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 March 31, 2025

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.)

2000 Sierra Point Parkway, Ninth Floor
Brisbane, California 94005
(Address and Zip Code of Principal Executive Offices)
(650) 242-8052
(Registrant's Telephone Number, Including Area Code)

5401 West Kennedy Boulevard, Suite 890
Tampa, Florida 33609
(Former name, former address and former fiscal year, if changed since last report)

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 May 7, 2025, 46,304,667 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 MARCH 31, 2025

TABLE OF CONTENTS

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)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 283,610	$ 276,774
Short-term available-for-sale investments	210,016	207,841
Accounts receivable, net	104,745	113,304
Inventories, net	133,754	125,282
Prepaid expenses and other current assets	27,837	21,929
Total current assets	759,962	745,130
Fixed assets, net	164,451	167,169
Right-of-use assets, net	48,728	49,222
Goodwill	21,520	—
Intangible assets, net	434,969	425,970
Deferred tax assets	129,008	130,376
Investments and other assets	28,031	35,649
Total assets	$ 1,586,669	$ 1,553,516
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 23,172	$ 19,133
Accrued expenses	80,069	80,124
Lease liabilities	9,405	8,887
Current portion of convertible senior notes, net	202,086	201,776
Total current liabilities	314,732	309,920
Convertible senior notes, net	279,801	279,334
Long-term debt, net	101,489	104,211
Lease liabilities	43,678	44,645
Contingent consideration	17,566	20,241
Deferred tax liabilities	6,996	—
Other liabilities	23,866	16,817
Total liabilities	788,128	775,168
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Preferred stock, par value $0.001; 5,000,000 shares authorized; none issued and outstanding at March 31, 2025 and December 31, 2024	—	—
Common stock, par value $0.001; 250,000,000 shares authorized; 47,120,647 shares issued and 46,283,407 shares outstanding at March 31, 2025 and 47,077,844 shares issued and 46,240,604 shares outstanding at December 31, 2024	47	47
Treasury stock, at cost, 837,240 shares at March 31, 2025 and December 31, 2024, inclusive of excise tax	(25,121)	(25,121)
Additional paid-in capital	1,023,808	1,009,435
Accumulated deficit	(201,544)	(206,356)
Accumulated other comprehensive income	1,351	343
Total stockholders' equity	798,541	778,348
Total liabilities and stockholders' equity	$ 1,586,669	$ 1,553,516

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 March 31,	
	2025	**2024**
Revenues:		
Net product sales	$ 167,594	$ 165,824
Royalty revenue	1,329	1,293
Total revenues	168,923	167,117
Operating expenses:		
Cost of goods sold	34,306	47,416
Research and development	25,342	18,238
Selling, general and administrative	86,776	72,026
Amortization of acquired intangible assets	14,322	14,322
Contingent consideration gains, acquisition-related expenses, restructuring and other	6,187	1,903
Total operating expenses	166,933	153,905
Income from operations	1,990	13,212
Other income (expense):		
Interest income	6,895	3,903
Interest expense	(4,580)	(3,316)
Other, net	4,401	(159)
Total other income, net	6,716	428
Income before income taxes	8,706	13,640
Income tax expense	(3,894)	(4,661)
Net income	$ 4,812	$ 8,979
Net income per common share:		
Basic and diluted net income per common share	$ 0.10	$ 0.19
Weighted average common shares outstanding:		
Basic	46,275	46,499
Diluted	46,526	52,193

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2025	**2024**
Net income	$ 4,812	$ 8,979
Other comprehensive income (loss):		
Net unrealized loss on investments, net of tax	(86)	(108)
Foreign currency translation adjustments	1,094	13
Total other comprehensive income (loss)	1,008	(95)
Comprehensive income	$ 5,820	$ 8,884

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(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, 2024	47,078	(837)	$ 47	$ (25,121)	$ 1,009,435	$ (206,356)	$ 343	$ 778,348
Vested restricted stock units	53	—	—	—	1	—	—	1
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	(10)	—	—	—	(181)	—	—	(181)
Stock-based compensation	—	—	—	—	14,553	—	—	14,553
Other comprehensive income (Note 11)	—	—	—	—	—	—	1,008	1,008
Net income	—	—	—	—	—	4,812	—	4,812
Balance at March 31, 2025	47,121	(837)	$ 47	$ (25,121)	$ 1,023,808	$ (201,544)	$ 1,351	$ 798,541

