UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): May 4, 2022

PACIRA BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-35060**	**51-0619477**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS 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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

On May 4, 2022, Pacira BioSciences, Inc. (the "Company") issued a press release announcing its financial results for the first quarter ended March 31, 2022. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Daryl Gaugler as Chief Operating Officer

On May 4, 2022, Daryl Gaugler, the current Senior Vice President, Commercial Operations of the Company, was promoted to Chief Operating Officer, effective immediately.

Mr. Gaugler, age 60, has served as the Company's Senior Vice President of Commercial Operations since June 2019. Prior to the Company, Mr. Gaugler spent over 20 years with the Quintiles Transnational organization (now IQVIA), most recently as President of North America Commercial Solutions.

In connection with Mr. Gaugler's appointment to Chief Operating Officer, his annual base salary was increased to $485,000. His existing target bonus remains at 50% of such base salary effective for 2022. Except for the changes noted above, the terms of Mr. Gaugler's employment agreement with the Company remain in full force and effect. Per the terms of his employment agreement with the Company, Mr. Gaugler is entitled to participate in the Company's other benefit programs generally available to employees of the Company.

If Mr. Gaugler is terminated for any reason other than for "cause" (as defined in his employment agreement) or terminates his employment for "good reason" (as defined in his employment agreement), he will be entitled to (i) earned and accrued base salary, bonus, vacation time and other benefits, (ii) monthly salary continuation payments for a period of nine months from the effective date of the release required to be provided as a condition to receiving these payments, (iii) health insurance coverage, subject to cost sharing, for 12 months following the effective date of the release required to be provided as a condition to receiving this coverage and (iv) immediate vesting of the portion of Mr. Gaugler's outstanding unvested options and restricted stock units that would have become vested during the nine-month period following the date of termination.

If, within 30 days prior to, or 12 months following, a "change of control" (as defined in his employment agreement), Mr. Gaugler is terminated for any reason other than for cause, or terminates his employment during the agreement term for "good reason" (as defined in his employment agreement), Mr. Gaugler will be entitled to (i) earned and accrued base salary, bonus, vacation time and other benefits, (ii) monthly salary continuation payments for a period of 12 months from the effective date of the release required to be provided as a condition to receiving these payments, (iii) a bonus payment in the amount of 35% of Mr. Gaugler's then-current base salary, (iv) health insurance coverage, subject to cost sharing, for 12 months following the effective date of the release required to be provided as a condition to receiving this coverage and (v) immediate vesting of all outstanding unvested options and restricted stock units previously granted to Mr. Gaugler as of the date of termination.

There are no family relationships between Mr. Gaugler and any of the Company's directors or executive officers. Mr. Gaugler is not a party to any related party transaction required to be reported pursuant to Item 404(a) of Regulation S-K.

Item 9.01. Financial Statements and Exhibits.

Exhibit Number	Description
99.1	Earnings Press Release dated May 4, 2022.
104	Cover Page Interactive Data File (Formatted as Inline XBRL)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PACIRA BIOSCIENCES, INC.
(REGISTRANT)

Dated: May 4, 2022

By: **/s/ KRISTEN WILLIAMS**
Kristen Williams
Chief Administrative Officer and Secretary

FOR IMMEDIATE RELEASE

NEWS RELEASE

Pacira BioSciences Reports First Quarter 2022 Financial Results

-- First quarter revenue of $158 million, up 33% over prior year --

-- Strong topline performance delivers net income and significantly positive adjusted EBITDA --

-- Conference call today at 8:30 a.m. ET --

TAMPA, FL, May 4, 2022 - Pacira BioSciences, Inc. (Nasdaq: PCRX), the industry leader in its commitment to non-opioid pain management and regenerative health solutions, today reported financial results for the first quarter of 2022.

First Quarter 2022 Financial Highlights

- Total revenues of $158.0 million
- Net product sales of $129.2 million for EXPAREL, $23.6 million for ZILRETTA, and $3.0 million for iovera°
- Net income of $6.8 million, or $0.15 per share (basic and diluted)
- Adjusted EBITDA of $53.8 million, or $1.20 per share (basic) and $1.16 per share (diluted)

“We were delighted to end the first quarter of 2022 with record high EXPAREL sales for the month of March, which underscores the significant progress we continue to make despite operational headwinds in the elective surgery market due to COVID and labor-related disruptions,” said Dave Stack, chairman and chief executive officer of Pacira BioSciences. “The successful integration of the Flexion acquisition was evidenced by strong ZILRETTA sales in the first quarter, which we expect to be an important near- and long-term contributor to earnings.”

