or part of the 2029 Notes if (i) the 2029 Notes are "freely tradable" (as defined in the 2029 Indenture) and any accrued and unpaid additional interest has been paid as of the date the Company sends the related notice of the redemption and (ii) the last reported sales price of the Company's common stock exceeds 130% of the conversion price then in effect for (1) each of at least 20 trading days (whether or not consecutive) during any 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related notice of the redemption; and (2) the trading day immediately before the date the Company sends such notice. The redemption price of each 2029 Note to be redeemed will be the principal amount of such 2029 Note, plus accrued and unpaid interest, if any. In addition, calling any 2029 Notes for redemption will constitute a make-whole fundamental change, in which case the conversion rate applicable to those 2029 Notes, if converted in connection with the redemption, will be increased in certain circumstances. Upon the occurrence of a "make-whole fundamental change" (as defined in the 2029 Indenture), subject to a limited exception for certain cash mergers, holders may require the Company to repurchase all or a portion of their 2029 Notes for cash at a price equal to 100% of the principal amount of the 2029 Notes to be repurchased plus any accrued and unpaid interest.

While the 2029 Notes are currently classified on the Company's condensed consolidated balance sheet at September 30, 2024 as long-term debt, the future convertibility and resulting balance sheet classification of this liability is monitored at each quarterly reporting date and is analyzed dependent upon market prices of the Company's common stock during the prescribed measurement periods. In the event that the holders of the 2029 Notes have the election to convert the 2029 Notes at any time during the prescribed measurement period, the 2029 Notes would then be considered a current obligation and classified as such.

On May 9, 2024, in connection with the pricing of the 2029 Notes, and on May 10, 2024, in connection with the exercise in full by the initial purchasers of the 2029 Notes (the "Initial Purchasers") of their option to purchase additional 2029 Notes, the Company entered into privately negotiated capped call transactions (the "Capped Call Transactions") with certain of the Initial Purchasers of the 2029 Notes and/or their respective affiliates and/or other financial institutions (the "Option Counterparties"). The Capped Call Transactions are expected to cover, subject to anti-dilution adjustments substantially similar to those applicable to the 2029 Notes, the number of shares of the Company's common stock underlying the 2029 Notes.

The Capped Call Transactions are expected to reduce the potential dilution to the Company's common stock upon any conversion of the 2029 Notes and/or offset any potential cash payments the Company is required to make in excess of the principal amount of converted 2029 Notes, as the case may be, upon any conversion of the 2029 Notes, with such reduction and/or offset subject to a cap. The cap price of the Capped Call Transactions will initially be approximately $53.75 per share, representing a premium of approximately 80% over the closing price of $29.86 per share of the Company's common stock on

May 9, 2024, and is subject to certain adjustments under the terms of the Capped Call Transactions. The capped call was recorded as a reduction to additional paid-in capital at its cost of $26.7 million.

The Capped Call Transactions are separate transactions entered into by the Company with the Option Counterparties, are not part of the terms of the 2029 Notes and will not affect any holder's rights under the 2029 Notes. Holders of the 2029 Notes will not have any rights with respect to the Capped Call Transactions.

Convertible Senior Notes Due 2025

In July 2020, the Company completed a private placement of $402.5 million in aggregate principal amount of its 0.750% convertible senior notes due 2025, or 2025 Notes, and entered into an indenture with Computershare Corporate Trust, N.A. (formerly Wells Fargo Bank, N.A.), or 2025 Indenture, with respect to the 2025 Notes. The 2025 Notes accrue interest at a fixed rate of 0.750% per year, payable semiannually in arrears on February 1st and August 1st of each year. The 2025 Notes mature on August 1, 2025.

In May 2024, the Company used part of the net proceeds from the issuance of the 2029 Notes to repurchase $200.0 million aggregate principal amount of the 2025 Notes in privately negotiated transactions at a discount for $191.4 million in cash (including accrued interest). The partial repurchase of the 2025 Notes resulted in a $7.5 million gain on early extinguishment of debt.

The total debt composition of the 2025 Notes is as follows (in thousands):

	September 30, 2024	December 31, 2023
0.750% convertible senior notes due August 2025	$ 202,500	$ 402,500
Deferred financing costs	(1,034)	(3,906)
Total debt, net of deferred financing costs	$ 201,466	$ 398,594

Holders may convert the 2025 Notes at any time prior to the close of business on the business day immediately preceding February 3, 2025, only if certain circumstances are met, including, but not limited to, if during the previous calendar quarter, the last reported sales price of the Company's common stock was greater than 130% of the conversion price then applicable for at least 20 out of the last 30 consecutive trading days of the quarter. During the quarter ended September 30, 2024, the conditions for conversion were not met.

On or after February 3, 2025, until the close of business on the second scheduled trading day immediately preceding August 1, 2025, holders may convert their 2025 Notes at any time.

Upon conversion, holders will receive the principal amount of their 2025 Notes and any excess conversion value, calculated based on the per share volume-weighted average price for each of the 40 consecutive trading days during the observation period (as more fully described in the 2025 Indenture). For both the principal and excess conversion value, holders may receive cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's option. The initial conversion rate for the 2025 Notes is 13.9324 shares of common stock per $1,000 principal amount, which is equivalent to an initial conversion price of $71.78 per share of the Company's common stock. The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. The initial conversion price of the 2025 Notes represents a premium of approximately 32.5% to the closing sale price of $54.17 per share of the Company's common stock on the Nasdaq Global Select Market on July 7, 2020, the date that the Company priced the private offering of the 2025 Notes.

As of September 30, 2024, the 2025 Notes had a market price of $956 per $1,000 principal amount. In the event of conversion, holders would forgo all future interest payments, any unpaid accrued interest and the possibility of further stock price appreciation. Upon the receipt of conversion requests, the settlement of the 2025 Notes will be paid pursuant to the terms of the 2025 Indenture. In the event that all of the 2025 Notes are converted, the Company would be required to repay the remaining $202.5 million in principal value and any conversion premium in any combination of cash and shares of its common stock (at the Company's option).

Since August 1, 2023 (but, in the case of a redemption of less than all of the outstanding 2025 Notes, no later than the 40th scheduled trading day immediately before the maturity date), the Company may redeem for cash all or part of the 2025 Notes if the last reported sale price (as defined in the 2025 Indenture) of the Company's common stock has been at least 130% of the conversion price then in effect for (i) each of at least 20 trading days (whether or not consecutive) during any 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related notice of redemption and (ii) the trading day immediately before the date the Company sends such notice. The redemption price will

equal the sum of (i) 100% of the principal amount of the 2025 Notes being redeemed, plus (ii) accrued and unpaid interest, including additional interest, if any, to, but excluding, the redemption date. In addition, calling the 2025 Notes for redemption will constitute a "make-whole fundamental change" (as defined in the 2025 Indenture) and will, in certain circumstances, increase the conversion rate applicable to the conversion of such notes if it is converted in connection with the redemption. No sinking fund is provided for the 2025 Notes.

Convertible Senior Notes Due 2024 Assumed from the Flexion Acquisition

Prior to the Flexion Acquisition, in May 2017, Flexion issued an aggregate of $201.3 million principal amount of 3.375% convertible senior notes due May 1, 2024 (the "Flexion 2024 Notes"), pursuant to an indenture between Flexion and Computershare Corporate Trust, N.A. (formerly Wells Fargo Bank, N.A.), as trustee (the "Flexion Trustee"), as supplemented by the First Supplemental Indenture between Flexion and the Flexion Trustee. Interest was payable semi-annually on May 1st and November 1st of each year. Upon the Flexion Acquisition, the principal was assumed and recorded at fair value by the Company.

On January 7, 2022, following the expiration of the offer to purchase, the Company accepted the $192.6 million aggregate principal amount of Flexion 2024 Notes that were validly tendered (and not validly withdrawn). No Flexion 2024 Notes were converted in connection with the Notice. The remaining principal of $8.6 million was repaid at maturity on May 1, 2024.

Interest Expense

The following table sets forth the total interest expense recognized in the periods presented (dollar amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Contractual interest expense	$ 4,296	$ 3,471	$ 11,404	$ 16,670
Amortization of debt issuance costs	840	683	2,284	2,311
Amortization of debt discount	23	25	70	728
Capitalized interest (Note 5)	(470)	(715)	(1,869)	(2,791)
Total	$ 4,689	$ 3,464	$ 11,889	$ 16,918
Effective interest rate on total debt	3.03 %	2.98 %	3.00 %	3.96 %

NOTE 9—FINANCIAL INSTRUMENTS

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or be paid to transfer a liability in the principal or most advantageous market in an orderly transaction. To increase consistency and comparability in fair value measurements, the FASB established a three-level hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of fair value measurements are:

- *Level 1:* Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- *Level 2:* Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.
- *Level 3:* Unobservable inputs that are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The carrying value of financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate their respective fair values due to the short-term nature of these items. The fair value of the Company's convertible senior notes and its TLA Term Loan are calculated utilizing market quotations from an over-the-counter trading market for these notes (Level 2). The fair value of the Company's acquisition-related contingent consideration is reported at fair value on a recurring basis (Level 3). The carrying amounts of equity investments and convertible notes receivable without readily determinable fair values have not been adjusted for either an impairment or upward or downward adjustments based on observable transactions.

At September 30, 2024, the carrying values and fair values of the following financial assets and liabilities were as follows (in thousands):

		Fair Value Measurements Using		
	Carrying Value	Level 1	Level 2	Level 3
Financial Assets and Financial Liabilities Measured at Fair Value on a Recurring Basis:				
Financial Assets:				
Equity investments	$ 15,877	$ —	$ —	$ 15,877
Convertible notes receivable	$ 12,157	$ —	$ —	$ 12,157
Financial Liabilities:				
Acquisition-related contingent consideration	$ 19,157	$ —	$ —	$ 19,157
Financial Liabilities Measured at Amortized Cost:				
Term loan A facility due March 2028	$ 107,024	$ —	$ 107,584	$ —
2.125% convertible senior notes due 2029 (1)	$ 278,867	$ —	$ 217,603	$ —
0.750% convertible senior notes due 2025 (2)	$ 201,466	$ —	$ 193,514	$ —

(1) The closing price of the Company's common stock as reported on the Nasdaq Global Select Market was $15.05 per share on September 30, 2024, compared to a conversion price of $39.56 per share. At September 30, 2024, as the conversion price was above the stock price, the requirements for conversion have not been met.

(2) The closing price of the Company's common stock as reported on the Nasdaq Global Select Market was $15.05 per share on September 30, 2024, compared to a conversion price of $71.78 per share. At September 30, 2024, as the conversion price was above the stock price, the requirements for conversion have not been met. The maximum conversion on the principal that could have been due on the 2025 Notes is 2.8 million shares of the Company's common stock, which assumes no increase in the conversion rate for certain corporate events.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

Equity and Convertible Note Investments

The Company holds strategic investments in clinical and preclinical stage privately-held biotechnology companies in the form of equity and convertible note investments. The following investments have no readily determinable fair value and are recorded at cost minus impairment, if any, plus or minus observable price changes of identical or similar investments (in thousands):

	Equity Investments	Convertible Notes Receivable	Total
Balance at December 31, 2022	$ 15,877	$ 5,315	$ 21,192
Purchases	—	6,758	6,758
Foreign currency adjustments	—	61	61
Balance at December 31, 2023	15,877	12,134	28,011
Foreign currency adjustments	—	23	23
Balance at September 30, 2024	$ 15,877	$ 12,157	$ 28,034

Acquisition-Related Contingent Consideration

The Company has recognized contingent consideration related to the Flexion Acquisition in the amount of $19.2 million and $24.7 million as of September 30, 2024 and December 31, 2023, respectively. The Company's contingent consideration obligations are recorded at their estimated fair values and are revalued each reporting period if and until the related contingencies are resolved. The Company has measured the fair value of its contingent consideration using a probability-weighted discounted cash flow approach that is based on unobservable inputs and a Monte Carlo simulation. These inputs include, as applicable, estimated probabilities and the timing of achieving specified commercial and regulatory milestones, estimated forecasts of revenue and costs and the discount rates used to calculate the present value of estimated future payments. Significant changes may increase or decrease the probabilities of achieving the related commercial and regulatory events, shorten or lengthen the time required to achieve such events, or increase or decrease estimated forecasts.

In November 2021, the Company completed the Flexion Acquisition, which provided for contingent consideration related to contingent value rights that were issued to Flexion shareholders and certain equity award holders which could aggregate up to a total of $372.3 million if certain regulatory and commercial milestones are met. The aggregate amount was initially $425.5 million prior to the Company's September 2022 decision to formally discontinue further development of Flexion's investigational product candidate, PCRX-301. The Company's obligation to make milestone payments is limited to those milestones achieved through December 31, 2030, and are to be paid within 60 days of the end of the fiscal quarter of achievement. During the three and nine months ended September 30, 2024, the Company recognized contingent consideration gains of $3.2 million and $5.5 million, respectively, due to adjustments reflecting the probability of achieving the remaining Flexion regulatory milestone by the milestone expiration date, partially offset by revisions to the latest discount rates. During the three months ended September 30, 2023 the Company recorded charges of $2.8 million primarily due to market volatility which affects the liability's present value. During the nine months ended September 30, 2023, the Company recognized gains of $3.8 million due to adjustments to long-term forecasts which reduced the probability of meeting the sales-based contingent consideration milestones by December 31, 2030, the expiration date for achieving the milestones. The gains recognized during the nine months ended September 30, 2023 were partially offset by a decrease in the assumed discount rate that is utilized in calculating the liability's present value, based on a significant improvement in the Company's incremental borrowing rate resulting from the TLA Credit Agreement entered into in March 2023. These adjustments were recorded within contingent consideration (gains) charges, restructuring charges and other in the condensed consolidated statements of operations. At September 30, 2024, the weighted average discount rate was 7.9%.

The following table includes the key assumptions used in the valuation of the Company's contingent consideration:

Assumption	Ranges Utilized as of September 30, 2024
Discount rates	7.3% to 8.6%
Probability of payment for remaining regulatory milestone	0%

The change in the Company's contingent consideration recorded at fair value using Level 3 measurements is as follows (in thousands):

	Contingent Consideration Fair Value
Balance at December 31, 2022	$ 28,122
Fair value adjustments and accretion	(3,424)
Balance at December 31, 2023	24,698
Fair value adjustments and accretion	(5,541)
Balance at September 30, 2024	$ 19,157

Available-for-Sale Investments

Short-term investments consist of asset-backed securities collateralized by credit card receivables, investment grade commercial paper and corporate, federal agency, government and Yankee bonds with maturities greater than three months, but less than one year. Noncurrent investments consist of asset-backed securities collateralized by credit card receivables and contain maturities greater than one year but less than three years. Net unrealized gains and losses (excluding credit losses, if any) from the Company's short-term investments are reported in other comprehensive (loss) income. At September 30, 2024 and December 31, 2023, all of the Company's short-term and noncurrent investments are classified as available-for-sale investments and are determined to be Level 2 instruments, with the exception of U.S. government bonds, which are measured at fair value using standard industry models with observable inputs. The fair value of the commercial paper is measured based on a standard industry model that uses the three-month U.S. Treasury bill rate as an observable input. The fair value of the asset-backed securities and corporate bonds is principally measured or corroborated by trade data for identical issues in which related trading activity is not sufficiently frequent to be considered a Level 1 input or that of comparable securities. The fair value of U.S. government bonds is based on level 1 trading activity. At the time of purchase, all available-for-sale investments had an "A" or better rating by Standard & Poor's.

The following summarizes the Company's short-term and noncurrent available-for-sale investments at September 30, 2024 and December 31, 2023 (in thousands):

September 30, 2024 Investments	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Current:				
Asset-backed securities	$ 37,525	$ 78	$ —	$ 37,603
Commercial paper	126,516	273	(15)	126,774
Corporate bonds	32,351	72	(5)	32,418
U.S. federal agency bonds	5,990	13	—	6,003
Yankee bond	5,018	29	—	5,047
Total	$ 207,400	$ 465	$ (20)	$ 207,845

December 31, 2023 Investments	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 1)	Fair Value (Level 2)
Current:					
Asset-backed securities	$ 9,539	$ 1	$ —	$ —	$ 9,540
Commercial paper	77,941	103	—	—	78,044
U.S. federal agency bonds	22,849	—	(29)	—	22,820
U.S. government bonds	14,899	—	(20)	14,879	—
Subtotal	125,228	104	(49)	14,879	110,404
Noncurrent:					
Asset-backed securities	2,403	7	—	—	2,410
Subtotal	2,403	7	—	—	2,410
Total	$ 127,631	$ 111	$ (49)	$ 14,879	$ 112,814

At September 30, 2024, there were no investments available for sale that were materially less than their amortized cost.

The Company elects to recognize its interest receivable separate from its available-for-sale investments. At September 30, 2024 and December 31, 2023, the interest receivable from its available-for-sale investments recognized in prepaid expenses and other current assets was $0.3 million and $0.4 million, respectively.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term and long-term available-for-sale investments and accounts receivable. The Company maintains its cash and cash equivalents with high-credit quality financial institutions. Such amounts may exceed federally-insured limits.

As of September 30, 2024, three wholesalers each accounted for over 10% of the Company's accounts receivable, at 38%, 18% and 16%. At December 31, 2023, three wholesalers each accounted for over 10% of the Company's accounts receivable, at 37%, 19% and 16%. For additional information regarding the Company's wholesalers, see Note 2, *Summary of Significant Accounting Policies*. EXPAREL and ZILRETTA revenues are primarily derived from major wholesalers and specialty distributors that generally have significant cash resources. The Company performs ongoing credit evaluations of its customers as warranted and generally does not require collateral. Allowances for credit losses on the Company's accounts receivable are maintained based on historical payment patterns, current and estimated future economic conditions, aging of accounts receivable and its write-off history. As of September 30, 2024, there were $0.3 million of allowances for credit losses on its accounts receivable associated with iovera°. As of December 31, 2023, the Company did not deem any allowances for credit losses on its accounts receivable necessary.

NOTE 10—STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Income (Loss)

The following tables illustrate the changes in the balances of the Company's accumulated other comprehensive income (loss) for the periods presented (in thousands):

	Net Unrealized Gain From Available-For-Sale Investments	Unrealized Foreign Currency Translation	Accumulated Other Comprehensive Income
Balance at December 31, 2023	$ 124	$ 123	$ 247
Net unrealized gain on investments, net of tax[1]	437	—	437
Foreign currency translation adjustments	—	(6)	(6)
Balance at September 30, 2024	$ 561	$ 117	$ 678

	Net Unrealized Loss From Available-For-Sale Investments	Unrealized Foreign Currency Translation	Accumulated Other Comprehensive Loss
Balance at December 31, 2022	$ (523)	$ 143	$ (380)
Net unrealized gain on investments, net of tax [1]	362	—	362
Foreign currency translation adjustments	—	8	8
Balance at September 30, 2023	$ (161)	$ 151	$ (10)

(1) Net of a $0.1 million tax benefit and $0.2 million tax expense for the nine months ended September 30, 2024 and 2023, respectively.

Share Repurchase Program

On May 7, 2024, the Company announced that its Board of Directors approved a share repurchase program, effective immediately, which authorizes the Company to repurchase up to an aggregate of $150.0 million of its outstanding common stock. Repurchases under this program may be made at management's discretion on the open market or through privately negotiated transactions. The share repurchase program may be suspended or discontinued at any time by the Company and has an expiration date of December 31, 2026.

On May 9, 2024, concurrently with the pricing of the offering of the 2029 Notes, the Company entered into separate privately negotiated agreements with certain of the initial purchasers of the 2029 Notes or their respective affiliates and/or certain other financial institutions to repurchase 837,240 shares of the Company's common stock for a total cost of $25.1 million, inclusive of $0.1 million of accrued excise tax. The repurchase occurred on May 10, 2024.

Repurchases of the Company's common stock are accounted for at cost and recorded as treasury stock. The excise tax on repurchases of the Company's common stock is recorded as a cost of acquiring treasury stock. Reissued treasury stock will be accounted for at average cost. Gains or losses on reissued treasury stock arising from the difference between the average cost and the fair value of the award will be recorded in additional paid-in capital.

NOTE 11—STOCK PLANS

Stock Incentive Plans

In April 2014, the Company's board of directors approved and adopted the Company's 2014 Inducement Plan (the "2014 Inducement Plan"), pursuant to which awards could be made to new employees under the 2014 Inducement Plan for up to 175,000 shares of the Company's common stock as a material inducement to such persons entering into employment with the Company. In December 2023, the board of directors, upon recommendation of the compensation committee of the board of directors, adopted the Pacira BioSciences, Inc. Amended and Restated 2014 Inducement Plan (as amended and restated, the "Inducement Plan") such that, among other things, an additional 642,093 shares of the Company's common stock were reserved for issuance under the Inducement Plan. In September 2024, the board of directors again amended the Inducement Plan upon the recommendation of the compensation committee to add an additional 707,907 shares of the Company's common stock to bring the total amount of shares reserved for issuance under the Inducement Plan to 1,525,000, of which 685,407 shares remain available for issuance, and the term of the Inducement Plan was extended such that it will now expire on September 3, 2034.