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance at December 31, 2023	46,481	$ 46	$ 976,633	$ (106,796)	$ 247	$ 870,130
Vested restricted stock units	36	1	—	—	—	1
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	—	—	(4)	—	—	(4)
Stock-based compensation	—	—	13,151	—	—	13,151
Other comprehensive loss (Note 11)	—	—	—	—	(95)	(95)
Net income	—	—	—	8,979	—	8,979
Balance at March 31, 2024	46,517	$ 47	$ 989,780	$ (97,817)	$ 152	$ 892,162

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2025	**2024**
Operating activities:		
Net income	$ 4,812	$ 8,979
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred taxes	1,397	3,463
Depreciation of fixed assets and amortization of intangible assets	21,168	18,426
Amortization of debt issuance costs	845	681
Amortization of debt discount	22	24
Stock-based compensation	14,553	13,151
Changes in contingent consideration	(2,675)	(3,806)
Other net (gains) losses	(5,887)	73
Changes in operating assets and liabilities:		
Accounts receivable, net	8,559	3,917
Inventories, net	(8,472)	7,572
Prepaid expenses and other assets	(7,111)	897
Accounts payable	2,464	(6,976)
Accrued expenses and income taxes payable	4,702	3,471
Other liabilities	1,082	(771)
Net cash provided by operating activities	35,459	49,101
Investing activities:		
Acquisition of GQ Bio Therapeutics GmbH (net of cash acquired)	(16,702)	—
Purchases of fixed assets	(8,548)	(2,836)
Purchases of available-for-sale investments	(69,629)	(56,055)
Sales of available-for-sale investments	69,250	43,361
Net cash used in investing activities	(25,629)	(15,530)
Financing activities:		
Payment of employee withholding taxes on restricted stock unit vests	(181)	(4)
Repayment of Term loan A facility	(2,813)	(2,813)
Net cash used in financing activities	(2,994)	(2,817)
Net increase in cash and cash equivalents	6,836	30,754
Cash and cash equivalents, beginning of period	276,774	153,298
Cash and cash equivalents, end of period	$ 283,610	$ 184,052
Supplemental cash flow information:		
Cash paid for interest	$ 2,715	$ 3,969
Net cash paid (received) for income taxes	$ 286	$ (245)
Non-cash investing and financing activities:		
Fixed assets included in accounts payable and accrued liabilities	$ 767	$ 607

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 six 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 (the safety and effectiveness of EXPAREL have not been established to produce postsurgical regional analgesia via other nerve blocks besides an interscalene brachial plexus nerve block, a sciatic nerve block in the popliteal fossa, or an adductor canal block). 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 for the treatment of osteoarthritis, or OA, of the knee. PCRX-201 is the lead program from the Company's proprietary high-capacity adenovirus, or HCAd, vector platform, which enables local administration of genetic medicines and has the potential to unlock gene therapy for large prevalent diseases affecting millions of people. In February 2025, the Company acquired the remaining 81 percent equity interest in GQ Bio Therapeutics GmbH, or GQ Bio (the "GQ Bio Acquisition"), a privately-held biopharmaceutical company, which included the novel HCAd platform, a preclinical portion of HCAd-based assets and research and development talent. For more information on the GQ Bio Acquisition, see Note 3, *GQ Bio Therapeutics Acquisition*.

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.

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, 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, 2024 (the "2024 Annual Report").

The condensed consolidated financial statements at March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024, 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, 2024 is derived from the audited consolidated financial statements included in the Company's 2024 Annual Report. 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 table below includes the percentage of revenues comprised by the Company's three largest wholesalers in each period presented:

	Three Months Ended March 31,	
	2025	**2024**
Largest wholesaler	33%	36%
Second largest wholesaler	26%	23%
Third largest wholesaler	21%	20%
Total	80%	79%

Recently Adopted Accounting Pronouncements

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 Company adopted the standard for its interim and annual reporting which was applied retrospectively for all prior periods presented. The ASU's amendment is effective for interim periods in fiscal years beginning after December 15, 2024. Refer to Note 17, *Segment Information*, for more information.

Recent Accounting Pronouncements Not Adopted as of March 31, 2025

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.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses*. The ASU amendment improves financial reporting by requiring public business entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The ASU's amendments are effective for annual reporting periods beginning after December 31, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. This ASU amendment can be applied on a prospective basis or retrospectively. The Company is currently evaluating the impact of adopting ASU 2024-03 on its footnote disclosures.

NOTE 3—GQ BIO THERAPEUTICS ACQUISITION

On February 25, 2025, Pacira Therapeutics, Inc., a wholly-owned subsidiary of the Company, entered into a securities purchase agreement to acquire the remaining 81% of GQ Bio for $30.3 million, net of working capital adjustments. Prior to the GQ Bio Acquisition, the Company owned approximately 19% of GQ Bio. Included in the securities purchase agreement are payments of $7.8 million related to employee compensation to be recognized over three years pursuant to a key employee holdback agreement. During the three months ended March 31, 2025, the Company expensed $0.3 million within contingent consideration gains, acquisition-related expenses, restructuring and other within the condensed consolidated statement of operations.