“We look forward to completing our two Phase 3 studies of EXPAREL for lower extremity nerve block and to launching new high-potential registration programs evaluating EXPAREL as a stellate ganglion block for cardiac dysrhythmia. Additionally, as the market moves rapidly toward ultrasound-guided iovera° blocks delivered by pain management specialists, we plan to use our IGOR registry to publish real-world evidence to better support our commercial initiatives,” continued Mr. Stack.

Recent Business Highlights

- ***Daryl Gaugler Appointed Chief Operating Officer.*** Today the company is announcing the appointment of Daryl Gaugler to the position of Chief Operating Officer effective May 4, 2022. Mr. Gaugler has served as the company’s Senior Vice President of Commercial Operations since June 2019. Mr. Gaugler is a seasoned life sciences executive with 30 years

of experience in commercial leadership that includes building and directing over 400 commercial teams and designing go-to-market strategies for more than 20 companies. Prior to Pacira, Mr. Gaugler spent over 20 years with the Quintiles Transnational organization (now IQVIA). In his most recent role at Quintiles, President of North America Commercial Solutions, Mr. Gaugler delivered significant revenue and profit growth while leading customer satisfaction and employee engagement within the organization.

- ***New EXPAREL Patents.*** In March and April 2022, the U.S. Patent and Trademark Office (U.S. PTO) issued Patent Numbers 11,278,494, 11,304,904 and 11,311,486. The '494 and '486 patents cover composition of EXPAREL while the '904 is a product by process patent, each having an expiration date of January 22, 2041. All three patents are now listed in the U.S. Food and Drug Administration's Approved Drug Products with Therapeutic Equivalents Evaluations (Orange-Book).

- ***Second Innovation and Training Facility.*** The company recently launched development plans for its second training facility in Houston, Texas. This 19,000 square-feet state-of-the-art facility will feature an adaptive lecture hall, broadcast studio, and lab space for cadaver and other interactive workshops. Together with the company's Tampa facility, this second training center will play a core role in developing physician champions and community-based clinicians who want to stay on the forefront of opioid-sparing pain management. The company expects to open the Houston facility before the end of 2022 to host programs for EXPAREL, ZILRETTA and iovera°.

First Quarter 2022 Financial Results

- Total revenues were $158.0 million in the first quarter of 2022, versus the $119.0 million reported for the first quarter of 2021.
- EXPAREL net product sales were $129.2 million in the first quarter of 2022, versus the $114.7 million reported for the first quarter of 2021.
- ZILRETTA net product sales were $23.6 million in the first quarter of 2022. The company began recognizing ZILRETTA sales upon completing its acquisition of Flexion Therapeutics, Inc. in November 2021.
- First quarter 2022 iovera° net product sales were $3.0 million, versus the $3.3 million reported for the first quarter of 2021.
- Sales of bupivacaine liposome injectable suspension to a third-party licensee for use in veterinary practice were $1.6 million in the first quarter of 2022, versus the $0.8 million reported for the first quarter of 2021.
- First quarter 2022 royalty and collaborative licensing and milestone revenues were $0.6 million, versus the $0.3 million reported for the first quarter of 2021.
- Total operating expenses were $140.6 million in the first quarter of 2022, versus the $99.6 million reported for the first quarter of 2021.
- Research and development (R&D) expenses were $21.6 million in the first quarter of 2022, compared to $15.9 million in the first quarter of 2021. R&D expenses included $5.0 million

and $4.7 million of product development and manufacturing capacity expansion costs in the first quarters of 2022 and 2021, respectively.

- Selling, general and administrative (SG&A) expenses were $64.3 million in the first quarter of 2022, compared to $48.5 million in the first quarter of 2021.
- GAAP net income was $6.8 million, or $0.15 per share (basic and diluted), in the first quarter of 2022, compared to $10.4 million, or $0.24 per share (basic) and $0.23 per share (diluted), in the first quarter of 2021.
- Non-GAAP net income was $29.9 million, or $0.67 per share (basic) and $0.64 per share (diluted), in the first quarter of 2022, compared to $24.5 million, or $0.56 per share (basic) and $0.53 per share (diluted), in the first quarter of 2021.
- Adjusted EBITDA was $53.8 million, or $1.20 per share (basic) and $1.16 per share (diluted) in the first quarter of 2022, compared to $36.2 million, or $0.83 per share (basic) and $0.79 per share (diluted) in the first quarter of 2021.
- Pacira ended the first quarter of 2022 with cash, cash equivalents and short-term available-for-sale investments ("cash") of $452.2 million. Cash provided by operations was $30.8 million in the first quarter of 2022, compared to $12.1 million in the first quarter of 2021.
- Pacira had 44.9 million basic and 46.4 million diluted weighted average shares of common stock outstanding in the first quarter of 2022.