The Inducement Plan allows the granting of nonstatutory stock options, restricted stock awards and other stock-based awards.

Stock-Based Compensation

The Company recognized stock-based compensation expense in the periods presented as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of goods sold	$ 1,509	$ 1,272	$ 3,896	$ 4,432
Research and development	1,794	2,220	5,522	5,817
Selling, general and administrative	9,137	9,038	25,970	25,226
Contingent consideration (gains) charges, restructuring charges and other	790	—	3,517	—
Total	$ 13,230	$ 12,530	$ 38,905	$ 35,475
Stock-based compensation from:				
Stock options	$ 4,767	$ 5,957	$ 17,292	$ 18,163
Restricted stock units	8,276	6,373	21,003	16,592
Employee stock purchase plan	187	200	610	720
Total	$ 13,230	$ 12,530	$ 38,905	$ 35,475

Equity Awards

The following tables contain information about the Company's stock option and restricted stock unit, or RSU, activity for the nine months ended September 30, 2024:

Stock Options	Number of Stock Options	Weighted Average Exercise Price (Per Share)
Outstanding at December 31, 2023	7,079,748	$ 49.40
Granted	1,164,323	30.87
Forfeited	(240,232)	45.52
Expired	(1,108,285)	61.72
Outstanding at September 30, 2024	6,895,554	44.42

Restricted Stock Units	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value (Per Share)
Unvested at December 31, 2023	1,364,618	$ 47.66
Granted	1,936,065	28.82
Vested	(461,715)	49.33
Forfeited	(239,810)	39.41
Unvested at September 30, 2024	2,599,158	33.90

The weighted average fair value of stock options granted during the nine months ended September 30, 2024 was $13.13 per share. The fair values of stock options granted were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

Black-Scholes Weighted Average Assumption	Nine Months Ended September 30, 2024
Expected dividend yield	None
Risk-free interest rate	3.98%
Expected volatility	40.8%
Expected term of options	5.23 years

Employee Stock Purchase Plan

The Company's Amended and Restated 2014 Employee Stock Purchase Plan, or ESPP, features two six-month offering periods per year, running from January 1 to June 30 and July 1 to December 31. Under the ESPP, employees may elect to contribute after-tax earnings to purchase shares at 85% of the closing fair market value of the Company's common stock on either the offering date or the purchase date, whichever is lesser. During the nine months ended September 30, 2024, 56,077 shares were purchased and issued through the ESPP.

NOTE 12—NET (LOSS) INCOME PER COMMON SHARE

Basic net (loss) income per common share is calculated by dividing the net (loss) income attributable to common shares by the weighted average number of common shares outstanding during the period. Diluted net (loss) income per common share is calculated by dividing the net (loss) income attributable to common shares by the weighted average number of common shares outstanding plus dilutive potential common shares outstanding during the period.

Potential common shares include the shares of common stock issuable upon the exercise of outstanding stock options, the vesting of RSUs and the purchase of shares from the ESPP (using the treasury stock method), if applicable. Potential common shares associated with convertible senior notes are treated under the if-converted method. Adjustments are made to the diluted net (loss) income per common share calculation as if the Company had converted the convertible senior notes on the first day of each period presented. Adjustments to the numerator are made to add back the interest expense associated with the convertible senior notes on a post-tax basis. Adjustments to the denominator reflect the number of shares assumed to be convertible at the beginning of the period.

Potential common shares are excluded from the diluted net (loss) income per common share computation to the extent they would be antidilutive.

The following table sets forth the computation of basic and diluted net (loss) income per common share for the three and nine months ended September 30, 2024 and 2023 (in thousands, except per common share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Numerator:				
Net (loss) income—basic	$ (143,466)	$ 10,858	$ (115,601)	$ 17,085
2025 Notes if-converted method adjustment	—	1,029	—	—
Adjusted net (loss) income—diluted	$ (143,466)	$ 11,887	$ (115,601)	$ 17,085
Denominator:				
Weighted average common shares outstanding—basic	46,134	46,416	46,269	46,151
Computation of diluted securities:				
2025 Notes if-converted method adjustment	—	5,608	—	—
Dilutive effect of stock options	—	20	—	68
Dilutive effect of RSUs	—	23	—	122
Dilutive effect of ESPP purchase options	—	—	—	2
Weighted average common shares outstanding—diluted	46,134	52,067	46,269	46,343
Net (loss) income per common share:				
Basic and diluted net (loss) income per common share	$ (3.11)	$ 0.23	$ (2.50)	$ 0.37

The following table summarizes the outstanding stock options, RSUs, ESPP purchase options and convertible senior notes that were excluded from the diluted net (loss) income per common share calculation because the effects of including these potential shares were antidilutive in the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Weighted average number of stock options	6,925	7,057	7,305	5,953
2025 Notes	2,821	—	4,184	5,608
Weighted average number of RSUs	2,637	1,349	1,935	956
Weighted average ESPP purchase options	47	39	51	13
Total	12,430	8,445	13,475	12,530

NOTE 13—INCOME TAXES

(Loss) income before income taxes and income tax expense are as follows (dollar amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(Loss) income before income taxes:				
Domestic	$ (140,309)	$ 16,631	$ (89,656)	$ 29,047
Foreign	1,453	(30)	1,024	(1,066)
Total (loss) income before income taxes	$ (138,856)	$ 16,601	$ (88,632)	$ 27,981
Income tax expense	$ 4,610	$ 5,743	$ 26,969	$ 10,896
Effective tax rate	(3)%	35 %	(30)%	39 %

The Company's income tax expense represents the estimated annual effective tax rate applied to the year-to-date domestic operating results adjusted for certain discrete tax items.

The Company's effective tax rate for the three months ended September 30, 2024 is primarily impacted by non-deductible goodwill impairment charges. The Company's effective tax rate for the nine months ended September 30, 2024 is primarily impacted by non-deductible goodwill impairment charges and costs related to non-deductible stock-based compensation, mainly related to expired stock options.

The Company's effective tax rate for the three and nine months ended September 30, 2023 includes costs related to non-deductible stock-based compensation and non-deductible executive compensation, partially offset by credits and a fair value adjustment for the contingent consideration.

As of September 30, 2024 and December 31, 2023, the Company has an income tax payable balance of $1.0 million that is included in other liabilities within the condensed consolidated balance sheets.

NOTE 14—CONTINGENT CONSIDERATION (GAINS) CHARGES, RESTRUCTURING CHARGES AND OTHER

Contingent consideration (gains) charges, restructuring charges and other for the three and nine months ended September 30, 2024 and 2023 summarized below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Flexion contingent consideration	$ (3,244)	$ 2,793	$ (5,541)	$ (3,847)
Restructuring charges	1,193	173	7,724	1,109
Acquisition-related expenses	285	390	689	1,588
Total contingent consideration (gains) charges, restructuring charges and other	$ (1,766)	$ 3,356	$ 2,872	$ (1,150)

Flexion Acquisition Contingent Consideration

The Company recognized gains of $3.2 million and $5.5 million related to contingent consideration during the three and nine months ended September 30, 2024, respectively. The Company recognized a charge of $2.8 million and a gain of $3.8 million related to contingent consideration during the three and nine months ended September 30, 2023, respectively. See Note 9, *Financial Instruments*, for information regarding the method and key assumptions used in the fair value measurements of contingent consideration and more information regarding the changes in fair value.

Restructuring Charges

In February 2024, the Company initiated a restructuring plan to ensure it is well positioned for long-term growth. The restructuring plan includes: (i) reshaping the Company's executive team, (ii) reallocating efforts and resources from the Company's ex-U.S. and certain early-stage development programs to its commercial portfolio in the U.S. market and (iii) reprioritizing investments to focus on commercial readiness for the implementation of separate Medicare reimbursement for EXPAREL at average sales price plus 6 percent in outpatient settings and iovera° up to an additional $255.85 when providers administer iovera° in ambulatory surgical centers and outpatient settings beginning in January 2025 as part of the Non-Opioids Prevent Addiction In the Nation ("NOPAIN") Act and broader commercial initiatives in key areas, such as strategic national accounts, marketing and market access and reimbursement. The Company recognized $1.2 million and $7.7 million of restructuring charges for the three and nine months ended September 30, 2024, respectively, related to employee termination benefits, such as the acceleration of share-based compensation, severance, and, to a lesser extent, other employment-related termination costs, as well as contract termination costs. The Company's restructuring charges as of September 30, 2024, including the beginning and ending liability balances, are summarized below (in thousands):

	Employee Termination Benefits (1)	Contract Termination Costs	Total
Balance at December 31, 2023	$ —	$ —	$ —
Charges incurred	3,169	1,038	4,207
Cash payments made / settled	(1,487)	(20)	(1,507)
Balances at September 30, 2024	$ 1,682	$ 1,018	$ 2,700

(1) During the three and nine months ended September 30, 2024, there was $0.8 million and $3.5 million, respectively, of employee termination benefits related to share-based compensation excluded from the table above as they are non-cash and recorded against additional paid-in capital.

In June 2023, the Company implemented a restructuring plan in an effort to improve its operational efficiencies. The restructuring charges are predominantly related to one-time employee termination benefits through a reduction of headcount, such as severance and related costs. During the three and nine months ended September 30, 2023, the Company recognized restructuring charges of $0.2 million and $1.1 million, respectively.

Acquisition-Related Expenses

The Company recognized acquisition-related expenses of $0.3 million and $0.7 million during the three and nine months ended September 30, 2024, respectively. The Company recognized acquisition-related expenses of $0.4 million and $1.6 million during the three and nine months ended September 30, 2023, respectively. These costs primarily related to vacant and underutilized Flexion leases that were assumed from the Flexion Acquisition.

NOTE 15—COMMITMENTS AND CONTINGENCIES

From time to time, the Company has been and may again become involved in legal proceedings arising in the ordinary course of its business, including those related to its patents and intellectual property, product liability and government investigations. Except as described below, the Company is not presently a party to any legal proceedings that it believes to be material, and is not aware of any pending or threatened litigation against the Company which it believes could have a material adverse effect on its business, operating results, financial condition or cash flows.

MyoScience Milestone Litigation

In August 2020, the Company and its subsidiary, Pacira CryoTech, Inc. ("Pacira CryoTech"), filed a lawsuit in the Court of Chancery of the State of Delaware against Fortis Advisors LLC ("Fortis"), solely in its capacity as representative for the former securityholders of MyoScience, and certain other defendants, seeking declaratory judgment with respect to certain terms of the merger agreement for the MyoScience Acquisition (the "MyoScience Merger Agreement"), specifically related to the achievement of certain milestone payments under the MyoScience Merger Agreement. In addition, the Company and Pacira CryoTech sought general, special and compensatory damages against the other defendants related to breach of fiduciary duties in connection with the purported achievement of milestone payments under the MyoScience Merger Agreement, and breach of the MyoScience Merger Agreement and certain other agreements with the defendants. In October 2020, Fortis filed an answer and counterclaim against the Company and Pacira CryoTech seeking to recover certain milestone payments under the MyoScience Merger Agreement. The total remaining value of these milestones is $30.0 million, plus attorneys' fees.

A trial was conducted in September 2023, and a decision is pending. The Company is unable to predict the outcome of this action at this time.

eVenus Pharmaceutical Laboratories Litigations

In October 2021, the Company received a Notice Letter advising that eVenus Pharmaceutical Laboratories, Inc., or eVenus, of Princeton, New Jersey, submitted to the FDA an Abbreviated New Drug Application, or ANDA with a Paragraph IV certification seeking authorization for the manufacturing and marketing of a generic version of EXPAREL (266 mg/20 mL) in the U.S. prior to the expiration of U.S. Patent No. 11,033,495 (the '495 patent).

In November 2021, the Company filed a patent infringement suit against eVenus and its parent company in the U.S. District Court for the District of New Jersey (21-cv-19829) asserting infringement of the '495 patent. This triggered an automatic 30-month stay of final approval of the eVenus ANDA which expired on July 1, 2024. On January 6, 2022, eVenus filed an Answer with counterclaims to the Complaint, alleging the '495 patent is invalid and/or not infringed through the manufacture, sale, or offer for sale of the product described in eVenus's ANDA submission.

In December 2021, the Company received a second Notice Letter advising that eVenus submitted to the FDA an amendment to its ANDA with a Paragraph IV Certification seeking authorization for the manufacturing and marketing of a generic version of EXPAREL (133 mg/10 mL) in the U.S. prior to the expiration of the '495 patent. In the second Notice Letter, eVenus also advised that it submitted a Paragraph IV Certification to the FDA seeking authorization for the manufacturing and marketing of a generic version of EXPAREL (266 mg/20 mL and 133 mg/10 mL) in the U.S. prior to the expiration of U.S. Patent No. 11,179,336 (the '336 patent). eVenus further alleges in the Notice Letter that both the '495 patent and the '336 patent are invalid and/or not infringed.

In February 2022, the Company filed a second patent infringement suit against eVenus and its parent company in the U.S. District Court for the District of New Jersey (22-cv-00718) asserting that the 133 mg/10 mL ANDA product will infringe the '495 and '336 patents and that the 266 mg/20 mL ANDA product will infringe the '336 patent. This filing triggered a second automatic 30-month stay of final approval for the 133 mg/10 mL ANDA product which expired on July 1, 2024. The first and second patent infringement suits were consolidated.

In February 2023, eVenus filed its first amended answer to the first amended complaint, alleging patent invalidity, non-infringement and inequitable conduct. The Company has denied the allegations in eVenus's first amended answer. The Company has subsequently voluntarily dismissed its claims with respect to the '336 Patent. The trial on the remaining patent was conducted in February 2024, and in August 2024, the U.S. District Court for the District of New Jersey issued its ruling in the patent infringement suit for the '495 patent. The ruling found that claim 7 of the '495 patent is not valid on the grounds of obviousness and anticipation. A notice of appeal was filed in September 2024 and remains pending.

In April 2023, the Company filed a third patent infringement suit against eVenus, its parent company, and Fresenius Kabi USA, LLC, or Fresenius, in the U.S. District Court for the District of New Jersey (23-cv-2367) asserting that the 133 mg/10 mL and 266 mg/20 mL ANDA products will infringe U.S. Patent No. 11,426,348 (the '348 patent). In July 2023, eVenus filed its answer with claims for declaratory judgment, alleging patent invalidity, non-infringement and inequitable conduct with respect to the '348 patent as well as the Company's other patents, U.S. Patent Nos. 11,278,494; 11,304,904; 11,311,486; 11,357,727 and 11,452,691. The parties have subsequently dismissed all patents other than the '348 patent from this litigation. This action has been stayed pending resolution of the appeal of the U.S. District Court's ruling on the '495 patent.

In May 2024, the Company filed a fourth patent infringement suit against eVenus, its parent company and Fresenius in the U.S. District Court for the District of New Jersey (24-cv-6294) asserting that the 133 mg/10 mL and 266 mg/20 mL ANDA products will infringe U.S. Patent Nos. 11,819,574 (the '574 patent) and 11,819,575 (the '575 patent). The Company subsequently filed a First Amended Complaint alleging infringement only with respect to the '574 patent. The Defendants filed an answer and counterclaim on September 25, 2024, with counterclaims alleging non-infringement and invalidity of the '574 patent, invalidity of the '575 patent and U.S. Patent No. 11,925,706 (the '706 patent) and inequitable conduct with respect to the '574, '575 and '706 patents. This action is in the pleadings stage.

In July 2024, the Company filed a fifth patent infringement suit against eVenus, its parent company and Fresenius in the U.S. District Court for the District of New Jersey (24-cv-7680) asserting that the 133 mg/10 mL and 266 mg/20 mL ANDA products will infringe the '706 patent. The Company voluntarily filed a stipulation of dismissal without prejudice on September 9, 2024.

The Company is unable to predict the outcome of these litigations at this time.

In July 2024, eVenus received FDA approval of a generic version of EXPAREL—the Company's bupivacaine liposome injectable suspension product.

Argentum Request for Ex Parte Reexamination of '495 Patent

On October 3, 2024, Argentum Pharmaceuticals LLC, or Argentum, filed a Request for Ex Parte Reexamination of the '495 patent. Specifically, Argentum alleged that claims 1, 7 and 8 of the '495 patent are obvious and cite to U.S. Patent No. 9,585,838 and the Physician's Desk Reference in support of its allegation. The Company is unable to predict the outcome of this proceeding at this time.

Research Development Foundation

Pursuant to an agreement with the Research Development Foundation, or RDF, the Company was required to pay RDF a low single-digit royalty on the collection of revenues from certain products, for as long as certain patents assigned to the Company under the agreement remain valid. RDF has the right to terminate the agreement for an uncured material breach by the Company, in connection with its bankruptcy or insolvency or if it directly or indirectly opposes or disputes the validity of the assigned patent rights. The Company's '495 patent was issued on June 15, 2021. Thereafter, RDF asserted that the issuance of that patent extends the Company's royalty obligations under the agreement until 2041. The Company believes that the royalty period under the agreement ended on December 24, 2021 with the expiration of its U.S. Patent No. 9,585,838. Because of the disagreement over the interpretation of the agreement, in December 2021, the Company filed a declaratory judgment lawsuit in the U.S. District Court for the District of Nevada (21-cv-02241). The lawsuit seeks a declaration from the court that the Company owes no royalties to RDF with respect to its EXPAREL product after December 24, 2021.

On August 8, 2023, the U.S. District Court, District of Nevada, granted the Company's motion for partial summary judgment in respect to the Company's claim for a declaration that it no longer owes royalties for EXPAREL made under the 45-liter manufacturing process as of December 24, 2021. As a result, the Company expects to receive $14.5 million from RDF, representing the royalties that the Company paid to RDF under protest after December 24, 2021 for EXPAREL made from the 45-liter manufacturing process. Once it becomes probable that the settlement amount will be received, the Company will record a settlement gain within other operating income (expense), net in the condensed consolidated statement of operations. In November 2023, the U.S. District Court, District of Nevada conducted a mediation that did not result in a settlement. During the pendency of the remaining lawsuit, the Company will continue to pay royalties associated with the 200-liter EXPAREL

manufacturing process to RDF under protest. A trial was conducted in September 2024. The Company is unable to predict the outcome of this action at this time.

Other Commitments and Contingencies

Pediatric Trial Commitments

The FDA, as a condition of EXPAREL approval, has required the Company to study EXPAREL for infiltration and as a brachial plexus block in pediatric patients. The Company was granted deferrals for the required pediatric trials until after the indications were approved in adults. Similarly, in Europe, the Company agreed with the European Medicines Agency, or EMA, on a Pediatric Investigation Plan as a prerequisite for submitting a Marketing Authorization Application (MAA) in the E.U. Despite the U.K.'s withdrawal from the E.U., the agreed pediatric plan is applicable in the U.K.

The Company received notification from the FDA that its pediatric studies requirement had been waived for the indications of brachial plexus interscalene and lower extremity nerve block to produce postsurgical regional analgesia in pediatric patients. The Company is still working with the FDA, EMA and Medicines and Healthcare Regulatory Agency (MHRA) to finalize the regulatory pathways for its remaining pediatric commitments.

Contingent Milestone Payments

Refer to Note 9, *Financial Instruments*, for information on potential contingent milestone payments related to the Flexion Acquisition.

PCRX-201

PCRX-201 (enekinragene inzadenovec), a novel, locally administered gene therapy product candidate that boosts cellular production of the anti-inflammatory protein interleukin-1 receptor antagonist (IL-1Ra) for treating OA pain in the knee, was added to the Company's portfolio as part of the Flexion Acquisition in November 2021.

Prior to the Flexion Acquisition, in 2017, Flexion entered into an agreement with GQ Bio Therapeutics GmbH, or GQ Bio, to acquire the global rights to PCRX-201, a gene therapy product candidate. As part of the agreement, up to an aggregate of $56.0 million of payments could become due upon the achievement of certain development and regulatory milestones, including up to $4.5 million through initiation of a Phase 2 clinical trial and up to an additional $51.5 million in development and global regulatory approval milestone payments.

Also in 2017, in an agreement between The Baylor College of Medicine, or Baylor, and GQ Bio, the Company became the direct licensee of certain underlying Baylor patents and other proprietary rights related to PCRX-201. The license agreement grants the Company an exclusive, royalty-bearing, world-wide right and license under its patent and other proprietary rights directly related to PCRX-201. The license agreement with Baylor includes a low single-digit royalty on net product sales of PCRX-201. Milestone payments range from $0.1 million up to $0.6 million based on the completion of a Phase 1 FDA trial up to a Phase 3 clinical trial.

In February 2024, the FDA granted a Regenerative Medicine Advanced Therapy (RMAT) designation to PCRX-201 for the treatment of OA pain of the knee.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and in accordance with the rules and regulations of the United States Securities and Exchange Commission, or SEC.