GQ Bio was a privately-held biopharmaceutical company with a novel, high-capacity, local-delivery platform that makes genetic medicines more efficient and enables the use of large and multiple gene constructs. PCRX-201 is the lead program from this platform. By acquiring GQ Bio, the Company benefits from further developing PCRX-201 and the cost savings associated with no longer being obligated to make milestone and royalty payments, as well as establishing a research and development engine with a dedicated workforce focused on this next-generation of genetic medicine and acquiring a portfolio of preclinical assets.

The following table reconciles the purchase price for the remaining 81% ownership to the total fair value of the GQ Bio Acquisition (in thousands):

Fair Value of Purchase Price Consideration	Amount
Cash consideration paid at closing	$ 17,604
Indemnification holdback	6,500
Cash payment of GQ Bio Acquisition transaction expenses	919
Settlement of previously invested note receivable	5,322
Purchase price consideration of 81% of GQ Bio	30,345
Prior 19% equity investment ownership of GQ Bio realized upon business combination	8,315
Total fair value of the GQ Bio Acquisition	$ 38,660

The Company has accounted for the GQ Bio Acquisition using the acquisition method of accounting and, accordingly, has included the assets acquired, liabilities assumed and results of operations in its condensed consolidated financial statements from the acquisition date of February 27, 2025. A $6.5 million indemnification holdback established for potential unidentified liabilities will be settled within 18 months from the acquisition date. In conjunction with the GQ Bio Acquisition, the settlement of the Company's prior equity investment and notes receivable in GQ Bio were part of the fair value of consideration exchanged. See Note 10, *Financial Instruments*, for additional information.

The preliminary purchase price allocation is based on estimates, assumptions, valuations and other studies which have not yet been finalized. Prior to the finalization of the purchase price allocation, if information becomes available that would indicate it is probable that unknown events had occurred and the amounts can be reasonably estimated, such items will be included in the final purchase price allocation and may change the carrying value of goodwill. The Company is finalizing its valuation of intangible assets, tangible assets, liabilities and tax analyses, and anticipates finalizing the purchase price allocation as the information necessary to complete the analysis is obtained, but no later than one year after the acquisition date.

The following tables set forth the preliminary allocation of the GQ Bio Acquisition purchase price to the estimated fair value of the net assets acquired at the acquisition date (in thousands):

	Amounts Recognized at the Acquisition Date
ASSETS ACQUIRED	
Cash and cash equivalents	$ 1,884
Accounts receivable	900
Prepaid expenses and other assets	120
Fixed assets	364
Right-of-use assets	1,374
In-process research and development (IPR&D)	22,500
Other noncurrent assets	56
Total assets	$ 27,198
LIABILITIES ASSUMED	
Accounts payable	$ 1,037
Accrued expenses	91
Lease liabilities	1,374
Deferred tax liability	6,750
Other liabilities	49
Total liabilities	9,301
Total identifiable net assets acquired	17,897
Goodwill	20,763
Total fair value of the GQ Bio Acquisition	$ 38,660

The acquired identifiable IPR&D assets were valued from a market participants' perspective using a multi-period excess earnings methodology (income approach). The IPR&D asset relates to further developing PCRX-201 and the cost savings associated with milestone and royalty payments. The projected cash flows for this IPR&D asset were adjusted for the probability of successful development and commercialization, and were discounted at 20.0%.

The excess of the purchase price over the fair value of identifiable net assets acquired represents goodwill. This goodwill is primarily attributable to the value in establishing a research and development engine focused on supporting products akin to PCRX-201, assembling a dedicated workforce within a niche industry, obtained preclinical assets, as well as the synergies of merging operations. The acquired goodwill and IPR&D intangible asset are currently not deductible for tax purposes. However, the Company is considering certain tax elections that would allow for the future deduction of the acquired goodwill and IPR&D intangible asset.

During the three months ended March 31, 2025, GQ Bio did not earn any revenue and the operating loss attributable to GQ Bio was considered nominal.