See "Non-GAAP Financial Information" below.

Financial Guidance

The company's product sales continue to be impacted by COVID-19, which has caused significant postponement or suspension in the scheduling of elective surgical procedures resulting from public health guidance and government directives. Given the continued uncertainty around COVID-19 and the pace of recovery for the elective surgery market, the company is currently not providing revenue or gross margin guidance. To provide greater transparency, Pacira is reporting monthly intra-quarter unaudited net product sales for EXPAREL and iovera° until it has gained enough visibility around the impacts of COVID-19. Pacira is also providing weekly EXPAREL utilization and elective surgery data within its investor presentation, which is accessible at investor.pacira.com. Pacira is currently not reporting preliminary monthly ZILRETTA net product sales as the required adjustments for certain product rebate programs are calculated after the end of the quarter.

Today the company is reiterating its full-year 2022 operating expense guidance as follows:

- Non-GAAP R&D expense of $75 million to $85 million;
- Non-GAAP SG&A expense of $220 million to $230 million; and
- Stock-based compensation of $40 million to $45 million.

See "Non-GAAP Financial Information" below.

Today's Conference Call and Webcast Reminder

The Pacira management team will host a conference call to discuss the company's financial results and recent developments today, Wednesday, May 4, 2022, at 8:30 a.m. ET. To participate in the conference call, dial 1-877-845-0779 and provide the passcode 4063578. International callers may dial 1-720-545-0035 and use the same passcode. In addition, a live audio of the conference call will be available as a webcast. Interested parties can access the event through the "Events" page on the Pacira website at investor.pacira.com.

For those unable to participate in the live call, a replay will be available at 1-855-859-2056 (domestic) or 1-404-537-3406 (international) using the passcode 4063578. The replay of the call will be available for one week from the date of the live call. The webcast will be available on the Pacira website for approximately two weeks following the call.

Non-GAAP Financial Information

This press release contains financial measures that do not comply with U.S. generally accepted accounting principles (GAAP), such as non-GAAP net income, non-GAAP net income per common share, non-GAAP cost of goods sold, non-GAAP research and development (R&D) expense, non-GAAP selling, general and administrative (SG&A) expense, adjusted EBITDA (as defined below) and adjusted EBITDA per share, because these non-GAAP financial measures exclude the impact of items that management believes affect comparability or underlying business trends.

These measures supplement the company's financial results prepared in accordance with GAAP. Pacira management uses these measures to better analyze its financial results, estimate its future cost of goods sold, R&D expense and SG&A expense outlook for 2022 and to help make managerial decisions. In management's opinion, these non-GAAP measures are useful to investors and other users of our financial statements by providing greater transparency into the operating performance of Pacira and its future outlook. Such measures should not be deemed to be an alternative to GAAP requirements or a measure of liquidity for Pacira. Non-GAAP measures are also unlikely to be comparable with non-GAAP disclosures released by other companies. See the tables below for a reconciliation of GAAP to non-GAAP measures.

About Pacira

Pacira BioSciences, Inc. (Nasdaq: PCRX) is committed to providing a non-opioid option to as many patients as possible to redefine the role of opioids as rescue therapy only. The company is also developing innovative interventions to address debilitating conditions involving the sympathetic nervous system, such as cardiac electrical storm, chronic pain, and spasticity. Pacira has three commercial-stage non-opioid treatments: EXPAREL® (bupivacaine liposome injectable suspension), a long-acting local analgesic currently approved for infiltration, fascial plane block, and as an interscalene brachial plexus nerve block for postsurgical pain management; ZILRETTA® (triamcinolone acetonide extended-release injectable suspension), an extended-release, intra-articular injection indicated for the management of osteoarthritis knee pain; and iovera°®, a novel, handheld device for delivering immediate, long-acting, drug-free pain control using precise, controlled doses of cold temperature to a targeted nerve. To learn more about Pacira, including the corporate mission to reduce overreliance on opioids, visit www.pacira.com.