This Quarterly Report on Form 10-Q and certain other communications made by us contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, including, without limitation, statements related to: our future outlook, our intellectual property and patent terms, our growth and future operating results and trends, our strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial results and growth potential, including our plans with respect to the repayment of our indebtedness, anticipated product portfolio, development programs, development of products, strategic alliances, plans with respect to the Non-Opioids Prevent Addiction in the Nation ("NOPAIN") Act and any other statements that are not historical facts. For this purpose, any statement that is not a statement of historical fact should be considered a forward-looking statement. We often use the words "anticipate," "believe," "can," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," "will," "would" and similar expressions to help identify forward-looking statements. We cannot assure you that our estimates, assumptions and expectations will prove to have been correct. Actual results may differ materially from these indicated by such forward-looking statements as a result of various important factors, including risks relating to, among others: the integration of our new chief executive officer; risks associated with acquisitions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the transaction will not occur; our manufacturing and supply chain, global and United States, or U.S., economic conditions (including inflation and rising interest rates), and our business, including our revenues, financial condition, cash flows and results of operations; the success of our sales and manufacturing efforts in support of the commercialization of EXPAREL® (bupivacaine liposome injectable suspension), ZILRETTA® (triamcinolone acetonide extended-release injectable suspension) and iovera°®; the rate and degree of market acceptance of EXPAREL, ZILRETTA and iovera°; the size and growth of the potential markets for EXPAREL, ZILRETTA and iovera° and our ability to serve those markets; our plans to expand the use of EXPAREL, ZILRETTA and iovera° to additional indications and opportunities, and the timing and success of any related clinical trials for EXPAREL, ZILRETTA and iovera°; the commercial success of EXPAREL, ZILRETTA and iovera°; the related timing and success of United States Food and Drug Administration, or FDA, supplemental New Drug Applications, or sNDAs, and premarket notification 510(k)s; the related timing and success of European Medicines Agency, or EMA, Marketing Authorization Applications, or MAAs; our plans to evaluate, develop and pursue additional product candidates utilizing our proprietary multivesicular liposome, or pMVL, drug delivery technology; the approval of the commercialization of our products in other jurisdictions; clinical trials in support of an existing or potential pMVL-based product; our commercialization and marketing capabilities; our ability to successfully complete capital projects; the outcome of any litigation; the ability to successfully integrate any future acquisitions into our existing business; the recoverability of our deferred tax assets; assumptions associated with contingent consideration payments; assumptions used for estimated future cash flows associated with determining the fair value of the Company and the anticipated funding or benefits of our share repurchase program.

Important factors could cause our actual results to differ materially from those indicated or implied by forward-looking statements, and as such we anticipate that subsequent events and developments will cause our views to change. Except as required by applicable law, we undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and readers should not rely on the forward-looking statements as representing our views as of any date subsequent to the date of the filing of this Quarterly Report on Form 10-Q.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these statements. These factors include items mentioned herein and the matters discussed and referenced in Part I-Item 1A. "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report") and in other reports as filed with the SEC.

Unless the context requires otherwise, references to "Pacira," the "Company," "our," "us" and "we" in this Quarterly Report on Form 10-Q refer to Pacira BioSciences, Inc. and its subsidiaries.

Overview

Pacira's mission is to deliver innovative, non-opioid pain therapies to transform the lives of patients. Our long-acting, local analgesic EXPAREL® (bupivacaine liposome injectable suspension) utilizes our unique pMVL drug delivery technology that encapsulates drugs without altering their molecular structure and releases them over a desired period of time. In the U.S., EXPAREL is a long-acting, non-opioid option proven to manage postsurgical pain. EXPAREL is the only product indicated for local analgesia via infiltration in patients aged six years and older and regional analgesia via interscalene brachial plexus nerve block, sciatic nerve block in the popliteal fossa and adductor canal block in adults. In Europe, EXPAREL is approved as a brachial plexus block or femoral nerve block for treatment of post-operative pain in adults, and as a field block for treatment of somatic post-operative pain from small- to medium-sized surgical wounds in adults and children aged six years and older. Since its initial approval in 2011, more than 15 million patients have been treated with EXPAREL. We drop-ship EXPAREL directly to end-users based on orders placed to wholesalers or directly to us, and there is no product held by wholesalers. With the acquisition of Flexion Therapeutics, Inc., or Flexion, in November 2021 (the "Flexion Acquisition"), we acquired ZILRETTA® (triamcinolone acetonide extended-release injectable suspension), the first and only extended-release, intra-articular, or IA, injectable therapy that can provide major relief for osteoarthritis, or OA, knee pain for three months and has the potential to become an alternative to hyaluronic acid, platelet rich plasma injections or other early intervention treatments. With the acquisition of MyoScience, Inc., or MyoScience, in April 2019 (the "MyoScience Acquisition"), we acquired iovera°®, a handheld cryoanalgesia device used to deliver a precise, controlled application of cold temperature to targeted nerves, which we sell directly to end users. EXPAREL, ZILRETTA and iovera° are highly complementary products as long-acting, non-opioid therapies that alleviate pain. We are also advancing the development of PCRX-201 (enekinragene inzadenovec), a novel, locally administered gene therapy with the potential to treat large prevalent diseases like OA.

We expect to continue to pursue the expanded use of EXPAREL, ZILRETTA and iovera° in additional procedures; progress our earlier-stage product candidate pipeline; advance regulatory activities for EXPAREL, ZILRETTA, iovera°, PCRX-201 and our other product candidates; invest in sales and marketing resources for EXPAREL, ZILRETTA and iovera°; expand and enhance our manufacturing capacity for EXPAREL, ZILRETTA and iovera°; invest in products, businesses and technologies; and support legal matters.

Global Economic Conditions

Direct and indirect effects of global economic conditions have in the past, and may continue to, negatively impact our business, financial condition and results of operations. Such impacts may include the effect of prolonged periods of inflation which could, among other things, result in higher costs for labor, raw materials and services; cause patients to defer or cancel medical procedures, thereby adversely impacting our revenues; and negatively impact our suppliers which could result in longer lead-times or the inability to secure a sufficient supply of materials. The current macroeconomic environment remains dynamic and subject to rapid and possibly material changes. Additional negative impacts may also arise that we are unable to foresee. The nature and extent of such impacts will depend on future developments, which are highly uncertain and cannot be predicted.

Recent Highlights & Developments

- In August 2024, the U.S. District Court for the District of New Jersey issued its ruling in our patent infringement suit against eVenus Pharmaceutical Laboratories, Inc., or eVenus, and its parent company for infringement of EXPAREL U.S. Patent No. 11,033,495. The ruling found that this patent is not valid on the grounds of obviousness and anticipation. A notice of appeal was filed in September 2024 and remains pending.

  We currently have four other patent infringement lawsuits pending against eVenus and its parent company and remain committed to vigorously defending our EXPAREL intellectual property for the benefit of our shareholders, patients and other stakeholders. With respect to an injunction, based on the information received through the ongoing court proceedings, we do not believe irreparable harm from an "at-risk" launch is imminent at this time.

  For more information, see Note 15, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

- In September 2024, we announced the upcoming presentation of new 104-week safety and efficacy data following local administration of our gene therapy candidate—PCRX-201 (enekinragene inzadenovec)—for moderate to severe OA of the knee. The data will be presented at the American College of Rheumatology's annual ACR Convergence meeting, being held in Washington, D.C. November 14–19, 2024.

- In October 2024, we announced that the Centers for Medicare and Medicaid Services, or CMS, has established a permanent product-specific Healthcare Common Procedure Coding System (HCPCS) J-code for EXPAREL. The new J-code for EXPAREL—J0666—becomes effective January 1, 2025, and will supersede the current C-code (C9290), which has been in place since 2019. In addition to the separate CMS reimbursement EXPAREL will receive in outpatient settings with the implementation of the NOPAIN Act in January 2025, this new J-code will also provide reimbursement when EXPAREL is used in the office setting and for office-based surgeries.

  J-codes are reimbursement codes used by commercial insurance plans, Medicare, Medicare Advantage, and other government payers for Medicare Part B drugs like EXPAREL. Claims submission and payment are standardized with a J-code, facilitating and streamlining billing and reimbursement. In addition, some commercial insurers require a J-code for payment.

  Additionally, in November 2024, CMS confirmed that both EXPAREL and iovera° qualify as eligible non-opioid pain management products under the NOPAIN Act. Hospital outpatient departments, or HOPDs, and ambulatory surgical centers, or ASCs, that use these products will receive additional Medicare reimbursement beginning January 1, 2025. The reimbursement rate for EXPAREL equates to 106% of the average sales price (ASP +6%) in the HOPD and ASC environments using the new product-specific J-code (J0666) beginning January 1, 2025. The separate reimbursement for iovera° will pay up to an additional $255.85 when providers administer iovera° in ASC and HOPD settings, using a new C-code created for the iovera° system (C9809). This new Medicare payment is provided in addition to the current reimbursement available to HOPDs and ASCs when they perform a procedure with the iovera° system.
- In October 2024, we appointed Shawn Cross as our Chief Financial Officer. Mr. Cross brings more than 25 years of experience as a biotechnology executive, board member and investment banker. Most recently, Mr. Cross served in executive positions of increasing responsibility at Applied Molecular Transport, Inc. where he was ultimately named Chief Executive Officer to lead their merger with Cyclo Therapeutics, Inc., where Mr. Cross currently serves on the Board of Directors. His biopharmaceutical investment banking career includes senior leadership roles at JMP Securities, Inc., Deutsche Bank Securities Inc. and Wells Fargo Securities, LLC.

EXPAREL

In the U.S., EXPAREL is currently indicated for local analgesia via infiltration in patients aged six years and older and regional analgesia via interscalene brachial plexus nerve block, sciatic nerve block in the popliteal fossa, and adductor canal block in adults. Safety and efficacy have not been established in other nerve blocks. In Europe, EXPAREL is approved as a brachial plexus block or femoral nerve block for treatment of post-operative pain in adults, and as a field block for treatment of somatic post-operative pain from small- to medium-sized surgical wounds in adults and children aged six years and older.

EXPAREL Label Expansion

- *Expanding utilization in lower extremity nerve block indications.* In February 2024, we launched EXPAREL in two key lower extremity nerve blocks—namely an adductor canal block and a sciatic nerve block in the popliteal fossa. We believe these two key nerve blocks will expand EXPAREL utilization within surgeries of the knee, lower leg, and foot and ankle procedures. The launch is supported by two successful head-to-head Phase 3 studies in which EXPAREL demonstrated four days of superiority to bupivacaine.

- *Pediatrics.* We have launched a Phase 1 pharmacokinetic study of EXPAREL as a single-dose post-surgical infiltration administration in patients under six years of age. If successful, we expect this study, followed by a Phase 3 registration study, will support expansion of the EXPAREL labels in the U.S., European Union, or E.U., and United Kingdom, or U.K. We are also discussing with the FDA, EMA and the Medicines and Healthcare Products Regulatory Agency (MHRA) our regulatory strategy for EXPAREL administered as a nerve block in the pediatric setting. We received notification from the FDA that our pediatric studies requirement had been waived for the indications of brachial plexus interscalene and lower extremity nerve block to produce postsurgical regional analgesia in pediatric patients.

EXPAREL Clinical Benefits

We believe EXPAREL can replace the use of bupivacaine delivered via elastomeric pumps as the foundation of a multimodal regimen for long-acting postsurgical pain management. Based on our clinical data, EXPAREL:

- provides long-lasting local or regional analgesia;
- is a ready-to-use formulation;
- expands easily with saline or lactated Ringer’s solution to reach a desired volume;

- can be administered for local analgesia via infiltration and for regional analgesia via field block, as well as brachial plexus nerve block, sciatic nerve block in the popliteal fossa and adductor canal block; and
- facilitates treatment of a variety of surgical sites.

We believe EXPAREL is a key component of long-acting postsurgical pain management regimens that reduce the need for opioids. Based on the clinical data from our Phase 3 and Phase 4 clinical studies as well as data from retrospective health outcomes studies, EXPAREL significantly reduces opioid usage while improving postsurgical pain management.

ZILRETTA

ZILRETTA is the first and only extended-release, intra-articular therapy for OA knee pain. ZILRETTA employs a proprietary microsphere technology combining triamcinolone acetonide, or TA, a commonly administered, immediate-release corticosteroid, with a poly lactic-co-glycolic acid, or PLGA, matrix to provide extended pain relief. PLGA is a proven extended-release delivery vehicle that is metabolized to carbon dioxide and water as it releases drug in the intra-articular space and is used in other approved drug products and surgical devices. The ZILRETTA microspheres slowly and continuously release triamcinolone acetonide into the knee to provide significant pain relief for 12 weeks, with some people experiencing pain relief through 16 weeks. ZILRETTA was approved by the FDA in October 2017 and launched in the U.S. shortly thereafter.

We believe ZILRETTA's extended-release profile may also provide effective treatment for OA pain of the shoulder and we recently launched a Phase 3 registration study to evaluate the safety and efficacy of ZILRETTA for the management of OA pain of the shoulder. If the study is successful, we plan to seek approval to expand the ZILRETTA label to include OA pain of the shoulder.

ZILRETTA Clinical Benefits

ZILRETTA combines TA, a commonly administered steroid, with a proprietary, extended-release microsphere technology to administer extended therapeutic concentrations in the joint and persistent analgesic effect.

Based on the strength of its pivotal and other clinical trials, we believe that ZILRETTA represents an important treatment option for the millions of patients in the U.S. in need of safe and effective extended relief from OA knee pain. The pivotal Phase 3 trial showed that ZILRETTA significantly reduced OA knee pain for 12 weeks, with some people experiencing pain relief through 16 weeks. We believe that ZILRETTA has the potential to become the corticosteroid of choice given its safety and efficacy profile, and the fact that it is the first and only extended-release corticosteroid on the market. In September 2021, the American Association of Orthopaedic Surgeons, or AAOS, updated its evidence-based clinical practice guidelines, finding ZILRETTA can improve patient outcomes over traditional immediate-release corticosteroids.

iovera°

The iovera° system is a non-opioid handheld cryoanalgesia device used to deliver precise, controlled doses of cold temperature to targeted nerves. It is FDA 510(k) cleared in the U.S., has a CE mark in the E.U. and is cleared for marketing in Canada for the blocking of pain. We believe the iovera° system is highly complementary to EXPAREL and ZILRETTA as a non-opioid therapy that alleviates pain using a non-pharmacological nerve block to disrupt pain signals being transmitted to the brain from the site of injury or surgery. It is also indicated for the relief of pain and symptoms associated with arthritis of the knee for up to 90 days.

iovera° Clinical Benefits

There is a growing body of clinical data demonstrating success with iovera° treatment for a wide range of chronic pain conditions. Some of our strongest data relates directly to the improvement of OA pain of the knee. In a pivotal trial evaluating iovera° for knee OA pain, the majority of the patients suffering from OA pain of the knee experienced pain relief up to 150 days after being treated with iovera°.

Surgical intervention is typically a last resort for patients suffering from knee OA pain. Treatment with iovera° has also demonstrated effectiveness for managing pain associated with knee replacements. Specifically, findings demonstrated reductions in opioids, including:

- The daily morphine equivalent consumption in the per protocol group analysis was significantly lower at 72 hours ($p<0.05$), 6 weeks ($p<0.05$) and 12 weeks ($p<0.05$).

- Patients who were administered iovera° were far less likely to take opioids six weeks after surgery. The number of patients taking opioids six weeks after total knee arthroplasty, or TKA, in the control group was three times the number of patients taking opioids in the cryoanalgesia group (14 percent vs. 44 percent, $p<0.01$).
- Patients in the iovera° group demonstrated a statistically significant reduction in pain scores from their baseline pain scores at 72 hours ($p<0.05$) and at 12 weeks ($p<0.05$).

We believe these data validate iovera° as a clinically meaningful non-opioid alternative for patients with knee OA as well as those undergoing TKA, and that iovera° offers the opportunity to provide patients with non-opioid pain control well in advance of any necessary surgical intervention through a number of key product attributes:

- iovera° is safe and effective with immediate pain relief that can last for months as the nerve regenerates over time;
- iovera° is repeatable, with no diminishing effectiveness over time and repeat use;
- The iovera° technology does not risk damage to the surrounding tissue;
- iovera° is a convenient handheld device with a single-use procedure-specific Smart Tip; and
- iovera° can be delivered precisely using imaging guidance or an anatomical landmark.

A study published in 2021 that included 267 patients undergoing TKA (169 who underwent cryoneurolysis with iovera° compared to 98 patients who did not receive iovera° treatment) showed that patients who were treated with iovera° had 51% lower daily morphine milligram equivalents during their hospital stay and a 22% lower mean pain score versus those who were not. In addition, the iovera° group had greater function at discharge, a shorter length of hospital stay and received significantly fewer opioids, including discharge prescriptions at week 2 and week 6 after surgery.

In September 2021, the AAOS updated its evidence-based clinical practice guidelines, reporting that denervation therapy—including cryoneurolysis—may reduce knee pain and improve function in patients with symptomatic OA of the knee.

We are currently sponsoring a prospective, real-world registry called the Innovations in Genicular Outcomes Registry, or iGOR, which is a patient focused registry governed in collaboration with a steering committee of scientific experts that evaluates clinical, economic- and health-related patient-reported outcomes in patients who have received any treatment for knee OA pain, including TKA, for a minimum of 18 months. A unique feature of iGOR is that if patients receive additional treatments for OA, data capture resets so outcomes of their treatment journey can be followed over multiple years. Unlike in clinical studies, treatment decisions in iGOR are decided by physicians and patients in a shared decision-making manner rather than being driven by treatment assignment, so that outcomes are truly those from real-world applications. The iGOR registry is tracking outcomes of iovera°, ZILRETTA and EXPAREL, as well as comparator treatments. Early outcomes from iGOR have shown that patients who receive iovera° prior to TKA have less pain, improved function and improved sleep for six months after surgery versus patients who do not receive iovera°.

In addition, a pilot randomized control trial evaluating iovera° for the treatment of lower back pain showed that it had significantly greater improvements in pain and disability, and required fewer injections over a year, compared to patients who were treated with radiofrequency ablation. This data supports the development of a longer Smart Tip that is currently underway which would allow for broader use of iovera° for the treatment of lower back pain.

Beyond treatment for pain, observational data has been presented at multiple congresses showing effectiveness of iovera° for the treatment of upper limb spasticity over 90 days by targeting motor nerves. We currently have a pivotal trial underway to demonstrate the efficacy and safety of iovera° for treating spasticity.

The Osteoarthritis Market

OA is the most common form of arthritis. It is also called degenerative joint disease and occurs most frequently in the hands, hips and knees. With OA, the cartilage within a joint begins to break down and the underlying bone begins to change. These changes usually develop slowly and worsen over time. OA can cause pain, stiffness and swelling. In some cases, it also causes reduced function and disability—some people are no longer able to do daily tasks or work. According to the Centers for Disease Control and Prevention (CDC), OA affects over 32.5 million adults in the U.S.

The lifetime risk of developing symptomatic knee OA is 45 percent according to the Arthritis Foundation. The prevalence of symptomatic knee OA increases with each decade of life, with the annual incidence of knee OA being highest between age 55 and 64 years old. There are 14 million individuals in the U.S. who have symptomatic knee OA, and nearly two million are under the age of 45. Surgical intervention is typically a last resort for patients suffering from OA of the knee.

With ZILRETTA, we now offer clinicians the flexibility to individualize OA knee pain treatment with either ZILRETTA or a drug-free nerve block with iovera° based on patient factors and preference, physician training, site of care and reimbursement considerations.

Clinical Development Programs

PCRX-201

PCRX-201 (enekinragene inzadenovec) is our novel gene therapy in clinical development as a treatment for osteoarthritis of the knee. Its innovative high-capacity adenovirus, or HCAD, design, manufacturing process, and local administration may solve many of the challenges that have made gene therapy inaccessible for common diseases like osteoarthritis. Key features that support the use of PCRX-201 for a prevalent disease:

- The HCAD viral vector is more efficient at delivering genes into cells than other vectors, which means we can achieve the desired effect with smaller doses.
- PCRX-201 is delivered where it matters—it is injected locally into the knee joint capsule and contained there for a favorable clinical and safety profile, whereas if administered systemically, a much higher dose would be needed to reach the knee and achieve the desired effect.
- Smaller doses, local administration, and scalable manufacturing result in an attractive cost of goods profile versus other gene therapies.