NOTE 4—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 the Company's 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 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 March 31,	
	2025	2024
Net product sales:		
EXPAREL	$ 136,529	$ 132,430
ZILRETTA	23,338	25,839
iovera°	5,123	5,030
Bupivacaine liposome injectable suspension	2,604	2,525
Total net product sales	$ 167,594	$ 165,824

NOTE 5—INVENTORIES

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

	March 31, 2025	December 31, 2024
Raw materials	$ 45,890	$ 50,800
Work-in-process	32,280	27,384
Finished goods	55,584	47,098
Total	$ 133,754	$ 125,282

NOTE 6—FIXED ASSETS

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

	March 31, 2025	December 31, 2024
Machinery and equipment [1]	$ 160,290	$ 160,643
Leasehold improvements [1]	86,663	86,034
Computer equipment and software [1]	24,792	23,473
Office furniture and equipment	1,952	1,952
Construction in progress [1]	30,529	27,996
Total	304,226	300,098
Less: accumulated depreciation	(139,775)	(132,929)
Fixed assets, net	$ 164,451	$ 167,169

(1) In April 2025, subsequent to the three months ended March 31, 2025, a ZILRETTA fill line at the Company's manufacturing facility in Swindon, UK, was placed into service, for which approximately $23.1 million was reclassified from construction in progress to machinery and equipment, leasehold improvements and computer equipment and software.

For the three months ended March 31, 2025 and 2024, depreciation expense was $6.8 million and $4.1 million, respectively. For the three months ended March 31, 2025 and 2024, there was $0.1 million and $0.7 million of capitalized interest on the construction of manufacturing sites, respectively.

As of March 31, 2025 and December 31, 2024, total fixed assets, net, includes manufacturing process equipment and leasehold improvements located outside of the U.S. in the amount of $50.0 million and $51.1 million, respectively.

As of March 31, 2025 and December 31, 2024, the Company had asset retirement obligations of $4.3 million and $4.2 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.

NOTE 7—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, U.K. for the production of EXPAREL and ZILRETTA. A portion of the associated monthly base fees have been allocated to the lease components based on a relative fair value basis. The Company's European offices were assumed as part of the GQ Bio Acquisition in February 2025 and include an administrative office in Hamburg, Germany, a research and development lab and offices in Luckenwalde, Germany and an administrative office in each of Eupen and Liège, Belgium. As a result of the GQ Bio Acquisition, the Company recorded new operating right of use assets and lease liabilities in the amount of $1.4 million.

The Company had 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. In April 2025, the lease and sublease term concluded for the office space in Burlington, 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 March 31,	
	2025	2024
Fixed lease costs	$ 3,302	$ 3,497
Variable lease costs	539	494
Sublease income	(57)	(131)
Total	$ 3,784	$ 3,860

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

	Three Months Ended March 31,	
	2025	2024
Cash paid for operating lease liabilities, net of lease incentives	$ 3,262	$ 3,219
Right-of-use assets recorded in exchange for lease obligations	$ 1,875	$ —

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:

	March 31,	
	2025	2024
Weighted average remaining lease term	5.01 years	5.81 years
Weighted average discount rate	6.92 %	7.01 %

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

Year	Aggregate Minimum Payments Due
2025 (remaining nine months)	$ 9,567
2026	12,769
2027	12,316
2028	11,168
2029	11,056
Thereafter	6,326
Total future lease payments	63,202
Less: imputed interest	(10,119)
Total operating lease liabilities	$ 53,083

NOTE 8—GOODWILL AND INTANGIBLE ASSETS

Goodwill

The Company's goodwill arose from the GQ Bio Acquisition in February 2025. The change in the carrying value of the Company's goodwill is summarized as follows (in thousands):

	Carrying Value
Balance at December 31, 2023	$ 163,243
Goodwill impairment	(163,243)
Balance at December 31, 2024	—
Goodwill arising from the GQ Bio Acquisition	20,763
Foreign currency adjustments	757
Balance at March 31, 2025	$ 21,520

Intangible Assets

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

March 31, 2025	Gross Carrying Value	Foreign currency adjustments	Accumulated Amortization	Intangible Assets, Net	Weighted-Average Useful Lives
Developed technologies	$ 590,000	$ —	$ (213,254)	$ 376,746	10 years, 5 months
Customer relationships	90	—	(54)	36	10 years
Total finite-lived intangible assets, net	590,090	—	(213,308)	376,782	
Acquired IPR&D	57,366	821	—	58,187	
Total intangible assets, net	$ 647,456	$ 821	$ (213,308)	$ 434,969	

December 31, 2024	Gross Carrying Value	Accumulated Amortization	Intangible Assets, Net	Weighted-Average Useful Lives
Developed technologies	$ 590,000	$ (198,934)	$ 391,066	10 years, 5 months
Customer relationships	90	(52)	38	10 years
Total finite-lived intangible assets, net	590,090	(198,986)	391,104	
Acquired IPR&D	34,866	—	34,866	
Total intangible assets, net	$ 624,956	$ (198,986)	$ 425,970	

Amortization expense on intangible assets was $14.3 million for both the three months ended March 31, 2025 and 2024.