About EXPAREL®

EXPAREL (bupivacaine liposome injectable suspension) is indicated in patients 6 years of age and older for single-dose infiltration to produce postsurgical local analgesia, and in adults as an interscalene brachial plexus nerve block to produce postsurgical regional analgesia. Safety and efficacy have not been established in other nerve blocks. The product combines bupivacaine with multivesicular liposomes, a proven product delivery technology that delivers medication over a desired time period. EXPAREL represents the first and only multivesicular liposome local anesthetic that can be utilized in the peri- or postsurgical setting. By utilizing the multivesicular liposome platform, a single dose of EXPAREL delivers bupivacaine over time, providing significant reductions in cumulative pain scores with up to a 78 percent decrease in opioid consumption; the clinical benefit of the opioid reduction was not demonstrated. Additional information is available at www.EXPAREL.com.

Important Safety Information about EXPAREL for Patients

EXPAREL should not be used in obstetrical paracervical block anesthesia. In studies in adults where EXPAREL was injected into a wound, the most common side effects were nausea, constipation, and vomiting. In studies in adults where EXPAREL was injected near a nerve, the most common side effects were nausea, fever, and constipation. In the study where EXPAREL was given to children, the most common side effects were nausea, vomiting, constipation, low blood pressure, low number of red blood cells, muscle twitching, blurred vision, itching, and rapid heartbeat. EXPAREL can cause a temporary loss of feeling and/or loss of muscle movement. How much and how long the loss of feeling and/or muscle movement depends on where and how much of EXPAREL was injected and may last for up to 5 days. EXPAREL is not recommended to be used in patients younger than 6 years old for injection into the wound, for patients younger than 18 years old for injection near a nerve, and/or in pregnant women. Tell your health care provider if you or your child has liver disease, since this may affect how the active ingredient (bupivacaine) in EXPAREL is eliminated from the body. EXPAREL should not be injected into the spine, joints, or veins. The active ingredient in EXPAREL can affect the nervous system and the cardiovascular system; may cause an allergic reaction; may cause damage if injected into the joints; and can cause a rare blood disorder.

About ZILRETTA®

On October 6, 2017, ZILRETTA (triamcinolone acetonide extended-release injectable suspension) was approved by the U.S. Food and Drug Administration as the first and only extended-release intra-articular therapy for patients confronting osteoarthritis (OA)- related knee pain. ZILRETTA employs proprietary microsphere technology combining triamcinolone acetonide—a commonly administered, short-acting corticosteroid—with a poly lactic-co-glycolic acid (PLGA) matrix to provide extended pain relief. The pivotal Phase 3 trial on which the approval of ZILRETTA was based showed that ZILRETTA significantly reduced OA knee pain for 12 weeks, with some people experiencing pain relief through Week 16. Learn more at www.zilretta.com.

Indication and Select Important Safety Information for ZILRETTA

Indication: ZILRETTA is indicated as an intra-articular injection for the management of OA pain of the knee. Limitation of Use: The efficacy and safety of repeat administration of ZILRETTA have not been demonstrated.

Contraindication: ZILRETTA is contraindicated in patients who are hypersensitive to triamcinolone acetonide, corticosteroids or any components of the product.

Warnings and Precautions:

- **Intra-articular Use Only:** ZILRETTA has not been evaluated and should not be administered by epidural, intrathecal, intravenous, intraocular, intramuscular, intradermal, or subcutaneous routes. ZILRETTA should not be considered safe for epidural or intrathecal administration.
- **Serious Neurologic Adverse Reactions with Epidural and Intrathecal Administration:** Serious neurologic events have been reported following epidural or intrathecal corticosteroid administration. Corticosteroids are not approved for this use.
- **Hypersensitivity reactions:** Serious reactions have been reported with triamcinolone acetonide injection. Institute appropriate care if an anaphylactic reaction occurs.
- **Joint infection and damage:** A marked increase in joint pain, joint swelling, restricted motion, fever and malaise may suggest septic arthritis. If this occurs, conduct appropriate evaluation and if confirmed, institute appropriate antimicrobial treatment.

Adverse Reactions: The most commonly reported adverse reactions (incidence ≥1%) in clinical studies included sinusitis, cough, and contusions.

Please see ZILRETTALabel.com for full Prescribing Information.

About iovera°®

The iovera° system uses the body's natural response to cold to treat peripheral nerves and immediately reduce pain without the use of drugs. Treated nerves are temporarily stopped from sending pain signals for a period of time, followed by a restoration of function. Treatment with iovera° treatment works by applying targeted cold to a peripheral nerve. A precise cold zone is formed under the skin that is cold enough to immediately prevent the nerve from sending pain signals without causing damage to surrounding structures. The effect on the nerve is temporary, providing pain relief until the nerve regenerates and function is restored. Treatment with iovera° does not include injection of any substance, opioid, or any other drug. The effect is immediate and can last up to 90 days. The iovera° system is not indicated for treatment of central nervous system tissue. Additional information is available at www.iovera.com.