After injection, the HCAD vector enters joint cells and turns them into factories to boost cellular IL-1Ra production, which blocks IL-1 pathway activation to reduce inflammation and pain in the knee. PCRX-201 uses an inflammation-responsive promoter to only produce IL-1Ra when needed, mimicking how the body naturally responds to inflammation. In a Phase 1 proof-of-concept study of patients with moderate to severe OA of the knee, PCRX-201 was well tolerated with improvements in knee pain observed across all doses. The study enrolled 72 patients in two three-dose cohorts: a co-administered IA steroid cohort and a cohort that did not receive a steroid. PCRX-201 was well tolerated, with efficacy observed through at least 52 weeks at all doses and cohorts. The highest level of efficacy was achieved in the co-administered steroid group, which showed a greater percentage of patients with at least a 50% improvement in Western Ontario and McMaster Universities Osteoarthritis Index (WOMAC) pain and stiffness scores, as well as a meaningful improvement in (Knee Injury and Osteoarthritis Outcomes Score) KOOS functional assessment. The one-year data were presented at the Osteoarthritis Research Society International (OARSI) 2024 World Congress in April 2024. We now have two-year efficacy and safety data that we have submitted for presentation at the American College of Rheumatology's annual ACR Convergence meeting in November 2024. While other therapies typically provide relief for three to six months, PCRX-201 has already set a new standard with a year or more of sustained pain relief from a single injection. Given these highly encouraging Phase 1 data, we are preparing to launch a Phase 2 clinical study in knee OA in 2025.

In February 2024, the FDA granted PCRX-201 a Regenerative Medicine Advanced Therapy, or RMAT, designation. Established under the 21st Century Cures Act, RMAT designation is a dedicated program designed to expedite the development and review processes for promising therapies, including genetic therapies, that are intended to treat, modify, reverse or cure a serious or life-threatening disease or condition, and for which preliminary clinical evidence indicates that the drug or therapy has the potential to address an unmet medical need. PCRX-201 is the first gene therapy product candidate to receive RMAT designation for OA.

External Innovation

In parallel to our internal clinical programs, we are pursuing innovative acquisition targets that are complementary to EXPAREL, ZILRETTA and iovera° and are of great interest to the surgical and anesthesia audiences we are already calling on today. We are using a combination of strategic investments, in-licensing and acquisition transactions to buildout a pipeline of innovation to improve patients' journeys along the neural pain pathway. The strategic investments we have made to support promising early-stage platforms are summarized below:

Company	Development Stage	Description of Platform Technology	Potential Therapeutic Areas
CarthroniX, Inc.	Phase 1-Ready	CX-011, a small molecule modulator of gp130 formulated as an IA injection designed to slow joint degeneration by mediating IL-6 cytokines	Knee OA
Genascence Corporation	Phase 1b	Adeno-associated virus (AAV) based gene therapy engineered to deliver Interleukin-1 Receptor Antagonist (IL-1Ra) to target cells in joint(s)	Knee OA
GQ Bio Therapeutics GmbH	Preclinical	High-capacity adenovirus (HCAd) based gene therapy engineered to deliver DNA to target cells in joint(s) and intervertebral disc(s)	Knee OA and degenerative disc disease (DDD)
Spine BioPharma, LLC	Phase 3	SB-01, a 7-amino acid chain peptide that binds to and induces down regulation of transforming growth factor, beta 1 (TGFβ1)	Degenerative disc disease (DDD)

Product Portfolio and Internal Pipeline

Our current product portfolio and internal product candidate pipeline, along with anticipated milestones over the next 12 to 18 months, are summarized in the table below:

NOCITA® is a registered trademark of Aratana Therapeutics, Inc., a wholly owned subsidiary of Elanco Animal Health, Inc.

* Innovations in Genicular Outcomes Registry

Pacira Training Facilities

We maintain and operate two Pacira Innovation and Training, or PIT, facilities—one in Tampa, Florida and one in Houston, Texas. These sites were constructed with a singular goal in mind: to advance education on best practice techniques to effectively manage acute pain while reducing or eliminating the need for opioids. These facilities provide clinicians with flexible, state-of-the-art environments for interactive, hands-on instruction on the latest and most innovative local, regional and field block approaches for managing pain, improving patient care and enabling patient migration to the 23-hour stay environment. Each of our PIT facilities feature distinct training spaces, including simulation labs equipped with ultrasound scanning stations; lecture halls that feature liquid crystal display video walls to support live, virtual and global presentations; and green-screen broadcast studios to livestream content with single or multiple hosts. The PIT of Houston has both wet and dry lab space for cadaver and other interactive workshops. The PIT of Tampa also houses our principal executive offices and corporate headquarters.

Results of Operations

Comparison of the Three and Nine Months Ended September 30, 2024 and 2023

Revenues

Net product sales consist of sales of (i) EXPAREL in the U.S., E.U., and U.K.; (ii) ZILRETTA in the U.S.; (iii) iovera° in the U.S., Canada and Europe and (iv) sales of our bupivacaine liposome injectable suspension for veterinary use. Royalty revenues are related to a collaborative licensing agreement from the sale of our bupivacaine liposome injectable suspension for veterinary use.

The following table provides information regarding our revenues during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Net product sales:						
EXPAREL	$ 132,004	$ 128,667	3%	$ 401,286	$ 394,202	2%
ZILRETTA	28,420	28,798	(1)%	84,966	82,393	3%
iovera°	5,655	5,260	8%	16,359	13,645	20%
Bupivacaine liposome injectable suspension	1,643	858	91%	7,322	2,241	100% +
Total net product sales	167,722	163,583	3%	509,933	492,481	4%
Royalty revenue	851	343	100% +	3,780	1,253	100% +
Total revenues	$ 168,573	$ 163,926	3%	$ 513,713	$ 493,734	4%

EXPAREL revenue increased 3% and 2% in the three and nine months ended September 30, 2024 versus 2023, respectively. Components of the increases included a 3% increase in gross vial volume in both the three and nine months ended September 30, 2024 versus 2023, which was offset by a shift in vial mix. EXPAREL revenue was also impacted by a 1% increase in selling price per unit in both periods related to a January 2024 price increase, net of increases in sales related allowances as a result of group purchasing organization contracting.

ZILRETTA revenue decreased 1% in the three months ended September 30, 2024 versus 2023 due to a 6% decrease in kit volume, partially offset by a 5% increase in net selling price per unit. ZILRETTA revenue increased 3% in the nine months ended September 30, 2024 versus 2023 due to a 5% increase in net selling price per unit, partially offset by a 2% decrease in kit volume. The increase in net selling price per unit is related to January and July 2024 price increases and favorable sales related allowances.

Net product sales of iovera° increased 8% and 20% in the three and nine months ended September 30, 2024 versus 2023, respectively, primarily due to respective increases of 9% and 23% in Smart Tip volume, partially offset by increased sales related allowances and accruals.

Bupivacaine liposome injectable suspension revenue increased 91% and by more than 100% in the three and nine months ended September 30, 2024 versus 2023, respectively. Its related royalties increased more than 100% in both the three and nine

months ended September 30, 2024 versus 2023 primarily due to the sales mix of vial sizes and the timing of orders placed for veterinary use.

The following tables provide a summary of activity with respect to our sales related allowances and accruals related to EXPAREL and ZILRETTA for the nine months ended September 30, 2024 and 2023 (in thousands):

September 30, 2024	Returns Allowances	Prompt Payment Discounts	Service Fees	Volume Rebates and Chargebacks	Government Rebates	Total
Balance at December 31, 2023	$ 1,868	$ 1,308	$ 3,697	$ 5,870	$ 1,175	$ 13,918
Provision	1,409	9,260	15,109	81,037	1,955	108,770
Payments / Adjustments	(1,975)	(9,360)	(14,973)	(82,770)	(1,090)	(110,168)
Balance at September 30, 2024	$ 1,302	$ 1,208	$ 3,833	$ 4,137	$ 2,040	$ 12,520

September 30, 2023	Returns Allowances	Prompt Payment Discounts	Service Fees	Volume Rebates and Chargebacks	Government Rebates	Total
Balance at December 31, 2022	$ 1,691	$ 1,187	$ 3,193	$ 5,452	$ 786	$ 12,309
Provision	1,710	8,835	13,414	69,982	1,588	95,529
Payments / Adjustments	(1,287)	(8,874)	(13,218)	(68,676)	(1,460)	(93,515)
Balance at September 30, 2023	$ 2,114	$ 1,148	$ 3,389	$ 6,758	$ 914	$ 14,323

Total reductions of gross product sales from sales-related allowances and accruals were $108.8 million and $95.5 million, or 17.6% and 16.3% of gross product sales, for the nine months ended September 30, 2024 and 2023, respectively. The overall 1.3% increase in sales-related allowances and accruals as a percentage of gross product sales was primarily related to accruals as a result of higher chargeback-related allowances from expanded contracting efforts.

Cost of Goods Sold

Cost of goods sold primarily relates to the costs to produce, package and deliver our products to customers. These expenses include labor, raw materials, manufacturing overhead and occupancy costs, depreciation of facilities, royalty payments, quality control and engineering.

The following table provides information regarding our cost of goods sold and gross margin during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Cost of goods sold	$ 38,864	$ 39,750	(2)%	$ 130,542	$ 136,977	(5)%
Gross margin	77 %	76 %		75 %	72 %	

Gross margin increased one percentage-point in the three months ended September 30, 2024 versus 2023 primarily due to favorable ZILRETTA gross margins as the prior period included costs for a new fill line, partially offset by higher EXPAREL royalty expense. We continue to pay royalties associated with the 200-liter EXPAREL manufacturing process to the Research Development Foundation under protest. For more information, see Note 15, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

Gross margin increased three percentage-points in the nine months ended September 30, 2024 versus 2023 primarily due to lower EXPAREL product cost as a result of higher production volumes and the absence of ZILRETTA step-up of fixed assets to fair value in accordance with purchase accounting that existed in the prior period, partially offset by higher ZILRETTA inventory reserves.

Research and Development Expenses

Research and development expenses primarily consist of costs related to clinical trials and related outside services, product development and other research and development costs, including trials that we are conducting to generate new data for EXPAREL, ZILRETTA and iovera°, clinical trials for PCRX-201 and stock-based compensation expense. Clinical and preclinical development expenses include costs for clinical personnel, clinical trials performed by third-parties, toxicology studies, materials and supplies, database management and other third-party fees. Product development and manufacturing capacity expansion expenses include development costs for our products and PCRX-201, which include personnel, research equipment, materials and contractor costs for process development and product candidates, development costs related to significant scale-ups of our manufacturing capacity and facility costs for our research space. Regulatory and other expenses include regulatory activities related to unapproved products and indications, medical information and scientific communication expenses, expenses related to our iGOR registry study and related personnel. Stock-based compensation expense relates to the costs of stock option grants, awards of restricted stock units, or RSUs, and our employee stock purchase plan, or ESPP.

The following table provides a breakout of our research and development expenses during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Clinical and preclinical development	$ 8,215	$ 6,808	21%	$ 22,733	$ 17,263	32%
Product development and manufacturing capacity expansion	7,239	9,419	(23)%	21,952	26,396	(17)%
Regulatory and other	1,856	2,383	(22)%	7,473	7,318	2%
Stock-based compensation	1,794	2,220	(19)%	5,522	5,817	(5)%
Total research and development expense	$ 19,104	$ 20,830	(8)%	$ 57,680	$ 56,794	2%
% of total revenues	11 %	13 %		11 %	12 %	

Total research and development expense decreased 8% in three months ended September 30, 2024 versus 2023 and increased 2% in the nine months ended September 30, 2024 versus 2023.

Clinical and preclinical development expense increased 21% and 32% in the three and nine months ended September 30, 2024 versus 2023, respectively, due to site start-up of and ongoing enrollment in a ZILRETTA shoulder trial, an EXPAREL pediatric trial and an iovera° spasticity trial. For the three months ended September 30, 2024 versus 2023, these increases were partially offset by the completion of the EXPAREL intrathecal trial cohort 2 enrollment. For the nine months ended September 30, 2024 versus 2023, these increases were partially offset by the winding down of a PCRX-201 Phase 1 trial for knee OA as two-year follow-up visits of subjects were completed in November 2023. This Phase 1 trial remains on track for completion by November 2026, the last year of the follow-up period for the last patient dosed. In addition, toxicology studies for product candidates were completed in 2023.

Product development and manufacturing capacity expansion expense decreased 23% and 17% in the three and nine months ended September 30, 2024 versus 2023, respectively, primarily attributable to the completion of pre-commercial scale-up activities of our EXPAREL manufacturing capacity at our Science Center Campus in San Diego, California, which the FDA approved an sNDA for our 200-liter EXPAREL manufacturing suite in February 2024. This new suite was subsequently placed into service in July 2024. The decrease was partially offset by ongoing product development costs related to PCRX-201 and an iovera° medial branch Smart Tip.

Regulatory and other expense decreased 22% in the three months ended September 30, 2024 versus 2023, due to the reduction of international regulatory activities and headcount vacancies, partially offset by increased enrollment and additional sites related to an observational registry study which track patients' symptoms and experience with pain management related to OA of the knee. Regulatory and other expense increased 2% in the nine months ended September 30, 2024 versus 2023, due to increased enrollment and additional sites related to an observational registry study, partially offset by the reduction of international regulatory activities and headcount vacancies.

Stock-based compensation decreased 19% and 5% in the three and nine months ended September 30, 2024 versus 2023, respectively, primarily due to fewer equity awards granted to research and development personnel and headcount vacancies.

Selling, General and Administrative Expenses

Sales and marketing expenses primarily consist of compensation and benefits for our sales force and personnel that support our sales, marketing, medical and scientific affairs operations, expenses related to communicating the health outcome benefits of our products, investments in provider-level market access and patient reimbursement support and educational programs for our customers. General and administrative expenses consist of compensation and benefits for legal, finance, regulatory activities related to approved products and indications, compliance, information technology, human resources, business development, executive management and other supporting personnel. It also includes professional fees for legal, audit, tax and consulting services. Stock-based compensation expense relates to the costs of stock option grants, RSU awards and our ESPP.

The following table provides information regarding our selling, general and administrative expenses during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Sales and marketing	$ 43,191	$ 38,261	13%	$ 121,673	$ 117,302	4%
General and administrative	22,005	20,648	7%	66,842	61,112	9%
Stock-based compensation	9,137	9,038	1%	25,970	25,226	3%
Total selling, general and administrative expense	$ 74,333	$ 67,947	9%	$ 214,485	$ 203,640	5%
% of total revenues	44 %	41 %		42 %	41 %	

Total selling, general and administrative expense increased 9% and 5% in the three and nine months ended September 30, 2024 versus 2023, respectively.

Sales and marketing expense increased 13% and 4% in the three and nine months ended September 30, 2024 versus 2023. The three and nine months increase was driven by investing in programs to drive awareness and education for our customers and enhance our marketing, market access and reimbursement teams and value creation for the implementation of separate Medicare reimbursement for EXPAREL at average sales price plus 6 percent in HOPD settings and iovera° at up to an additional $255.85 when providers administer iovera° in ASC and HOPD settings beginning in January 2025 as part of the NOPAIN Act. We expect investments in these programs to continue through the end of 2024 as we have launched our national campaign—*Make the NOPAIN Pact*—which targets hospital pharmacists, administrators, clinicians and revenue management teams and is focused on ensuring these audiences are ready for the commencement of the NOPAIN Act. The three and nine months ended September 30, 2024 versus 2023 also benefited from a grant to the American Society of Anesthesiologists Charitable Foundation that occurred in the prior periods. These increases were partially offset by the impact of a February 2024 restructuring program.

General and administrative expense increased 7% and 9% in the three and nine months ended September 30, 2024 versus 2023, respectively. The three month increase in legal expenses was mostly driven by ongoing litigation and an increase in personnel related expenses. The nine month increase was primarily driven by third-party management consulting to assess strategic opportunities and market assessments for our products and compensatory costs associated with the transition to our new Chief Executive Officer effective January 2, 2024, which include compensation related to the current Chief Executive Officer and to the former Chief Executive Officer who remains an advisor to the Company in a consulting capacity.

For more information on our ongoing litigation, see Note 15, *Commitments and Contingencies,* to our condensed consolidated financial statements included herein.

Stock-based compensation increased 1% and 3% for the three and nine months ended September 30, 2024 versus 2023, respectively, primarily due to greater equity awards granted to personnel.

Amortization of Acquired Intangible Assets

The following table provides a summary of the amortization of acquired intangible assets during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Amortization of acquired intangible assets	$ 14,322	$ 14,322	—%	$ 42,966	$ 42,966	—%

As part of the Flexion Acquisition and the MyoScience Acquisition, we acquired intangible assets consisting of developed technology intangible assets and customer relationships, with estimated useful lives between 9 and 14 years. For more information, see Note 7, *Goodwill and Intangible Assets*, to our condensed consolidated financial statements included herein.

Goodwill Impairment

The following table provides a summary of goodwill impairments during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Goodwill impairment	$ 163,243	$ —	N/A	$ 163,243	$ —	N/A

During the three months ended September 30, 2024, the FDA approved a generic competitor to EXPAREL and a U.S. District Court ruled that one of our patents was not valid (for more information, see Note 15, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein). Due to these events and a subsequent decrease in our common stock price, it was determined these qualitative factors indicated it was more likely than not that the fair value of goodwill may be less than its carrying value. Accordingly, we performed a quantitative assessment through a discounted cash flow model (or income approach), which resulted in the carrying value of the Company exceeding its fair value by more than the goodwill balance. As a result, the goodwill balance of $163.2 million was recorded as fully impaired during the three months ended September 30, 2024.

Contingent Consideration (Gains) Charges, Restructuring Charges and Other

The following table provides a summary of the costs related to the contingent consideration, acquisition-related charges and restructuring charges during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Flexion contingent consideration	$ (3,244)	$ 2,793	N/A	$ (5,541)	$ (3,847)	44%
Restructuring charges	1,193	173	100% +	7,724	1,109	100% +
Acquisition-related expenses	285	390	(27)%	689	1,588	(57)%
Total contingent consideration (gains) charges, restructuring charges and other	$ (1,766)	$ 3,356	N/A	$ 2,872	$ (1,150)	N/A

Total contingent consideration (gains) charges, restructuring charges and other for the three and nine months ended September 30, 2024 included gains of $1.8 million and charges of $2.9 million, respectively. Total contingent consideration (gains) charges, restructuring charges and other for the three and nine months ended September 30, 2023 included charges of $3.4 million and gains of $1.2 million, respectively.

During the three and nine months ended September 30, 2024, we recognized a contingent consideration gain of $3.2 million and $5.5 million, respectively, primarily due to adjustments reflecting the probability of achieving the remaining Flexion regulatory milestone by the milestone expiration date, partially offset by revisions to the latest discount rates.

During the three months ended September 30, 2023, we recognized contingent consideration charges of $2.8 million primarily due to market volatility which affects the liability's present value. During the nine months ended September 30, 2023, we recognized gains of $3.8 million primarily due to adjustments to long-term forecasts which reduced the probability of meeting the Flexion sales-based contingent consideration milestones by December 31, 2030, the expiration date for achieving

the milestones. The gains recognized during the nine months ended September 30, 2023 were partially offset by a decrease in the assumed discount rate that is utilized in calculating the liability's present value, based on a significant improvement in our incremental borrowing rate resulting from the TLA Credit Agreement (as defined below) entered into in March 2023.

In February 2024, we initiated a restructuring plan to ensure that we are well positioned for long-term growth. The restructuring plan included, among other things: (i) reshaping the Company's executive team; (ii) reallocating efforts and resources from our ex-U.S. and certain early-stage development programs to our commercial portfolio in the U.S. market; and (iii) reprioritizing investments to focus on other commercial initiatives. As a result, during the three and nine months ended September 30, 2024, we recognized restructuring charges of $1.2 million and $7.7 million, respectively, related to employee termination benefits, such as the acceleration of share-based compensation, severance, and, to a lesser extent, other employment-related termination costs, as well as contract termination costs.

During the three and nine months ended September 30, 2023, we implemented a restructuring plan in an effort to improve our operational efficiencies and recognized $0.2 million and $1.1 million, respectively, in one-time employee termination benefits through a reduction of headcount.

During the three and nine months ended September 30, 2024, we recognized acquisition-related expenses of $0.3 million and $0.7 million, respectively. During the three and nine months ended September 30, 2023, we recognized acquisition-related expenses of $0.4 million and $1.6 million, respectively. These costs primarily related to vacant and underutilized Flexion leases that were assumed from the Flexion Acquisition

For more information, see Note 9, *Financial Instruments* and Note 14, *Contingent Consideration (Gains) Charges, Restructuring Charges and Other*, to our condensed consolidated financial statements included herein.

Other Income (Expense), Net

The following table provides information regarding other income (expense), net during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Interest income	$ 5,482	$ 2,766	98%	$ 14,134	$ 8,019	76%
Interest expense	(4,689)	(3,464)	35%	(11,889)	(16,918)	(30)%
Gain (loss) on early extinguishment of debt	—	—	—%	7,518	(16,926)	N/A
Other, net	(122)	(422)	(71)%	(320)	(701)	(54)%
Total other income (expense), net	$ 671	$ (1,120)	N/A	$ 9,443	$ (26,526)	N/A

Total other income, net was $0.7 million and $9.4 million in the three and nine months ended September 30, 2024, respectively. Total other expense, net was $1.1 million and $26.5 million in the three and nine months ended September 30, 2023, respectively.

The substantial increases in interest income in the three and nine months ended September 30, 2024 versus 2023 were due to higher overall investment balances.