Important Safety Information for iovera°®

The iovera° system is contraindicated for use in patients with the following: Cryoglobulinemia; Paroxysmal cold hemoglobinuria; cold urticaria; Raynaud's disease; open and/or infected wounds at

or near the treatment line. Potential complications: As with any surgical treatment that uses needle-based therapy, there is potential for temporary site-specific reactions, including but not limited to: bruising (ecchymosis); swelling (edema); inflammation and/or redness (erythema); pain and/or tenderness; altered sensation (localized dysesthesia). Typically, these reactions resolve with no physician intervention. Patients may help the healing process by applying ice packs to the affected sites, and by taking over-the-counter analgesics.

Forward-Looking Statements

Any statements in this press release about Pacira's future expectations, plans, trends, outlook, projections and prospects, and other statements containing the words "believes," "anticipates," "plans," "estimates," "expects," "intends," "may," "will," "would," "could," "can" and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements related to the acquisition of Flexion Therapeutics, Inc. and the costs and benefits thereof, our growth and future operating results and trends, our strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial results and growth potential, anticipated product portfolio, development programs, strategic alliances, patent terms and intellectual property and 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 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: 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; the possibility that if we do not achieve the perceived benefits of the Flexion acquisition as rapidly or to the extent anticipated by financial analysts or investors, the market price of our shares could decline; the impact of the COVID-19 pandemic on elective surgeries, our manufacturing and supply chain, global and United States economic conditions, and our business, including our revenues, financial condition and results of operations; the success of our sales and manufacturing efforts in support of the commercialization of EXPAREL, ZILRETTA and iovera° and 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 supplemental New Drug Applications, and premarket notification 510(k)s; the related timing and success of European Medicines Agency Marketing Authorization Applications; our plans to evaluate, develop and pursue additional product candidates utilizing our proprietary multivesicular liposome (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 construct an additional EXPAREL manufacturing suite in San Diego, California; our ability to successfully complete a ZILRETTA capacity expansion project in Swindon, England; the outcome of any litigation; the ability to successfully integrate Flexion or any future acquisitions into our existing business; the recoverability of our deferred tax

assets; and assumptions associated with contingent consideration payments; and factors discussed in the "Risk Factors" of our most recent Annual Report on Form 10-K and in other filings that we periodically make with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent our views as of the date of this press release. Important factors could cause 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. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, except as required by law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

###

Investor Contact:
Susan Mesco, (973) 451-4030
susan.mesco@pacira.com

Media Contact:
Coyne Public Relations
Kristin Capone, (973) 588-2108
kcapone@coynepr.com

(Tables to Follow)

Pacira BioSciences, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 226,751	$ 585,578
Short-term available-for-sale investments	225,443	70,831
Accounts receivable, net	92,103	96,318
Inventories, net	103,662	98,550
Prepaid expenses and other current assets	19,059	14,771
Total current assets	667,018	866,048
Fixed assets, net	189,767	188,401
Right-of-use assets, net	74,271	76,410
Goodwill	145,722	145,175
Intangible assets, net	609,646	623,968
Deferred tax assets	169,282	153,364
Investments and other assets	35,770	21,987
Total assets	$ 1,891,476	$ 2,075,353
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 14,843	$ 10,543
Accrued expenses	87,669	127,555
Lease liabilities	8,018	7,891
Convertible senior notes, net	160,000	350,466
Current portion of long-term debt, net	33,680	24,234
Income taxes payable	863	429
Total current liabilities	305,073	521,118
Convertible senior notes, net	402,915	339,267
Long-term debt, net	326,828	335,263
Lease liabilities	69,710	71,727
Deferred revenue	10,125	10,125
Contingent consideration	56,527	57,598
Other liabilities	10,722	9,847
Total stockholders' equity	709,576	730,408
Total liabilities and stockholders' equity	$ 1,891,476	$ 2,075,353