The 35% increase in interest expense during the three months ended September 30, 2024 versus 2023 was primarily driven by the issuance of the 2029 Notes (as defined below) in May 2024. The 30% decrease in interest expense during the nine months ended September 30, 2024 versus 2023 was primarily driven by the lower outstanding principal associated with the TLA Term Loan (as defined below) that was entered into on March 31, 2023 which replaced our then-outstanding TLB Term Loan (as defined below) that had a higher principal balance and interest rate, partially offset by issuing the 2029 Notes in May 2024.

In the nine months ended September 30, 2024, we recognized a $7.5 million gain on early extinguishment of debt in conjunction with the repurchase of $200.0 million aggregate principal of our 2025 Notes (as defined below). The partial repurchase of the 2025 Notes was completed with our net proceeds from the issuance of the 2029 Notes (as defined below).

In the nine months ended September 30, 2023, in conjunction with the entry into the TLA Credit Agreement, we incurred a $16.9 million loss on early extinguishment of debt as a result of the retirement of $287.5 million aggregate principal of our TLB Term Loan (as defined below).

For more information, see Note 8, *Debt*, to our condensed consolidated financial statements included herein.

Income Tax Expense

The following table provides information regarding our income tax expense during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2024	2023		2024	2023	
Income tax expense	$ 4,610	$ 5,743	(20)%	$ 26,969	$ 10,896	100% +
Effective tax rate	(3)%	35 %		(30)%	39 %	

The effective tax rates were (3)% and (30)% for the three and nine months ended September 30, 2024, respectively. The effective tax rates were 35% and 39% for the three and nine months ended September 30, 2023, respectively. Income tax expense represents the estimated annual effective tax rate applied to the year-to-date domestic operating results adjusted for certain discrete tax items.

The effective tax rate for the three months ended September 30, 2024 is primarily impacted by non-deductible goodwill impairment charges. The effective tax rate for the nine months ended September 30, 2024 is primarily impacted by non-deductible goodwill impairment charges and costs related to non-deductible stock-based compensation, mainly related to expired stock options.

The effective tax rates for the three and nine months ended September 30, 2023 include costs related to non-deductible stock-based compensation and non-deductible executive compensation, partially offset by credits and a fair-value adjustment for the contingent consideration.

Liquidity and Capital Resources

Since our inception in 2006, we have devoted most of our cash resources to manufacturing, research and development and selling, general and administrative activities related to the development and commercialization of EXPAREL. In addition, we acquired ZILRETTA as part of the Flexion Acquisition in November 2021 and iovera° as part of the MyoScience Acquisition in April 2019. We are primarily dependent on the commercial success of EXPAREL and ZILRETTA. We have financed our operations primarily with the proceeds from the sale of convertible senior notes and other debt, common stock, product sales and collaborative licensing and milestone revenue. As of September 30, 2024, we had an accumulated deficit of $222.4 million, cash and cash equivalents and available-for-sale investments of $453.8 million and working capital of $383.6 million.

We expect that our cash and cash equivalents and available-for-sale investments on hand will be adequate to cover our short-term liquidity needs, and that we would be able to access other sources of financing should the need arise.

Summary of Cash Flows

The following table summarizes our cash flows from operating, investing and financing activities for the periods indicated (in thousands):

	Nine Months Ended September 30,	
Condensed Consolidated Statements of Cash Flows Data:	**2024**	**2023**
Net cash provided by (used in):		
Operating activities	$ 156,257	$ 107,065
Investing activities	(82,908)	69,167
Financing activities	19,318	(181,252)
Net increase (decrease) in cash and cash equivalents	$ 92,667	$ (5,020)

Operating Activities

During the nine months ended September 30, 2024, net cash provided by operating activities was $156.3 million, compared to $107.1 million during the nine months ended September 30, 2023. The increase of $49.2 million was primarily attributable to increased revenue with favorable gross margins, lower interest paid and a $13.0 million payment made in the prior year for a termination fee relating to a licensing agreement.

Investing Activities

During the nine months ended September 30, 2024, net cash used in investing activities was $82.9 million, which reflected $74.4 million of outflows from available-for-sale investment purchases (net of sales), as well as $8.5 million of capital expenditures for manufacturing product fill lines and for an EXPAREL capacity expansion project at our Science Center Campus in San Diego, California.

During the nine months ended September 30, 2023, net cash provided by investing activities was $69.2 million, which reflected proceeds from $89.3 million of available-for-sale investment sales (net of purchases), partially offset by purchases of fixed assets of $13.4 million for fill lines for our products and equipment for an EXPAREL capacity expansion project at our Science Center Campus in San Diego, California and purchases of equity and debt investments of $6.8 million.

Financing Activities

During the nine months ended September 30, 2024, net cash provided by financing activities was $19.3 million, which primarily consisted of $287.5 million in proceeds from the issuance of the 2029 Notes. We used the majority of the proceeds from the 2029 Notes to make a partial repurchase of the 2025 Notes in the amount of $191.0 million, enter into a capped call transaction for $26.7 million, repurchase $25.0 million of treasury stock, and pay debt issuance and financing costs of $9.4 million. Additionally, we paid the remaining $8.6 million of 3.375% convertible senior notes due 2024 assumed from the Flexion Acquisition (the "Flexion 2024 Notes") upon their maturity and made $8.4 million voluntary prepayments associated with the TLA Term Loan. See Note 8, *Debt*, to our condensed consolidated financial statements included herein for further discussion on the Flexion 2024 Notes, 2025 Notes, 2029 Notes, the capped call transaction and the TLA Term Loan. There was also $1.4 million of proceeds from the issuance of common stock through our ESPP.

During the nine months ended September 30, 2023, net cash used in financing activities was $181.3 million, which consisted of a $296.9 million repayment of TLB Term Loan principal as well as a $5.8 million prepayment penalty in connection with the retirement of the TLB Term Loan facility and $30.6 million repayments of TLA Term Loan principal, partially offset by the net proceeds from the TLA Term Loan of $149.6 million, proceeds from the exercise of stock options of $1.9 million and $1.7 million from the issuance of common stock through our ESPP.

Debt

2028 Term Loan A Facility

On March 31, 2023, we entered into a credit agreement (as amended to date, the "TLA Credit Agreement") to refinance the indebtedness outstanding under our TLB Credit Agreement (as defined and discussed below). The term loan issued under the TLA Credit Agreement (the "TLA Term Loan") was issued at a 0.30% discount and provides for a single-advance term loan A facility in the principal amount of $150.0 million, which is secured by substantially all of our and any subsidiary guarantor's assets and matures on March 31, 2028. We may elect to borrow either (i) alternate base rate borrowings or (ii) term benchmark borrowings or daily simple SOFR (as defined in the TLA Credit Agreement) borrowings. Each term loan borrowing which is an alternate base rate borrowing bears interest at a rate per annum equal to (i) the Alternate Base Rate (as defined in the TLA Credit Agreement), plus (ii) a spread based on our Senior Secured Net Leverage Ratio ranging from 2.00% to 2.75%. Each term loan borrowing which is a term benchmark borrowing or daily simple SOFR borrowing bears interest at a rate per annum equal to (i) the Adjusted Term SOFR Rate or Adjusted Daily Simple SOFR (as each is defined in the TLA Credit Agreement), plus (ii) a spread based on our Senior Secured Net Leverage Ratio ranging from 3.00% to 3.75%. During the nine months ended September 30, 2024, we made voluntary principal prepayments of $8.4 million. During the year ended December 31, 2023, we made a scheduled principal payment of $2.8 million as well as $30.6 million of voluntary principal prepayments. Due to voluntary principal prepayments made, we are not required to make further principal payments until September 2026, although we retain the option to do so. As of September 30, 2024, borrowings under the TLA Term Loan consisted entirely of term benchmark borrowings at a rate of 7.95%.

The TLA Credit Agreement requires us to, among other things, maintain (i) a Senior Secured Net Leverage Ratio (as defined in the Credit Agreement), determined as of the last day of each fiscal quarter, of no greater than 3.00 to 1.00 and (ii) a Fixed Charge Coverage Ratio (as defined in the TLA Credit Agreement), determined as of the last day of each fiscal quarter, of

no less than 1.50 to 1.00. The TLA Credit Agreement requires us to maintain an unrestricted cash and cash equivalents balance of at least $500.0 million less any prepayments of the 2025 Notes (as defined below) at any time from 91 days prior to the maturity date through the earlier of (i) the latest maturity date of the 2025 Notes and (ii) the date on which there is no outstanding principal amount of the 2025 Notes, which we expect to accomplish. The TLA Credit Agreement also contains customary affirmative and negative covenants, financial covenants, representations and warranties, events of default and other provisions. As of September 30, 2024, we were in compliance with all financial covenants under the TLA Credit Agreement. See Note 8, *Debt*, to our condensed consolidated financial statements included herein for further discussion.

2029 Convertible Senior Notes

In May 2024, we completed a private placement of $287.5 million in aggregate principal amount of our 2.125% convertible senior notes due 2029, or 2029 Notes, and entered into an indenture with respect to the 2029 Notes. The 2029 Notes accrue interest at a fixed rate of 2.125% per year, payable semiannually in arrears on May 15th and November 15th of each year. The 2029 Notes mature on May 15, 2029.

At September 30, 2024, all $287.5 million of principal was outstanding on the 2029 Notes. See Note 8, *Debt*, to our condensed consolidated financial statements included herein for further discussion.

2025 Convertible Senior Notes

In July 2020, we completed a private placement of $402.5 million in aggregate principal amount of our 0.750% convertible senior notes due 2025, or 2025 Notes, and entered into an indenture with respect to the 2025 Notes. The 2025 Notes accrue interest at a fixed rate of 0.750% per annum, payable semiannually in arrears on February 1st and August 1st of each year. The 2025 Notes mature on August 1, 2025.

In May 2024, we used part of the net proceeds from the issuance of the 2029 Notes to repurchase $200.0 million aggregate principal amount of the 2025 Notes in privately negotiated transactions at a discount for $191.4 million in cash (including accrued interest). The partial repurchase of the 2025 Notes resulted in a $7.5 million gain on early extinguishment of debt.

At September 30, 2024, the outstanding principal on the 2025 Notes was $202.5 million. See Note 8, *Debt*, to our condensed consolidated financial statements included herein for further discussion.

Future Capital Requirements

We believe that our existing cash and cash equivalents, available-for-sale investments and cash received from product sales will be sufficient to enable us to fund our operating expenses, capital expenditure requirements and payment of the interest and principal on our TLA Term Loan, 2025 Notes and 2029 Notes through the next 12 months. Our future use of operating cash and capital requirements will depend on many forward-looking factors, including, but not limited to:

- the cost and timing of the potential milestone payments to former Flexion stockholders, which could be up to an aggregate of $372.3 million if certain regulatory and commercial milestones are met. See Note 9, *Financial Instruments*, to our condensed consolidated financial statements included herein for more information;
- the impact of global economic conditions—including the impact of inflation—on our product, material and labor costs, supply chain, longer lead-times, an inability to secure a sufficient supply of materials, our operating expenses and our business strategy;
- the timing of and extent to which the holders of our 2025 Notes and 2029 Notes elect to convert their 2025 Notes and 2029 Notes, the timing of principal and interest payments on our TLA Term Loan and the timing and impact of increases to the variable interest rate on our TLA Term Loan borrowings in accordance with the terms of the TLA Credit Agreement;
- the costs and our ability to successfully continue to expand the commercialization of EXPAREL, ZILRETTA and iovera°;
- the cost and timing of expanding and maintaining our manufacturing facilities;
- the cost and timing of additional strategic investments, including additional investments under existing agreements;
- the costs related to legal and regulatory matters, including those to develop and defend our intellectual property;

- the costs of performing additional clinical trials for our products, including the additional pediatric trials required by the FDA and EMA as a condition of the approval of EXPAREL;
- the costs for the development and commercialization of other product candidates;
- the costs and timing of future payments under our employee benefit plans, including but not limited to our cash long-term incentive plan and non-qualified deferred compensation plan;
- the timing and the number of shares of our common stock repurchased through our share repurchase program; and
- the extent to which we acquire or invest in products, businesses and technologies.

We may require additional debt or equity financing to meet our future operating and capital requirements. We have no committed external sources of funds, and additional equity or debt financing may not be available on acceptable terms, if at all. In particular, capital market disruptions or negative economic conditions may hinder our access to capital.

Critical Accounting Estimates

Goodwill represents the excess of the purchase price over the estimated fair value of the net assets acquired in a business combination and is subject to impairment testing at least annually or upon the occurrence of a triggering event that could indicate a potential impairment. We have historically tested goodwill for impairment by performing a qualitative assessment in order to determine whether facts and circumstances support a determination that reporting unit fair values are greater than their carrying values. This has historically been performed using readily available market data and company-specific factors.

If we determine that it is more likely than not that the fair value of the Company is less than its carrying value, a quantitative test is required. This is performed by comparing the fair value of the Company with its carrying value. If the estimated fair value of the reporting unit is less than the carrying amount of the reporting unit, impairment is indicated, requiring recognition of a goodwill impairment charge up to the carrying value of goodwill. The fair value of the Company was calculated through an income approach. Under the income approach, we calculate the fair value based on the present value of estimated future cash flows. Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate the future cash flows used to assume fair value. Our estimates of future cash flows consider past performance, current and anticipated market conditions and internal projections and operating plans which incorporate estimates for sales growth and future margins. Additional assumptions include forecasted growth rates, estimated discount rates and the probability of success for our product pipeline candidate products. We believe such assumptions also reflect current and anticipated market conditions and are consistent with those that would be used by other marketplace participants for similar valuation purposes. Such assumptions are subject to change due to changing economic and competitive conditions.

For more information, see Note 7, *Goodwill and Intangible Assets*, to our condensed consolidated financial statements included herein.

For a description of critical accounting policies that affect our significant judgments and estimates used in the preparation of our consolidated financial statements, refer to our 2023 Annual Report. Outside of the aforementioned, there have been no significant changes to our critical accounting policies nor any recently issued accounting pronouncements that are expected to have a material impact on our financial results since December 31, 2023.

Contractual Obligations

In May 2024, we completed a private placement of $287.5 million of our 2029 Notes, and entered into an indenture with respect to the 2029 Notes. The 2029 Notes accrue interest at a fixed rate of 2.125% per year, payable semiannually in arrears on May 15th and November 15th of each year. The 2029 Notes mature on May 15, 2029. At September 30, 2024, all $287.5 million of principal was outstanding on the 2029 Notes.

In May 2024, we used part of the net proceeds from the issuance of the 2029 Notes to repurchase $200.0 million aggregate principal amount of the 2025 Notes in privately negotiated transactions at a discount for $191.4 million in cash (including accrued interest). At September 30, 2024, the outstanding principal on the 2025 Notes was $202.5 million.

In May 2024, the remaining principal of the 3.375% convertible senior notes due 2024 (the "Flexion 2024 Notes") in the amount of $8.6 million was repaid at maturity.

See Note 8, *Debt*, to our condensed consolidated financial statements included herein for further discussion.

Outside of the issuance of the 2029 Notes, the partial repurchase of the 2025 Notes and the repayment of the Flexion 2024 Notes, there have been no material changes in our contractual obligations relating to our indebtedness, lease obligations and purchase obligations from those reported in our 2023 Annual Report. For more information on our contractual obligations and commercial commitments, see Part II, Item 7 in our 2023 Annual Report.

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

The primary objective of our cash equivalents and investment activities is to preserve principal while at the same time maximizing the income that we receive from our investments without significantly increasing risk. We invest in corporate bonds, commercial paper, asset-backed securities and U.S. Treasury and other government agency notes for purposes other than trading which are reported at fair value. These securities are subject to interest rate risk and credit risk. This means that a change in prevailing interest rates may cause the fair value of the investment to fluctuate. For example, if we hold a security that was issued with a fixed interest rate at the then-prevailing rate and the interest rate later rises, we expect that the fair value of our investment will decline. A hypothetical 100 basis point increase in interest rates would have reduced the fair value of our available-for-sale securities at September 30, 2024 by approximately $0.9 million.

The fair value of our 2025 Notes is impacted by both the fair value of our common stock and interest rate fluctuations. As of September 30, 2024, the estimated fair value of the 2025 Notes was $956 per $1,000 principal amount. See Note 8, *Debt*, to our condensed consolidated financial statements included herein for further discussion of our 2025 Notes, which bear interest at a fixed rate. At September 30, 2024, $202.5 million of principal remains outstanding on the 2025 Notes.

The fair value of our 2029 Notes is impacted by both the fair value of our common stock and interest rate fluctuations. As of September 30, 2024, the estimated fair value of the 2029 Notes was $757 per $1,000 principal amount. See Note 8, *Debt*, to our condensed consolidated financial statements included herein for further discussion of our 2029 Notes, which bear interest at a fixed rate. At September 30, 2024, $287.5 million of principal remains outstanding on the 2029 Notes.

The TLA Term Loan provides for a single-advance term loan in the principal amount of $150.0 million and is scheduled to mature on March 31, 2028. Each term loan borrowing that is a term benchmark borrowing or daily simple SOFR borrowing bears interest at a rate per annum equal to (i) the Adjusted Term SOFR Rate or Adjusted Daily Simple SOFR (as each is defined in the TLA Credit Agreement), plus (ii) a spread based on our Senior Secured Net Leverage Ratio ranging from 3.00% to 3.75%. At September 30, 2024, the outstanding principal on the TLA Term Loan was $108.1 million. As of September 30, 2024, borrowings under the TLA Term Loan consisted entirely of term benchmark borrowings at a rate of 7.95%. A hypothetical 100 basis point increase in interest rates would increase interest expense over the next 12 months by approximately $1.1 million, based on the balance outstanding for these borrowings as of September 30, 2024.

We have agreements with certain vendors and partners that operate in foreign jurisdictions. The more significant transactions are primarily denominated in the U.S. Dollar, subject to an annual adjustment based on changes in currency exchange rates.

Additionally, our accounts receivable are primarily concentrated with four large wholesalers of pharmaceutical products. In the event of non-performance or non-payment, there may be a material adverse impact on our financial condition, results of operations or net cash flow.

Item 4. ***CONTROLS AND PROCEDURES***

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our management, including our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. As defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, disclosure controls and procedures are controls and other procedures which are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2024.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including the Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II — OTHER INFORMATION

Item 1. ***LEGAL PROCEEDINGS***

For information related to Item 1. Legal Proceedings, refer to Note 15, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

Item 1A. ***RISK FACTORS***

You should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our 2023 Annual Report, which could materially affect our business, financial condition, cash flows or future results. There have been no material changes in our risk factors included in our 2023 Annual Report. The risks described in our 2023 Annual Report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

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

None.

Item 3. ***DEFAULTS UPON SENIOR SECURITIES***

None.

Item 4. ***MINE SAFETY DISCLOSURES***

Not applicable.

Item 5. ***OTHER INFORMATION***

Rule 10b5-1 Trading Plans

During the quarter ended September 30, 2024, no director or executive officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. *EXHIBITS*

The exhibits listed below are filed or furnished as part of this report.

Exhibit Number	Description
10.1	Employment Agreement, dated April 19, 2012, between the Registrant and Lauren Riker.(1)***
10.2	Amendment No. 1 to Employment Agreement, dated March 13, 2013, between the Registrant and Lauren Riker.(2)***
10.3	Amendment No. 2 to Employment Agreement, dated June 30, 2015, between the Registrant and Lauren Riker.* ***
10.4	Amendment No. 3 to Employment Agreement, dated August 16, 2024, between the Registrant and Lauren Riker.* ***
10.5	Non-Healthcare Professional Consulting Agreement, effective October 1, 2024, between the Registrant and Charles. A. Reinhart, III* ***
10.6	Amended and Restated 2014 Inducement Plan.* ***
10.7	Form of Nonstatutory Stock Option Agreement under the Amended and Restated 2014 Inducement Plan.* ***
10.8	Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2014 Inducement Plan.* ***
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101	The following materials from the Quarterly Report on Form 10-Q of Pacira BioSciences, Inc. for the quarter ended September 30, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive (Loss) Income; (iv) the Condensed Consolidated Statements of Stockholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows; and (vi) the Condensed Notes to Consolidated Financial Statements.*
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

*** Denotes management contract or compensatory plan or arrangement.

(1) Incorporated by reference to the exhibits to the registrant's Quarterly Report on Form 10-Q, filed on May 9, 2012.

(2) Incorporated by reference to the exhibits to the registrant's Current Report on Form 8-K, filed on March 18, 2013.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PACIRA BIOSCIENCES, INC.
(REGISTRANT)

Date:	November 6, 2024	By:	/s/ FRANK D. LEE
			Frank D. Lee
			Chief Executive Officer and Director
			(Principal Executive Officer)
Date:	November 6, 2024	By:	/s/ SHAWN M. CROSS
			Shawn M. Cross
			Chief Financial Officer
			(Principal Financial Officer)

AMENDMENT NO. 2 TO EXECUTIVE EMPLOYMENT AGREEMENT

This Amendment No. 2 to Executive Employment Agreement (this "Amendment"), is entered into as of June 30, 2015, by and between Pacira Pharmaceuticals, Inc., a California corporation (the "Company") and Lauren Riker ("Executive").

RECITALS

A. The parties desire to amend the Executive Employment Agreement, dated April 19, 2012 by and between the Company and Executive, as amended on March 13, 2013 (the "Original Agreement").

B. On June 2, 2015, the Compensation Committee of Pacira Pharmaceuticals, Inc., a Delaware corporation and parent company to the Company, approved amending the Original Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties and agreements contained in this Amendment and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Amendment to the Original Agreement**.

(a) Section 3(b)(ii) of the Original Agreement is hereby amended and restated as follows:

> "(ii) the Executive shall be entitled to acceleration of vesting of such number of shares subject to all outstanding stock options (including the Option Shares) and time-based restricted stock unit grants then held by Executive as would have vested in the twelve (12) month period following the Termination Date had the Executive continued to be employed by the Company for such period"

(b) Section 3(c)(ii) of the Original Agreement is hereby amended and restated as follows:

> "(ii) acceleration of vesting of one hundred percent (100%) of the shares subject to all outstanding stock options (including the Option Shares) and time-based restricted stock unit grants then held by Executive"

2. **Conflicts; Original Agreement in Full Force and Effect as Amended**. If there is any conflict between the provisions of this Amendment and those in the Original Agreement, the provisions of this Amendment govern. Capitalized terms used and not defined herein have

the same meanings as defined in the Original Agreement. Except as expressly amended hereby, all other terms and provision of the Original Agreement remain in full force and effect.

3. **Headings**. The paragraph headings used in this Amendment are for convenience only and shall not affect the interpretation of any of the provisions hereof.

4. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or electronic "pdf" transmission shall be equally effective as delivery of a manually executed counterpart of a signature page to this Amendment.

5. **Applicable Law**. This Amendment shall be governed by and shall be construed and enforced in accordance with the internal laws of the State of New Jersey, without regard to conflicts of law principles.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

PACIRA PHARMACEUTICALS, INC.,
a California corporation

By: /s/ Richard Kahr
Name: Richard Kahr
Title: Vice President, Human Resources

EXECUTIVE

/s/ Lauren Riker
Lauren Riker

AMENDMENT NO. 3 TO EMPLOYMENT AGREEMENT

This Amendment No. 3 to Employment Agreement (this "Amendment"), is entered into as of August 16, 2024, by and between Pacira Pharmaceuticals, Inc., a California corporation (the "Company"), and Lauren Riker (the "Employee") (collectively, the "Parties").

RECITALS

WHEREAS, the Company is a wholly-owned subsidiary of Pacira BioSciences, Inc., a Delaware corporation ("Parent").

WHEREAS, the Parties desire to amend that certain Employment Agreement, dated April 19, 2012, by and between the Company and the Employee, as amended on March 13, 2013 and June 30, 2015 (together the "Original Agreement").

WHEREAS, on March 4, 2024, the Compensation Committee of the Board of Directors of Parent approved amending the Original Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties and agreements contained in this Amendment and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Amendment to Section 3(c)(i)(B) of the Original Agreement**. Section 3(c)(i)(B) of the Original Agreement is hereby amended and restated to read in its entirety as follows:

> "(B) in lieu of the Targeted Incentive Bonus, a bonus payment equal to one hundred percent (100%) of the Employee's then current annual targeted incentive bonus payable in one lump sum on the Payment Commencement Date"

2. **Amendment to Section 5(b) of the Original Agreement**. Section 5(b) of the Original Agreement is hereby amended and restated to read in its entirety as follows:

> "(b) Specific Performance. The Employee agrees that the remedies at law of the Company for any actual or threatened breach by the Employee of the covenants in this Section 5 would be inadequate and that the Company will be entitled to specific performance of the covenants in

this Section 5, including entry of an ex parte, temporary restraining order in state or federal court, preliminary and permanent injunctive relief against activities in violation of this Section 5, or both, or other appropriate judicial remedy, writ or order, in addition to any damages and legal expenses that the Company may be legally entitled to recover. The Employee acknowledges and agrees that the covenants in this Section 5 will be construed as agreements independent of any other provision of this or any other agreement between the Employee and the Company, and that the existence of any claim or cause of action by the Employee against the Company, whether predicated upon this Agreement or any other agreement, will not constitute a defense to the enforcement by the Company of such covenants."

3. **Amendment to Section 9(d) of the Original Agreement**. Section 9(d) of the Original Agreement is hereby amended and restated to read in its entirety as follows:

"(d) Withholding; Section 280G.

(i) Withholding. All sums payable to the Employee hereunder shall be reduced by all federal, state, local and other withholding and similar taxes and payments required by applicable law.

(ii)Section 280G. Notwithstanding any other provision of the Agreement to the contrary, if any payments or benefits provided for under the Agreement, together with any payments or benefits otherwise payable or provided to the Employee by the Company or Parent (or any of their respective subsidiaries or affiliates) or otherwise
(A) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and
(B) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Employee's payments and benefits will be either (1) delivered in full or (2) delivered to such lesser extent which would result in no portion of such payments and benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by the Employee on an after-tax basis, of the greatest amount of payments and benefits, even if the payments and benefits may still be taxable under Section 4999 of the Code. If clause (2) applies, the payments and benefits will be reduced by the Company in its reasonable discretion in the following order: (x) reduction of cash payments, which will occur in reverse chronological order with the cash payment owed on the latest date following the event triggering the Excise Tax being the first cash payment to be reduced; (y) cancellation of accelerated vesting of equity awards, which will occur in the reverse order of the date of grant for the equity awards (i.e., the vesting of the most recently granted equity awards will be reduced first); and (z) reduction of other employee benefits,

which will occur in reverse chronological order with the benefit owed on the latest date following the event triggering the excise tax being the first benefit to be reduced. With respect to each of clauses (x)-(z) of this Section 9(d)(ii), if any payments or benefits constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, the reduction will occur first as to amounts that are not "nonqualified deferred compensation." If two or more of the same type of awards are granted on the same date, the "parachute payments" associated with each award will be reduced on a pro-rata basis. In no event will the Employee have any discretion with respect to the ordering of payment reductions. Any determination required under this Section 9(d)(ii) will be made in writing by an independent nationally recognized tax or accounting firm appointed by the Company (the "Tax Counsel"), whose determination will be conclusive and binding on the Employee and the Company for all purposes. The Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and Section 4999 of the Code. The Company and the Employee will furnish to the Tax Counsel information as the Tax Counsel may reasonably request to make a determination under this Section 9(d)(ii)."

4. **Amendment to Section 9(j) of the Original Agreement**. Section 9(j) of the Original Agreement is hereby amended and restated to read in its entirety as follows:

"(j) Governing Law; Jury Waiver; Choice of Venue. This Agreement and the rights and obligations of the parties hereto shall be construed in accordance with the laws of the State of New Jersey without giving effect to the principles of conflict of laws. For claims arising out of or relating to this Agreement that are not subject to the Parties' agreement to arbitrate, such actions shall be commenced only in a state or federal court of competent jurisdiction in Morris County, New Jersey and the Company and the Employee each consents to the jurisdiction of such a court. *Both the Company and the Employee expressly and irrevocably waive, to the fullest extent permitted by applicable law, any right that any party either has or may have to a jury trial of any dispute, legal action, proceeding, or cause of action arising out of or in any way related to the Employee's employment with or termination from the Company.* This jury waiver includes both claims that are subject to the Parties' agreement to arbitrate and claims that are not subject to the Parties' agreement to arbitrate. Each party certifies and acknowledges that (a) no representative of the other party has represented, expressly or otherwise, that the other party would not seek to enforce the foregoing jury waiver in the event of a legal action, (b) it has considered the implications of this jury waiver, (c) it makes this jury waiver knowingly and voluntarily, and (d) it has decided to enter into this agreement in consideration of, among other things, the mutual waivers and certifications in this section."

5. **Amendment to Add a New Section 9(k) to the Original Agreement**. A new subsection (k) is hereby added at the end of Section 9 of the Original Agreement to read as follows:

"(k) Arbitration. The Parties agree that, subject to the exclusions set forth in this Section 9(a), any dispute, controversy or claim arising out of or relating to (i) this Agreement, (ii) any alleged breach of this Agreement, (iii) Employee's employment with the Company, (iv) any claim as to arbitrability, enforceability, validity or the scope of this agreement to arbitrate, (v) any claims for alleged discrimination, harassment, or retaliation, (vi) any claims related to wages or compensation or (vii) any claims related to any alleged violation of any federal, state or local law, must be submitted to binding arbitration in accordance with the terms of this agreement to arbitrate. The Parties agree that this agreement to arbitrate does not include: (i) claims for emergency or temporary injunctive relief, (ii) claims for sexual harassment and sexual assault, and (iii) claims that, as a matter of federal, state or local law, the Parties cannot agree to arbitrate, on a pre-dispute basis or otherwise (unless such claims are preempted by federal law). In the event of a dispute regarding sexual assault or sexual harassment claims, the Parties can, at that time, agree to arbitrate such sexual harassment and sexual assault claims. The arbitration will take place in Parsippany, New Jersey, or such other location as the Parties may agree, or where otherwise required by applicable law. The arbitration will take place in accordance with the rules of the American Arbitration Association then applicable to employment-related disputes (available at https://www.adr.org/sites/default/files/Employment_Rules_Web.pdf), and any judgment upon any award may be entered in the state or federal court having jurisdiction over such award. Unless applicable law requires otherwise, the arbitrator will apply the substantive law of New Jersey, except for any claim to which federal substantive law would apply. The Parties expressly acknowledge and agree that this Agreement involves interstate commerce and the interpretation and enforcement of the arbitration provision will be governed by the provisions of the Federal Arbitration Act, 9 U.S.C. 1 et seq. The arbitration fees and costs relating to the arbitrator and the arbitration proceeding itself will be paid for by the Company; each party shall be responsible for its respective attorneys' fees and costs. However, if any party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and costs, or if there is a written agreement providing for attorneys' fees and costs to be awarded to the prevailing party, the Arbitrator may award reasonable attorneys' fees in accordance with the applicable statute or written agreement. The Parties each expressly waive the right to a jury trial and any other civil court proceeding and are giving up the right to file a lawsuit in court with respect to disputes subject to this agreement to arbitrate. Should any

provision of this agreement to arbitrate be deemed unenforceable or invalid, such provision will be severed and the remainder of this agreement to arbitrate will be enforceable to the fullest extent of the law.

6. **Amendment to Section 1 of Exhibit A (Payments Subject to Section 409A)**. A new subsection (d) is hereby added at the end of Section 1 of Exhibit A of the Original Agreement to read as follows:

"(d) For the avoidance of doubt, any time-based restricted stock unit grants that accelerate and vest pursuant to Section 3(b) or Section 3(c) of the Agreement will be settled by no later than March 15 of the calendar year immediately following the calendar year that includes the Termination Date."

7. **Conflicts; Original Agreement in Full Force and Effect as Amended**. If there is any conflict between the provisions of this Amendment and those in the Original Agreement, the provisions of this Amendment govern. Capitalized terms used and not defined herein have the same meanings as defined in the Original Agreement. Except as expressly amended hereby, all other terms and provision of the Original Agreement remain in full force and effect.

8. **Headings**. The paragraph headings used in this Amendment are for convenience only and shall not affect the interpretation of any of the provisions hereof.

9. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or electronic "pdf" transmission shall be equally effective as delivery of a manually executed counterpart of a signature page to this Amendment.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company and the Employee have executed this Amendment as of the date first above written.

PACIRA PHARMACEUTICALS, INC.:

By: /s/ LOREN LAFFERTY
Name: Loren Lafferty
Title: Vice President, Human Resources

EMPLOYEE:

/s/ LAUREN RIKER
Lauren Riker

Exhibit 10.5

NON-HEALTHCARE PROFESSIONAL
CONSULTING AGREEMENT

Effective Date: **October 1, 2024**
Expiration Date: **June 30, 2025**

This Non-Healthcare Professional Consulting Agreement (the "Agreement") is entered into by and between Pacira Pharmaceuticals, Inc., a California corporation, having a place of business at 5 Sylvan Way, Parsippany, New Jersey 07054 ("Pacira"), (hereinafter "Pacira"), and **Charles A. Reinhart, III** located at [**] (the "Consultant"), effective as of the date indicated above ("Effective Date"), and is made with respect to the following recitals and agreements:

WHEREAS, Pacira is a wholly-owned subsidiary of Pacira BioSciences, Inc., a Delaware corporation;

WHEREAS, Pacira desires to retain Consultant to perform certain services, and Consultant is agreeable to doing so;

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants and conditions set forth below, the parties agree as follows:

1. **Services; Fees**.

   a. Consultant is hereby retained as an independent contractor to provide the services described in Statements of Work ("SOWs") to be entered into from time to time (the "Services"). The Services to be performed hereunder and accompanying timelines, budget, and consultant fee terms (including reimbursement for expenses) shall be specified by the parties in separate SOWs, which constitutes a separate agreement and stands alone with respect to any other SOW entered into under this Agreement. In the event of a conflict between this Agreement and any SOW, the provisions of this Agreement will control, unless the SOW specifically acknowledges the conflict and expressly states that the conflicting SOW controls.

   b. Consultant agrees that any of Pacira's affiliates may use the Services of Consultant under this Agreement. Pacira's affiliates that use the Services of Consultant shall be bound by all the terms and conditions of this Agreement and any applicable SOW and be entitled to all rights and protections afforded Pacira under this Agreement. Such Services shall be performed as requested from time to time by Pacira's executive officers, or as otherwise set forth on the SOWs.

   c. Pacira will pay Consultant's invoices, fees, expenses, and costs in accordance with the terms set forth in this Agreement and any Statement of Work within forty-five (45) calendar days following receipt of such invoice submitted to Pacira through the PO based purchase-to-pay system (*i.e.*, [**]) together with sufficient detail to permit Pacira to identify the following information: (i) any applicable purchase order number under which the Service was performed; (ii) the amount due; (iii) the calculation of such amount due and any applicable taxes; and (iv) any applicable supporting documentation reasonably requested by Pacira. If Consultant's purchase-to-pay system account prohibits your

purchase order confirmation and invoice upload, then Consultant should send invoices to [**]@pacira.com.

d. Consultant shall diligently perform the Services in full compliance with the highest professional standards of practice in the industry and applicable laws and in a manner satisfactory to Pacira. Anything to the contrary contained in this Agreement notwithstanding, Consultant agrees and acknowledges that during the Term (as defined below) there is neither a minimum amount of Services for which Pacira is obligated to engage Consultant, nor shall this Agreement be construed as limiting in any way Pacira's right to contract for similar services with any other party. In no event shall this Agreement be construed as obligating Pacira to pay any amounts for Services performed under this Agreement unless (i) Pacira actually engages Consultant to perform Services pursuant to this Agreement, and Consultant actually performs such Services, and (ii) each such engagement to perform Services is evidenced by the applicable SOW prior to the commencement of such Services.

e. In consideration of the Services, Consultant shall receive the fees set forth on the applicable SOW (the "Consulting Fees"). Consultant shall provide Pacira with a completed IRS W-9 or W-8BEN Form and a true and complete copy of Consultant's *curriculum vitae* prior to payment. Consultant represents that the Consulting Fees constitute payment in full for the Services and reflect the fair market value of the Services described herein and are commensurate with the fees charged by Consultant for providing similar services to other entities.

f. Pacira will reimburse Consultant for all pre-approved travel and related expenses pursuant to Pacira's Travel and Expense Reimbursement Policy, a copy of which is attached hereto as Exhibit A. Pacira will reimburse Consultant for the actual cost of only those out-of-pocket, documented expenses reasonably incurred, in rendering Services. Any such supporting documentation shall be provided within a reasonable period of time following the submission of such expense in order to be entitled to reimbursement. Pacira shall not be obligated to make any payments or reimburse any expenses that are provided to Pacira more than sixty (60) days after the date of being incurred. To the extent any expenses are to be incurred that are not approved in a SOW, Consultant must obtain Pacira's prior written approval of the incurrence of such expenses and such written approval must be provided by an authorized Pacira signatory. All expenses not paid directly by Pacira will be reimbursed to Consultant within forty-five (45) days after receipt of Consultant's complete, correct and audit worthy invoice. All expense reimbursements will be made at Consultant's direct out-of-pocket costs, without any markup for overhead, administrative costs, or otherwise.

2. **Term**. The initial term of this Agreement shall commence on the Effective Date and continue through and including the Expiration Date stated above (the "Term"). This Agreement and/or any SOW may be terminated by either party upon giving thirty (30) days prior written notice to the other party or immediately upon Pacira's written notice in the event of a breach of Consultant's representations, warranties and covenants in this Agreement, provided that this Agreement shall automatically terminate as set forth in Section 3. Upon expiration or termination of this Agreement, Consultant shall only be entitled, and Pacira only obligated to pay, for any Consulting Fee(s) due to Consultant for Services actually rendered and non-cancellable expenses incurred before such expiration or termination in accordance with the terms and conditions of this

Agreement. Notwithstanding the foregoing, in the event Pacira terminates this Agreement as a result of Consultant's failure to comply with the representations, warranties and covenants set forth herein, Pacira shall be entitled to withhold payment for Services previously rendered. Sections 4, 5, 6, 7, 8, 9, 10 and 15 shall survive termination or expiration of this Agreement for any reason.

3. **Representations, Warranties and Covenants of Consultant**.

   a. Consultant represents and warrants that Consultant has the requisite expertise, ability and legal right to render the Services and ability to enter into this Agreement, shall perform the Services in an efficient, professional and workmanlike manner in accordance with generally recognized industry standards for similar services, and shall devote sufficient resources to ensure that the Services are performed in a timely and reliable manner in accordance with the terms of this Agreement. Consultant represents and warrants that entering into this Agreement and his or her performance of the Services do not and will not conflict with or result in any breach or default under any other agreement to which Consultant is subject.

   b. Consultant shall abide by all laws, rules and regulations that apply to the performance of the Services and will comply with Pacira's policies and procedures that are communicated to Consultant, including when on Pacira premises, Pacira's policies with respect to conduct of visitors. If applicable, Consultant represents and warrants that Consultant is not and has not been: (i) excluded from participation in, or otherwise ineligible to participate in a "Federal Health Care Program" (as defined in 42 U.S.C. § 1320a-7b(f)) or in any other government payment program; (ii) listed on the General Services Administration's List of parties Excluded from Federal Procurement and Nonprocurement Programs; or (iii) debarred under the Generic Drug Enforcement Act of 1992 (the "GDE Act") (21 U.S.C. § 335(a) and (b)). To the best of Consultant's knowledge, Consultant represents and warrants that Consultant has not engaged in any activity that could lead Consultant to become excluded or debarred as set forth above. Consultant further represents and warrants that Consultant does not and will not use in any capacity the services of any person excluded or debarred as set forth above. If Consultant is debarred or excluded as set forth above, during the Term, Consultant agrees to immediately notify Pacira, and this Agreement shall automatically terminate as of the date of such exclusion or debarment, without the requirement of notice from Pacira. Consultant further represents and warrants that in providing the Services, Consultant shall be responsible for Consultant's own compliance with all applicable local, state, federal and foreign laws and regulations. Consultant represents and warrants that all work product is and shall be Consultant's original work (except for material in the public domain or provided by Pacira) and do not and will not violate or infringe upon the intellectual property right or any other right whatsoever of any person, firm, corporation, or other entity.