Pacira BioSciences, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net product sales:		
EXPAREL	$ 129,205	$ 114,678
ZILRETTA	23,635	—
iovera°	3,026	3,268
Bupivacaine liposome injectable suspension	1,556	792
Total net product sales	157,422	118,738
Royalty revenue	569	289
Total revenues	157,991	119,027
Operating expenses:		
Cost of goods sold	36,074	31,349
Research and development	21,605	15,879
Selling, general and administrative	64,260	48,522
Amortization of acquired intangible assets	14,322	1,967
Acquisition-related charges, product discontinuation and other	4,337	1,873
Total operating expenses	140,598	99,590
Income from operations	17,393	19,437
Other (expense) income:		
Interest income	271	415
Interest expense	(10,246)	(6,971)
Other, net	(124)	(157)
Total other expense, net	(10,099)	(6,713)
Income before income taxes	7,294	12,724
Income tax expense	(466)	(2,355)
Net income	$ 6,828	$ 10,369
Net income per share:		
Basic net income per common share	$ 0.15	$ 0.24
Diluted net income per common share	$ 0.15	$ 0.23
Weighted average common shares outstanding:		
Basic	44,869	43,833
Diluted	46,438	45,966

Pacira BioSciences, Inc.

Reconciliation of GAAP to Non-GAAP Financial Information

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended March 31,	
	2022	**2021**
GAAP net income	$ 6,828	$ 10,369
Non-GAAP adjustments:		
Acquisition-related charges, product discontinuation and other	4,337	1,873
Flexion transaction costs	1,931	—
Stock-based compensation	11,189	10,110
Amortization of debt discount	706	5,657
Amortization of acquired intangible assets	14,322	1,967
Loss on investment	—	108
Tax impact of non-GAAP adjustments	(9,371)	(5,560)
Total Non-GAAP adjustments	23,114	14,155
Non-GAAP net income	$ 29,942	$ 24,524
GAAP basic net income per common share	$ 0.15	$ 0.24
GAAP diluted net income per common share	$ 0.15	$ 0.23
Non-GAAP basic net income per common share	$ 0.67	$ 0.56
Non-GAAP diluted net income per common share	$ 0.64	$ 0.53
Weighted average common shares outstanding - basic	44,869	43,833
Weighted average common shares outstanding - diluted	46,438	45,966
Cost of goods sold reconciliation:		
GAAP cost of goods sold	$ 36,074	$ 31,349
Step-up of acquired Flexion fixed assets and inventory to fair value	(1,931)	—
Stock-based compensation	(1,352)	(1,452)
Non-GAAP cost of goods sold	$ 32,791	$ 29,897
Research and development reconciliation:		
GAAP research and development	$ 21,605	$ 15,879
Stock-based compensation	(1,458)	(1,106)
Non-GAAP research and development	$ 20,147	$ 14,773
Selling, general and administrative reconciliation:		
GAAP selling, general and administrative	$ 64,260	$ 48,522
Stock-based compensation	(8,379)	(7,552)
Non-GAAP selling, general and administrative	$ 55,881	$ 40,970

Pacira BioSciences, Inc.

Reconciliation of GAAP Net Income to Adjusted EBITDA (Non-GAAP)

(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2022	**2021**
GAAP net income	$ 6,828	$ 10,369
Interest income	(271)	(415)
Interest expense [(1)]	10,246	6,971
Income tax expense	466	2,355
Depreciation expense	5,711	2,884
Amortization of acquired intangible assets	14,322	1,967
EBITDA	37,302	24,131
Other adjustments:		
Acquisition-related charges, product discontinuation and other	4,206	1,873
Step-up of acquired Flexion inventory to fair value	1,129	—
Stock-based compensation	11,189	10,110
Loss on investment	—	108
Adjusted EBITDA (Non-GAAP)	$ 53,826	$ 36,222
Adjusted EBITDA basic net income per common share	$ 1.20	$ 0.83
Adjusted EBITDA diluted net income per common share	$ 1.16	$ 0.79
Weighted average common shares outstanding - basic	44,869	43,833
Weighted average common shares outstanding - diluted	46,438	45,966

(1) Includes amortization of debt discount

Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) includes GAAP to non-GAAP adjustments that reflect how the Company's management analyzes its financial results. The adjusted EBITDA figures presented here are unlikely to be comparable with adjusted EBITDA disclosures released by other companies.

Pacira BioSciences, Inc.

Reconciliation of GAAP to Non-GAAP 2022 Financial Guidance

(in millions)

GAAP to Non-GAAP Guidance	GAAP	Stock-Based Compensation	Non-GAAP
Research and development expense	$81 to $92	$6 to $7	$75 to $85
Selling, general and administrative expense	$252 to $264	$32 to $34	$220 to $230
Stock-based compensation	$40 to $45	—	—