4. Compliance with Law and Ethical Business Practices.

   a. Compliance with Law. Consultant represents and warrants that it has the appropriate expertise, ability and legal right to perform the Services, and will perform the Services in an efficient, professional, and workmanlike manner in full compliance with the highest professional standards and applicable laws, including, but not limited to: the Federal

Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the PhRMA Code on Interactions with Healthcare Professionals; the AdvaMed Code of Ethics on Interactions with Healthcare Professionals; the Health Insurance Portability and Accountability Act ("HIPAA"); the Federal Food, Drug and Cosmetic Act; and all relevant regulations.

b. Corporate Policy. Consultant acknowledges that Pacira's corporate policy requires that Pacira's business must be conducted within the letter and spirit of the law. By signing this Agreement, Consultant agrees to perform the Services contemplated herein in a manner which is consistent with law, good business ethics and the terms of this Agreement.

c. ABAC Laws.

i. In conducting its activities hereunder, such party shall and shall cause its affiliates and other representatives and agents to comply in all material respects with all applicable laws and accepted pharmaceutical industry business practices, including but not limited to the U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act 2010 ("UKBA"), and the relevant legal provisions of similar laws of any other applicable foreign jurisdiction (collectively, the "ABAC Laws").

ii. Each party represents and warrants or covenants and agrees that during the Term:

1. it is licensed, registered, or qualified under applicable law to do business, and has obtained such licenses, consents, authorizations or completed such registrations or made such notifications as may be necessary or required by applicable law to provide the goods or services encompassed within this Agreement, and providing such goods or services is not inconsistent with any other obligation of such party;

2. with respect to any products, payments or services provided under this Agreement, such party has not taken and will not during the Term take any action directly or indirectly to offer, promise or pay, or authorize the offer or payment of, any money or anything of value in order to improperly or corruptly seek to influence any government official or any other person, in order to gain an improper advantage, and has not accepted, and will not accept in the future such payment;

3. it complies with applicable laws and regulations of the countries where it operates, including anti-bribery and anti-corruption laws, accounting and record keeping laws, and laws relating to interactions with healthcare professionals or healthcare providers (collectively, "HCPs") and government officials;

4. it has implemented policies and procedures setting out rules governing interactions with HCPs and government officials, and the engagement of third parties, including implementing appropriate due diligence of those third parties prior to contracting ("Policies"). Its Policies mandate a robust set of internal controls, including accounting controls, designed to ensure the making and keeping of fair and accurate books, records and

accounts, on its operations around the world and apply worldwide to all its employees, subsidiaries, and third parties acting on its behalf;

5. it provides training to its officers, directors, employees and, where appropriate, its other representatives and third parties on its Policies and applicable laws, including but not limited to anti-corruption laws;

6. it has an assurance program involving regular monitoring and auditing of activities to ensure compliance with its Policies and the adequacy of internal controls, and remediation of identified issues;

7. to its knowledge, it and each of its affiliates has been and will, for the Term, be in compliance with all applicable export laws and regulations, including those related to, import controls, export controls, or economic sanctions;

8. to its knowledge, except to the extent permissible under U.S. law, neither it nor any of its affiliates has, on its own behalf or in acting on behalf of any other person, directly or indirectly engaged with, and will not, during the Term, directly or indirectly engage in any transactions, or otherwise deal with, any country or person targeted by U.S., EU, United Kingdom or other relevant economic sanctions or export control laws in connection with any activities related to the party's interaction with the other party, including those contemplated under this Agreement;

9. it regularly reviews its Policies as part of its internal processes of improvement, and, from time to time, benchmarks it against the standards of the industry with the assistance of external counsel; and

10. it is, as between the parties, solely responsible to ensure compliance by it and its affiliates.

iii. Each party represents and warrants that during the Term that if a compliance issue related to activities contemplated under this Agreement is identified, including but not limited to if a party, or any of its directors, officers, employees, affiliates, third party representatives, or sublicensees becomes subject to any investigation relating to any actual or potential violation of any applicable anti-corruption law in connection with this Agreement, that it will promptly inform the other party of the compliance issue. Any alleged violation of applicable of applicable laws and accepted pharmaceutical industry business practices, including but not limited to the ABAC Laws and all other applicable anti-corruption laws, shall be diligently investigated in order to evaluate whether or not the reported behavior or activity violates the standards of such party or applicable laws. If the matter involves credible evidence of a violation of applicable law or policy, then the compliance officers shall discuss the non-compliance and the corrective measures or sanctions, or both, to be implemented, provided that each party implements its own corrective measures or sanctions, or both.

iv. Consultant's failure to abide by the provisions of this Section shall be deemed a material breach of this Agreement. Pacira may in such case and with immediate effect terminate this Agreement at its sole discretion upon written notice to Consultant and without prejudice to any other remedies that may be available to Pacira.

a. Equal Opportunity. The contractor and any subcontractor, as applicable, shall abide by the requirements of 41 CFR §§ 60-1.4(a) and 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, or for inquiring about, discussing, or disclosing information about compensation. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, or disability.

5. **Confidentiality**.

1. Consultant recognizes that in performing Services under this Agreement it will have contact with information of substantial value to Pacira, which is not generally known and that gives Pacira an advantage over its competitors who do not know or use it, including, but not limited to, (i) patent and patent applications; (ii) trade secrets; (iii) proprietary and confidential information, ideas, techniques, sketches, drawings, works of authorship, models, inventions, know-how, products, product compositions, product samples, processes, manufacturing methods, apparatuses, equipment, data, algorithms, software programs, software source documents, and formulae related to the current, future, and proposed products and services, such as information concerning research, experimental work, development, design details and specifications, engineering, financial information, procurement requirements, purchasing, manufacturing, pricing, customer lists, investors, employees, business and contractual relationships, business forecasts, sales and merchandising, and marketing plans; and all other similar information (hereinafter referred to as "Confidential Information"). Confidential Information shall also include information belonging to a third party that Pacira is obligated to keep confidential from others.

2. Consultant agrees, at all times, to (i) regard and preserve as confidential such Confidential Information using the same standard of care as it uses to protect its own confidential information (but no less than a reasonable standard of care), (ii) not use the Confidential Information for any purpose other than as necessary to perform the Services, and (iii) to refrain from publishing, distributing, or disclosing any part of such Confidential Information to a third party without prior written consent of Pacira. Consultant further agrees, at all times, to refrain from any other acts or omissions that would reduce the value of such Confidential Information to Pacira. Consultant will immediately notify Pacira if it learns that Confidential Information has been disclosed or is about to be disclosed in violation of this Agreement, whether by Consultant's acts, acts of third parties, law, regulation or court order.

3. In the event that Consultant becomes legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigation, demand, order or similar process) to

disclose any of the contents of the Confidential Information, Consultant shall (i) provide prompt written notice to the Pacira upon receipt of any such demand and prior to any such disclosure to the extent practicable and (ii) cooperate so that Pacira may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. Failing the entry of a protective order or other appropriate remedy, or receipt of a waiver hereunder, Consultant shall disclose only that portion of Confidential Information that it is advised, in the reasonable opinion of its legal counsel, in consultation with Pacira's counsel, that it is legally required to disclose, and Consultant shall exercise reasonable efforts without the requirement of incurring costs or expenses to obtain reliable assurance that confidential treatment shall be accorded to such Confidential Information when it is so disclosed.

4. Upon termination of this Agreement, Consultant agrees to promptly surrender to Pacira all documents or other tangible Confidential Information (including samples) and any other written material containing or reflecting any of the Confidential Information in its possession, (ii) not to retain any copies, extracts or other reproductions in whole or in part, mechanical or electronic, of such written material, and (iii) delete, erase or destroy all computer records, documents, memoranda, notes and other writings prepared by the Consultant based on the Confidential Information.

5. The foregoing obligations of confidentiality, non-use, and non-disclosure shall remain in effect for a period of ten (10) years after the termination or expiration of this Agreement. Upon termination of this Agreement, Consultant agrees to promptly surrender to Pacira all documents or items which are the property of Pacira or which contain or comprise such Confidential Information.

6. **Inventions and Works of Authorship**.

a. Pacira owns all right, title and interest to any inventions and discoveries, know-how, trade-secrets designs, developments, methods, modifications, improvements, processes, mask works, databases, computer programs, formulae, techniques, trademarks, graphics or images, and audio or visual works and other works of authorship, whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by Consultant either alone or jointly with any employee, individual, contractor, or agent engaged by Consultant or Pacira (collectively, "Personnel"), or under Consultant's direction, that arise out of the Services or that are based on or otherwise reflect any Confidential Information (as defined below) (collectively, "Inventions").

b. Consultant will promptly provide and fully disclose all Inventions to Pacira. Consultant acknowledges that all Services performed by Consultant are on a "work for hire" basis, and Consultant hereby assigns and transfers and, to the extent any such assignment cannot be made at present, will assign and transfer, to Pacira, in each case without additional consideration, all worldwide right, title and interest in all Inventions. Consultant further acknowledges that any assignment of Inventions includes an assignment of all moral rights.

c. The Consultant agrees that if in the course of performing the Services, the Consultant incorporates into any Invention developed hereunder any invention, improvement, development, concept, discovery or other proprietary information owned by the

Consultant or in which the Consultant has an interest, (i) the Consultant shall inform Pacira, in writing before incorporating such invention, improvement, development, concept, discovery or other proprietary information into any Invention; and (ii) Pacira is hereby granted and shall have a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to fully use, utilize, commercialize and otherwise exploit the Inventions, including any such invention, improvement, development, concept, discovery or other proprietary information owned by the Consultant or in which the Consultant has an interest that is incorporated therein, and all rights necessary to make, have made, use, sell, offer to sell, develop, have developed, make derivative works, distribute, display, import, lease or otherwise dispose of Pacira products embodying, incorporating, or otherwise based on the Inventions. The Consultant shall not incorporate any invention, improvement, development, concept, discovery or other proprietary information owned by any third party into any Invention without Pacira's prior written permission.

d. All of Pacira's patents, copyrights, trade secrets and other intellectual property rights relating to the subject matter of this Agreement that were developed by Pacira prior to this Agreement or independent thereof shall be owned by Pacira and Consultant shall have no ownership, license, or other use rights therein except as set forth in this Agreement.

e. Consultant hereby assigns to Pacira all of Consultant's intellectual property rights (including copyrights, patents, and trademarks embodied in any Inventions or Works) that may arise from Consultant's engagement by Pacira. Consultant shall cooperate in executing any documents required to further confirm the foregoing assignment. The Consultant agrees that if Pacira is unable because of the Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure the Consultant's signature to apply for or to pursue any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions and Works assigned to Pacira above, then the Consultant hereby irrevocably designates and appoints Pacira and its duly authorized officers and agents as the Consultant's agent and attorney in fact, to act for and in the Consultant's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright and mask work registrations thereon with the same legal force and effect as if executed by the Consultant.

f. Consultant will acquire all rights from his/her Personnel that may be necessary for Pacira to record, perfect and maintain the rights set forth in this Section 5, free of any claims of such Personnel. Consultant warrants that Consultant has enforceable written agreements or policies with all of his/her Personnel who receive Pacira's Confidential Information under this Agreement that assign to Consultant ownership of all Inventions created in the course of his/her engagement.

g. Consultant shall assist Pacira, at Pacira's expense, to evidence, confirm, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights assigned. Consultant irrevocably designates and appoints Pacira and its officers as its agents and attorneys-in-fact (coupled with an interest), with full power of substitution, to act for and in Consultant's behalf to execute and file any document and to do all other lawfully permitted acts to further the foregoing with the same legal force and effect as if executed by Consultant.

7. **Independent Contractor**. Consultant's relationship with Pacira is and shall be that of an independent contractor, and neither party is authorized to nor shall act as the agent of the other. Consultant agrees that he or she will be solely responsible for the payment of all taxes relating to the compensation paid pursuant to this Agreement and shall indemnify Pacira against, all such taxes, including penalties and interest. Consultant shall have no authority (and shall not hold himself or herself out as having authority) to bind Pacira or its affiliates and shall not make any agreements or representations on the Pacira's or its affiliates' behalf without Pacira's prior written consent. Consultant shall not be eligible to participate in any benefits or benefit plans offered by Pacira to its employees. Consultant shall be responsible for any persons employed or engaged by Consultant in connection with the performance of the Services, provided that Consultant shall not engage any sub-contractor without Pacira's prior written consent, and Consultant shall be fully responsible for any such sub-contractor and indemnify Pacira against any claims made by or on behalf of any sub-contractor. During the Term, Consultant shall maintain insurance of the type and amount that is required by law to provide the Services.

8. **Indemnification**. Consultant shall indemnify and hold harmless Pacira and its affiliates, and their officers, directors, employees, and agents from and against all liabilities, losses, costs and expenses (including reasonable attorneys' fees) and damages arising out of or resulting from (i) any willful misconduct, fraud, or negligent act or omission of Consultant, (ii) any breach of this Agreement by Consultant, or (iii) any violation by Consultant of any local, state, federal or foreign law, rule, or regulation applicable to the performance of Consultant's Services under this Agreement. Pacira may satisfy such indemnity (in whole or in part) by way of deduction from any payment due to Consultant.

9. **Notices**. Any notices required or provided by the terms of this Agreement must be in writing, addressed in accordance with this Section, and must be delivered, except as otherwise indicated below, personally or sent by certified or registered mail, return receipt requested, postage prepaid, by nationally-recognized express courier services providing evidence of delivery or e-mail (with confirmation of transmission). Except as noted below, the effective date of any notice is the date of first receipt by the receiving party. Notices must be sent to the address(es)/addressee(s) given below, or to such other address(es)/addressee(s) as the party to whom notice is to be given may have provided to the other party in writing in accordance with this provision.

    a. Notice to Consultant must be addressed to Consultant at the address listed on the first page of this Agreement.

    b. Notice to Pacira must be addressed to Pacira's Legal Department as follows:

        i. Pacira BioSciences, Inc.
        5 Sylvan Way, Suite 300
        Parsippany, New Jersey 07054
        [**]@pacira.com
        Attn: CFO and Legal Department

10. **Remedies**. Consultant acknowledges that any disclosure or unauthorized use of Confidential Information will constitute a material breach of this Agreement and cause substantial harm to Pacira for which damages would not be a fully adequate remedy. Given the nature of the Confidential Information, Consultant acknowledges that Pacira may be irreparably damaged by any unauthorized disclosure of any Confidential Information. Without prejudice to the rights and

remedies otherwise available at law or in equity to Pacira, Pacira shall be entitled, without the requirement of a posting of a bond or other security to seek equitable relief, including an injunction or specific performance, in the event of any breach of the provisions of this Agreement with respect to Confidential Information.

11. **Attorneys' Fees**. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to other relief to which such party may be entitled.

12. **Successors and Assigns**. The provisions of this Agreement shall be binding solely upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party may assign any or all rights, powers, privileges and obligations under this Agreement without the other party's prior written consent; provided, however, that Pacira may assign its rights and/or delegate its duties hereunder, without the consent of Consultant, to an Affiliate or to a purchaser of all or substantially all of its assets or stock.

13. **Interpretation.** Consultant and Pacira acknowledge that this Agreement has been negotiated at arm's–length and, therefore, agree that any rule of construction of contracts resolving any ambiguities against the drafting party is waived and shall be inapplicable to this document.

14. **Severability.** The provisions of this Agreement are severable, and if any provisions hereof shall be determined to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

15. **Amendment and Modification**. No amendment, modification or supplement of this Agreement shall be binding unless executed in writing and signed by the parties hereto.

16. **Entire Agreement**. This Agreement contains the entire understanding of the parties with respect to the matters contained herein. This Agreement shall supersede any and all previous and existing Consulting Agreements between Pacira and Consultant.

17. **Governing Law**. This Agreement shall be construed in accordance with the laws of the State of New Jersey, without regard or reference to any of its rules or provisions governing conflict of laws. Any dispute arising from this contractual relationship shall be adjudicated exclusively by State or federal courts located in New Jersey and all Parties consent to personal jurisdiction and venue therein.

18. **Counterparts**. This Agreement may be signed in any number of counterparts (facsimile and electronic transmission included), each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the date above written.

PACIRA PHARMACEUTICALS, INC.	**CONSULTANT**
/s/ MONVAN HU	**/s/ CHARLES A. REINHART, III**
Signature	Signature
Monvan Hu	Charles A. Reinhart, III
Name	Name
Associate General Counsel	Consultant
Title	Title
October 22, 2024	October 1, 2024
Date	Date

EXHIBIT A

Travel and Expense Reimbursement Policy for Non-HCP Consultants and Vendors

Pacira Pharmaceuticals, Inc. and its affiliates (collectively "Pacira") will generally reimburse third parties for all reasonable and necessary business expenses incurred in connection with the performance of Services under the terms of an agreement. Such reimbursement is subject to the following conditions: (i) compliance with the terms of the agreement, including this Policy, and (ii) the submission of accurate, complete, and itemized supporting receipts. Charges will be reimbursed at cost.

Travel

Third parties will not travel at Pacira's expense unless such travel is required by the Services outlined in a fully executed Statement of Work. Third parties will be responsible for making all travel arrangements independently. Pacira will reimburse reasonable travel expenses, including taxis, sedan services, rideshare (i.e., Uber/Lyft) and parking.

Air Travel

For trips longer than five (5) hours (*i.e.*, total flying time one way), third parties will be able to select premium economy accommodations, otherwise economy class must be the selected class of service. First and business class travel will not be reimbursed. Please note, the five-hour requirement is for actual scheduled flight time only and does not include travel to and from the airport, lay-over time, or airport delays.

Airport Parking

Third parties should utilize long-term parking or offsite parking locations if possible, to reduce the cost of parking in daily/short-term lots.

Hotel Expenses

All charges incurred during a particular hotel stay (i.e., daily room rate, tax, meals, etc.) must be itemized on an original statement received by the traveler at the end of his or her stay. Hotel rates should only include the cost of the room, not to exceed $250 per night before taxes and fees. If traveling to an area (major metro) where hotel rates exceed $250 per night, Pacira's written approval must be obtained before booking.

All expenses included on the hotel bill should be accurately classified and itemized. Meal costs should be itemized, and a meal receipt should be submitted with the hotel bill. Personal expenses included on the hotel bill should be identified as such and should not be submitted for reimbursement. Some countries are eligible for a Value Added Tax (VAT) reclaim. Third parties should ensure that their company's name appears first on the final invoice followed by the traveler's name.

Rental Car

The use of rental cars is permitted for business travel. All drivers must meet the age and driver requirements of the rental company. In choosing a car size, the traveler should adhere to the following:

- Third parties may select up to an intermediate/mid-sized car.
- Full sized cars may be requested when three or more third parties are traveling together.

Tolls and parking expenses incurred while operating a rental car on company business may be submitted for reimbursement. Pacira will not reimburse parking tickets or fines for traffic violations.

Meals

Meal costs up to $125, or foreign currency equivalent per person per day will be reimbursed at the following permissible meal limits: Breakfast – up to $25, Lunch – up to $30, Dinner – up to $70 (including tips that should not exceed 20%).

Taxi

Public transportation should be used when it is more cost-effective. When using a taxi, the tip should not exceed ten percent (10%).

STATEMENT OF WORK
FOR NON-HEALTHCARE PROFESSIONAL CONSULTING AGREEMENT

This Statement of Work ("SOW"), dated October 1, 2024 (the "Effective Date"), confirms the mutual understanding between Pacira Pharmaceuticals, Inc., a California corporation, having a place of business at 5 Sylvan Way, Parsippany, NJ 07054 ("Pacira") and **Charles A. Reinhart, III** located at [**] (the "Consultant") (collectively, "Parties" and individually, "Party") and is governed by the terms of the Non-Healthcare Professional Consulting Agreement between the parties (the "Consulting Agreement"). In the event of a conflict between this SOW and the Consulting Agreement, the provisions of the Consulting Agreement will control. Any capitalized terms used and not defined herein shall have the meanings ascribed to them in the Consulting Agreement.

1. Scope of Services:

   At Pacira's written request, Consultant will provide his expert opinion, institutional knowledge, and advice regarding the finance group and its operations; participate in discussion and provide feedback and recommendations regarding Pacira's financial operations; including advising on planning and implementation to achieve objectives; attend meetings as necessary; and perform other tasks not otherwise described herein, as needed and mutually agreed upon with Pacira (the "Consulting Services").

   It is understood that Consultant shall not provide more than twenty (20) hours of services per week.

2. Consulting Fees:

   1. Consultant shall be compensated at the rate of $235 per hour, to be billed monthly by Consultant's submission of a complete, correct and audit worthy written invoice.

   2. Invoices must be submitted in accordance with the Consulting Agreement, with a copy to the Pacira contact, and shall be paid within forty-five (45) days of receipt at Pacira in accordance with the terms of the Consulting Agreement.

   3. In further consideration for the Consulting Services to be performed under this Agreement, any and all vested stock options held by Consultant will not expire until (and Consultant will be able to exercise them until) September 28, 2025.

   4. Pacira will reimburse Consultant for all pre-approved travel and related expenses pursuant to Pacira's Travel and Expense Reimbursement Policy, a copy of which has been made available to Consultant. Consultant is responsible for making all travel arrangements through his/her travel agent, unless otherwise instructed.

   5. Expense reports shall be submitted to Pacira with corresponding detailed receipts in accordance with the terms of the Consulting Agreement within five (5) business days of

the completed travel. If sufficient detail of the expense is not provided in accordance with the terms of the Consulting Agreement, the expense reimbursement will be denied.

6. Pacira shall not be obligated to make any payments or reimburse any expenses that are provided to Pacira more than sixty (60) days after the date of being incurred.

IN WITNESS WHEREOF, the parties have caused this SOW to be executed by their duly authorized representatives, effective as of the Effective Date written above.

PACIRA PHARMACEUTICALS, INC.	**CONSULTANT**
/s/ MONVAN HU	**/s/ CHARLES A. REINHART, III**
Signature	Signature
Monvan Hu	Charles A. Reinhart, III
Name	Name
Associate General Counsel	Consultant
Title	Title
October 22, 2024	October 1, 2024
Date	Date

PACIRA BIOSCIENCES, INC.

AMENDED AND RESTATED 2014 INDUCEMENT PLAN

1. Purpose

The purpose of this Amended and Restated 2014 Inducement Plan (the "***Plan***") of Pacira BioSciences, Inc., a Delaware corporation (the "***Company***"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract persons who are expected to make important contributions to the Company, by providing such persons with equity ownership opportunities and performance-based incentives as an inducement material to such persons entering into employment with the Company and by providing such persons with a proprietary interest in the Company as an incentive for them to remain in such service, thereby aligning the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "***Company***" shall include any of the Company's parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the "***Code***") at the time of grant and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "***Board***").

2. Eligibility

New employees of the Company who were not previously an employee or director of the Company are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a "***Participant***." "***Award***" means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8).

3. Administration

The Plan will be administered by the Compensation Committee of the Board (the "***Committee***"), which shall be composed of two or more directors, each of whom is (a) independent as defined by the rules of the Nasdaq Stock Market ("***Nasdaq***") and (b) a "non-employee director" within the meaning of Rule 16b-3(b)(3) promulgated under the Securities Exchange Act of 1934, as amended, or any successor definition adopted by the Securities and Exchange Commission. The Committee shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Committee may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Committee may correct any defect, supply

any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. All decisions by the Committee shall be made in the Committee's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

4. Stock Available for Awards

(a) Authorized Number of Shares. Subject to adjustment under Section 9, Awards may be made under the Plan for up to 1,525,000 shares of common stock, $0.001 par value per share, of the Company (the "***Common Stock***"). Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) Share Counting. For purposes of counting the number of shares available for the grant of Awards under the Plan:

(1) all shares of Common Stock covered by SARs shall be counted against the number of shares available for the grant of Awards under the Plan; *provided, however*, that (i) SARs that may be settled only in cash shall not be so counted and (ii) if the Company grants an SAR in tandem with an Option for the same number of shares of Common Stock and provides that only one such Award may be exercised (a "***Tandem SAR***"), only the shares covered by the Option, and not the shares covered by the Tandem SAR, shall be so counted, and the expiration of one in connection with the other's exercise will not restore shares to the Plan;

(2) if any Award (i) expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or (ii) results in any Common Stock not being issued (including as a result of an SAR that was settleable either in cash or in stock actually being settled in cash), the unused Common Stock covered by such Award shall again be available for the grant of Awards; *provided, however*, that (1) in the case of the exercise of an SAR, the number of shares counted against the shares available under the Plan and against the sublimits listed in the first clause of this Section 4(b) shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise and (2) the shares covered by a Tandem SAR shall not again become available for grant upon the expiration or termination of such Tandem SAR; and

(3) shares of Common Stock delivered (either by actual delivery, attestation, or net exercise) to the Company by a Participant to (i) purchase shares of Common Stock upon the

exercise of an Award or (ii) satisfy tax withholding obligations (including shares retained from the Award creating the tax obligation) shall not be added back to the number of shares available for the future grant of Awards.

5. Stock Options

(a) General. The Committee may grant nonstatutory stock options to purchase Common Stock, which are not intended to qualify as "incentive stock options" as defined in Section 422 of the Code (each, an "***Option***") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Exercise Price. The Committee shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price shall be not less than 100% of the fair market value per share of Common Stock as determined by (or in a manner approved by) the Committee ("***Fair Market Value***") on the date the Option is granted; *provided* that if the Committee approves the grant of an Option with an exercise price to be determined on a future date, the exercise price shall be not less than 100% of the Fair Market Value on such future date.

(c) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may specify in the applicable option agreement; *provided, however*, that no Option will be granted with a term in excess of 10 years.

(d) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with payment in full (in the manner specified in Section 5(e)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(e) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as may otherwise be provided in the applicable Option agreement or approved by the Committee, in its sole discretion, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the

Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) to the extent provided for in the applicable Option agreement or approved by the Committee, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Committee in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Option agreement or approved by the Committee in its sole discretion, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would receive (i) the number of shares underlying the portion of the Option being exercised, less (ii) such number of shares as is equal to (A) the aggregate exercise price for the portion of the Option being exercised divided by (B) the Fair Market Value on the date of exercise;

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Committee, in its sole discretion, by payment of such other lawful consideration as the Committee may determine; or

(6) by any combination of the above permitted forms of payment.

(f) Repricing. Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 9): (1) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option, (2) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option, (3) cancel in exchange for a cash payment any outstanding Option with an exercise price per share above the then-current Fair Market Value or (4) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of the Nasdaq.

6. Stock Appreciation Rights

(a) General. The Committee may grant Awards consisting of stock appreciation rights ("***SARs***") entitling the holder, upon exercise, to receive an amount of Common Stock or cash or a combination thereof (such form to be determined by the Committee) determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Committee shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Fair Market Value on the date the SAR is granted; *provided* that if the Committee approves the grant of an SAR effective as of a future date, the measurement price shall be not less than 100% of the Fair Market Value on such future date.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Committee may specify in the applicable SAR agreement; *provided, however*, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Committee.

(e) Repricing. Unless such action is approved by the Company's stockholders, the Committee may not (except as permitted under Section 9) (1) amend any outstanding SAR granted under the Plan to provide a measurement price per share that is lower than the then-current measurement price per share of such outstanding SAR, (2) cancel any outstanding stock appreciation right (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having a measurement price per share lower than the then-current exercise price per share of the canceled stock appreciation right, (3) cancel in exchange for a cash payment any outstanding SAR with a measurement price per share above the then-current Fair Market Value or (4) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of the Nasdaq.

7. Restricted Stock; Restricted Stock Units

(a) General. The Committee may grant Awards entitling recipients to acquire shares of Common Stock ("***Restricted Stock***"), subject to the right of the Company to repurchase all or

part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Committee in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Committee for such Award. The Committee may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests ("***Restricted Stock Units***") (Restricted Stock and Restricted Stock Units are each referred to herein as a "***Restricted Stock Award***").

(b) Terms and Conditions for All Restricted Stock Awards. The Committee shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c)Additional Provisions Relating to Restricted Stock.

(1) Dividends. Any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock ("***Accrued Dividends***") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to his or her Designated Beneficiary. "***Designated Beneficiary***" means (i) the beneficiary designated, in a manner determined by the Committee, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, the Participant's estate.

(d) Additional Provisions Relating to Restricted Stock Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of one share of Common Stock.

The Committee may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

8. Other Stock-Based Awards

(a) General. Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("***Other Stock-Based-Awards***"). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Committee shall determine.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Committee shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the share counting rules and sublimit set forth in Section 4(b), (iii) the number and class of securities and exercise price per share of each outstanding Option, (iv) the share and per-share provisions and the measurement price of each outstanding SAR, (v) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award and (vi) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Committee. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to

receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "***Reorganization Event***" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is canceled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

(A) In connection with a Reorganization Event, the Committee may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Committee determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "***Acquisition Price***"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the

foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Committee shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(B) Notwithstanding the terms of Section 9(b)(2)(A), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a "change in control event", then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(A)(i) and the Restricted Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Committee may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(A) if the Reorganization Event constitutes a "change in control event" as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and/or such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a "change in control event" as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 9(b)(2)(A), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(C) For purposes of Section 9(b)(2)(A)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); *provided, however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Committee determined to be equivalent in value (as of the date of such determination or another date specified by the Committee) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company's successor and shall, unless the Committee determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided*, *however*, that the Committee may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. General Provisions Applicable to Awards

(a) Transferability of Awards. Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of Awards that are subject to Section 409A of the Code, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; *provided, however*, except with respect to Awards that are subject to Section 409A of the Code, that the Committee may permit or provide in an Award for the gratuitous transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof if the Company would be eligible to use a Form S-8 under the Securities Act of 1933, as amended, for the registration of the sale of the Common Stock subject to such Award to such proposed transferee; *provided further*, that the Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Committee shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Committee Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Committee need not treat Participants uniformly.

(d) Termination of Status. The Committee shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price, unless the Company determines otherwise. If provided for in an Award or approved by the Committee in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided, however*, except as otherwise provided by the Committee, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) Amendment of Award. Except as set forth in Sections 5(f) and 6(e) with respect to repricings, the Committee may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, and changing the date of exercise or realization. The Participant's consent to such action shall be required unless (i) the Committee determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 9.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Committee may at any time provide that any Award shall become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

(i) Dividend Equivalents. An Award agreement may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock ("Dividend Equivalents"). Dividend Equivalents may be settled in cash, shares of Common Stock or other property, as determined in the discretion of the Committee. Dividend Equivalents may have such other terms and conditions as the Committee shall determine; provided, however, that no such Dividend Equivalents may be granted in tandem with, linked to, contingent upon or otherwise payable on the exercise of, any Option or SAR; and, provided further, that, if dividends are declared during the period that an Award is outstanding, such Dividend Equivalents shall be accumulated but remain subject to performance and/or vesting requirement(s) to the same extent as the applicable Award and shall be paid only at the time or times such performance and/or vesting requirement(s) are satisfied.

11. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date the Plan is approved by the Board (the "***Effective Date***"). No Awards shall be granted under the Plan after the expiration of 10 years from the Effective Date, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board or the Committee may amend, suspend or terminate the Plan or any portion thereof at any time provided that no amendment that would require stockholder approval under the rules of the Nasdaq may be made effective unless and until the Company's stockholders approve such amendment. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board or the Committee determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan.

(e) Authorization of Sub-Plans (including for Grants to non-U.S. Employees). The Committee may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Committee shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Committee's discretion under the Plan as the Committee deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Committee shall deem necessary or desirable. All supplements adopted by the Committee shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code) (the "***New Payment Date***"), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of

separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, employee or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Committee's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.

PACIRA BIOSCIENCES, INC.

Nonstatutory Stock Option Agreement

Granted Under Amended and Restated 2014 Inducement Plan

1. Grant of Option.

This agreement evidences the grant by Pacira BioSciences, Inc., a Delaware corporation (the "**Company**"), on [GRANT DATE] (the "**Grant Date**") to [PARTICIPANT NAME], (the "**Participant**"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's Amended and Restated 2014 Inducement Plan (the "**Plan**"), a total of [NUMBER OF AWARDS GRANTED] shares (the "**Shares**") of common stock, $0.001 par value per share, of the Company ("**Common Stock**") at $[GRANT PRICE] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Pacific time, on [EXPIRATION DATE] (the "**Final Exercise Date**").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "**Code**"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

The option shares vest as follows, with a **"Vesting Commencement Date"** of [VEST FROM DATE]: [SCHEDULE]

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

a. Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of Shares covered hereby, provided that no partial exercise of this option may be for any fractional share or for the lesser of (i) fifty (50) whole shares or (ii) the amount of unexercised option shares remaining under this option.

b. Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or

advisors of which are eligible to receive option grants under the Plan (an "**Eligible Participant**").

c. Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

d. Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of three years following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

e. Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment or other relationship with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment or other relationship. If, prior to the Final Exercise Date, the Participant is given notice by the Company of the termination of his or her employment or other relationship by the Company for Cause, and the effective date of such employment or other termination is subsequent to the date of the delivery of such notice, the right to exercise this option shall be suspended from the time of the delivery of such notice until the earlier of (i) such time as it is determined or otherwise agreed that the Participant's employment or other relationship shall not be terminated for Cause as provided in such notice or (ii) the effective date of such termination of employment or other relationship (in which case the right to exercise this option shall, pursuant to the preceding sentence, terminate upon the effective date of such termination of employment or other relationship). If the Participant is party to an employment, consulting or severance agreement with the Company that contains a definition of "cause" for termination of employment or other relationship, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "**Cause**" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure or other similar

agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment or other relationship shall be considered to have been terminated for "Cause" if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

4. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

5. Transfer Restrictions.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant; provided, however, that the Participant may transfer this option gratuitously to or for the benefit of any immediate family member of the Participant, family trust or other entity established for the benefit of the Participant and/or an immediate family member of the Participant if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Shares to such proposed transferee; provided further, that the Company will not be required to recognize any such permitted transfer until such time as such permitted transferee, as a condition to such transfer, delivers to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee will be bound by all the terms and conditions of this option.

6. Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

PACIRA BIOSCIENCES, INC.

By: _____
Name: _____
Title: _____

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's Amended and Restated 2014 Inducement Plan.

PARTICIPANT

By: _____
Name: _____

PACIRA BIOSCIENCES, INC.
RESTRICTED STOCK UNIT AWARD NOTICE

AMENDED AND RESTATED 2014 INDUCEMENT PLAN

Pacira BioSciences, Inc. (the "***Company***") hereby grants to Participant a Restricted Stock Unit Award (the "***Award***"). The Award is subject to all the terms and conditions set forth in this Restricted Stock Unit Award Notice (the "***Award Notice***") and in the Restricted Stock Unit Award Agreement and the Pacira BioSciences, Inc. Amended and Restated 2014 Inducement Plan (the "***Plan***"), which are incorporated into the Award Notice in their entirety.

Participant:	[PARTICIPANT NAME]
Grant Date:	[GRANT DATE]
Number of Restricted Stock Units:	[SHARES GRANTED]
Vesting Schedule:	[SCHEDULE]

Additional Terms/Acknowledgement: The undersigned Participant acknowledges receipt of, and understands and agrees to, the Award Notice, the Restricted Stock Unit Award Agreement and the Plan Summary for the Plan. Participant further acknowledges that as of the Grant Date, the Award Notice, the Restricted Stock Unit Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on the subject.

PACIRA BIOSCIENCES, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT

[ELECTRONIC SIGNATURE]
[ACCEPTANCE DATE]

By: _____
Name: _____

PACIRA BIOSCIENCES, INC.

AMENDED AND RESTATED 2014 INDUCEMENT PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to your Restricted Stock Unit Award Notice (the "***Award Notice***") and this Restricted Stock Unit Award Agreement (this "***Agreement***"), Pacira BioSciences, Inc. (the "***Company***") has granted you a Restricted Stock Unit Award (the "***Award***") under its Amended and Restated 2014 Inducement Plan (the "***Plan***") for the number of Restricted Stock Units indicated in your Award Notice. Capitalized terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of the Award are as follows:

1. Vesting

The Award will vest according to the vesting schedule set forth in the Award Notice (the "***Vesting Schedule***"). One share of the Company's Common Stock will be issuable for each Restricted Stock Unit that vests. Restricted Stock Units that have vested and are no longer subject to forfeiture according to the Vesting Schedule are referred to herein as "***Vested Units***." Restricted Stock Units that have not vested and remain subject to forfeiture under the Vesting Schedule are referred to herein as "***Unvested Units***." The Unvested Units will vest (and to the extent so vested cease to be Unvested Units remaining subject to forfeiture) in accordance with the Vesting Schedule (the Unvested and Vested Units are collectively referred to herein as the "***Units***"). As soon as practicable, but in any event within 60 days, after Unvested Units become Vested Units, the Company will settle the Vested Units by issuing to you one share of the Company's Common Stock for each Vested Unit. The Award will terminate and the Unvested Units will be subject to forfeiture upon your Termination of Service as set forth in Section 2.

2. Termination of Service

If you cease to be an employee, officer, or director of, or consultant or advisor to, the Company for any reason, any portion of the Award that has not vested will immediately terminate and all Unvested Units shall immediately be forfeited without payment of any further consideration to you.

3. Securities Law Compliance

3.1 You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

3.2 You hereby agree that you will in no event sell or distribute all or any part of the shares of the Company's Common Stock that you receive pursuant to settlement of this Award (the "***Shares***") unless (a) there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurred in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to maintain any registration of the Shares with the Securities

and Exchange Commission and has not represented to you that it will so maintain registration of the Shares.

3.3 You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the "***Acts***") and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

3.4 You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys' fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

4. Transfer Restrictions

Units shall not be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law; provided, however, that you may transfer Units gratuitously to or for the benefit of any of your immediate family members, a family trust or other entity established for your benefit and/or for the benefit of your immediate family members if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Shares to such proposed transferee; provided further, that the Company will not be required to recognize any such permitted transfer until such time as such permitted transferee, as a condition to such transfer, delivers to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee will be bound by all the terms and conditions of the Award**.**

5. No Rights as Stockholder

You shall not have voting or other rights as a stockholder of the Company with respect to the Units.

6. Independent Tax Advice

You acknowledge that determining the actual tax consequences to you of receiving or disposing of the Units and Shares may be complicated. These tax consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax law and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax consequences to you of receiving the Units and receiving or disposing of the Shares. Prior to executing the Award Notice, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the receipt of the Units and the receipt or disposition of the Shares in light of your specific situation or you have had the opportunity to consult with such a tax advisor but chose not to do so.

7. Book Entry Registration of the Shares

The Company will issue the Shares by registering the Shares in book entry form with the Company's transfer agent in your name and the applicable restrictions will be noted in the records of the Company's transfer agent and in the book entry system.

8. Withholding

8.1 You are ultimately responsible for all taxes owed in connection with the Award (e.g., at grant, vesting and/or upon receipt of the Shares), including any federal, state, local or foreign taxes of any kind required by law to be withheld by the Company in connection with the Award, including FICA or any other tax obligation (the "***Tax Withholding Obligation***"), regardless of any action the Company takes with respect to any such Tax Withholding Obligation. The Company makes no representation or undertaking regarding the adequacy of any tax withholding made in connection with the Award. The Company has no obligation to deliver Shares pursuant to the Award until you have satisfied the Tax Withholding Obligation.

8.2 You must satisfy the Tax Withholding Obligations by either of the following means: (a) entering into a plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (a "***10b5-1 Plan***"), with any brokerage firm acceptable to the Company, to sell a number of Shares necessary to cover the amount of any Tax Withholding Obligation and all applicable fees or commissions due or (b) tendering a cash payment to the Company in a manner acceptable to the Company no later than 10 business days prior to a vest date. You understand that if you enter into a 10b5-1 Plan and subsequently choose to revoke it, you will be required to satisfy any Tax Withholding Obligations by tendering a cash payment to the Company as provided in this Section 8.2. You also understand that, if you do not have an effective 10b5-1 Plan in place prior to a vest date or you have not tendered a cash payment to the Company as provided in this Section 8.2, the Award shall immediately be forfeited without payment of any further consideration to you.

8.3 Notwithstanding the foregoing, to the maximum extent permitted by law, the Company has the right to retain without notice from Shares issuable under the Award or from salary or other amounts payable to you, a number of whole Shares or cash having a value sufficient to satisfy the Tax Withholding Obligation, and you hereby authorize the Company to do so (which Shares may be withheld up to the applicable minimum required tax withholding rate or such other applicable rate to avoid adverse treatment for financial accounting purposes).

8.4 Furthermore, you acknowledge that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Withholding Obligations or tax treatment in connection with any aspect of the Award, including but not limited to, the grant, vesting, the issuance of Shares upon vesting, the subsequent sale of Shares acquired pursuant to the Award and the receipt of any dividends, and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax Withholding Obligations or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company (or former employer, as applicable) may be required to withhold or account for Tax Withholding Obligations in more than one jurisdiction.

9. General Provisions

9.1 Assignment. The Company may assign its rights under this Agreement at any time, whether or not such rights are then exercisable, to any person or entity selected by the Company's Board of Directors.

9.2 No Waiver. No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will

failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder.

9.3 Undertaking. You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Units pursuant to the express provisions of this Agreement.

9.4 Agreement Is Entire Contract. This Agreement, the Award Notice and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and will in all respects be construed in conformity with the express terms and provisions of the Plan.

9.5 Successors and Assigns. The provisions of this Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

9.6 No Employment or Service Contract. Nothing in this Agreement will affect in any manner whatsoever the right or power of the Company, or a related corporation, to terminate your employment or services on behalf of the Company, for any reason, with or without Cause.

9.7 Section 409A Compliance. Payments made pursuant to this Agreement and the Plan are intended to qualify for an exception from or comply with Section 409A of the Code. Notwithstanding any other provision in the Plan or this Agreement to the contrary, the Plan Administrator reserves the right, but shall not be required to, unilaterally amend or modify the terms of this Agreement and/or the Plan as it determines necessary or appropriate, in its sole discretion, to avoid the imposition of interest or penalties under Section 409A of the Code; provided, however, that the Company makes no representation that that the Award shall be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the Award. No provision of this Agreement or the Award Notice shall be interpreted or construed to transfer any liability for failure to comply with Section 409A of the Code from you or any other individual to the Company. By executing the Award Notice, you agree that you shall be deemed to have waived any claim against the Company with respect to any such tax consequences.

9.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but which, upon execution, will constitute one and the same instrument.

Appendix – Vesting Schedule

[VESTING SCHEDULE DISPLAYED HERE]

Exhibit 31.1

CERTIFICATION

I, Frank D. Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pacira BioSciences, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ FRANK D. LEE

Frank D. Lee

Chief Executive Officer and Director

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Shawn M. Cross certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pacira BioSciences, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 6, 2024

/s/ SHAWN M. CROSS
Shawn M. Cross
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this Quarterly Report on Form 10-Q of Pacira BioSciences, Inc. for the quarter ended September 30, 2024, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of Pacira BioSciences, Inc. at the dates and for the periods indicated.

Date: November 6, 2024

/s/ FRANK D. LEE

Frank D. Lee

Chief Executive Officer and Director

(Principal Executive Officer)

Date: November 6, 2024

/s/ SHAWN M. CROSS

Shawn M. Cross

Chief Financial Officer

(Principal Financial Officer)