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 $43.0 million for the remaining nine months of 2025, $57.3 million each year from 2026 to 2030, $37.4 million in 2031, $7.9 million in 2032 and $2.2 million in 2033.

NOTE 9—DEBT

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

	March 31, 2025	December 31, 2024
Term loan A facility maturing March 2028	$ 101,489	$ 104,211
2.125% Convertible senior notes due May 2029	279,801	279,334
0.750% Convertible senior notes due August 2025	202,086	201,776
Total	$ 583,376	$ 585,321

2028 Term Loan A Facility

On March 31, 2023, the Company entered into a credit agreement (as amended and/or restated 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 share repurchase program and the Capped Call Transactions (as defined and described below).

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

	March 31, 2025	December 31, 2024
Term loan A facility maturing March 2028	$ 102,500	$ 105,313
Deferred financing costs	(753)	(821)
Discount on debt	(258)	(281)
Total debt, net of debt discount and deferred financing costs	$ 101,489	$ 104,211

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, the Company is not required to make further principal payments until December 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 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 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 in the year ended December 31, 2024) less any additional 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. The TLA Credit Agreement also contains customary affirmative and negative covenants, financial covenants, representations and warranties, events of default and other provisions. As of March 31, 2025, 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 three months ended March 31, 2025, the Company made $2.8 million of voluntary principal prepayments. During the year ended December 31, 2024, the Company made $11.3 million of voluntary principal prepayments. As of March 31, 2025, borrowings under the TLA Term Loan consisted entirely of term benchmark borrowings at a rate of 7.40%.

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):

	March 31, 2025	December 31, 2024
2.125% convertible senior notes due May 2029	$ 287,500	$ 287,500
Deferred financing costs	(7,699)	(8,166)
Total debt, net of deferred financing costs	$ 279,801	$ 279,334

Holders may convert their 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 March 31, 2025, 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 March 31, 2025, the 2029 Notes had a market price of $973 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. 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 March 31, 2025 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, partially offset by a $6.5 million deferred tax asset.

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 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 during the year ended December 31, 2024.

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

	March 31, 2025	December 31, 2024
0.750% convertible senior notes due August 2025	$ 202,500	$ 202,500
Deferred financing costs	(414)	(724)
Total debt, net of deferred financing costs	$ 202,086	$ 201,776

Holders were able to convert their 2025 Notes at any time prior to the close of business on the business day immediately preceding February 3, 2025, only under the following circumstances: (i) during any calendar quarter (and only during such calendar quarter), if the last reported sales price of the Company's 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 greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five-business day period immediately after any five consecutive trading day period (the "measurement period") in which the trading price (as defined in the 2025 Indenture) per $1,000 principal amount of 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; (iii) upon the occurrence of specified corporate events, including a merger or a sale of all or substantially all of the Company's assets; or (iv) if the Company calls the 2025 Notes for redemption, until the close of business on the business day immediately preceding the redemption date. These conditions for conversion were not met prior to February 3, 2025.

As of 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 March 31, 2025, the 2025 Notes had a market price of $986 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, dated as of November 19, 2021, 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 March 31,	
	2025	2024
Contractual interest expense	$ 3,862	$ 3,311
Amortization of debt issuance costs	845	681
Amortization of debt discount	22	24
Capitalized interest (Note 6)	(149)	(700)
Total	$ 4,580	$ 3,316
Effective interest rate on total debt	2.85 %	2.96 %

NOTE 10—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 March 31, 2025, 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	$ 11,750	$ —	$ —	$ 11,750
Convertible notes receivable	$ 8,250	$ —	$ —	$ 8,250
Financial Liabilities:				
Acquisition-related contingent consideration	$ 17,566	$ —	$ —	$ 17,566
Financial Liabilities Measured at Amortized Cost:				
Term loan A facility due March 2028	$ 101,489	$ —	$ 101,988	$ —
2.125% convertible senior notes due 2029 (1)	$ 279,801	$ —	$ 279,594	$ —
0.750% convertible senior notes due 2025 (2)	$ 202,086	$ —	$ 199,716	$ —

(1) The closing price of the Company's common stock as reported on the Nasdaq Global Select Market was $24.85 per share on March 31, 2025, compared to a conversion price of $39.56 per share. At March 31, 2025, as the conversion price was above the stock price, the requirements for conversion have not been met.
(2) As of February 3, 2025, the 2025 Notes may be converted at any time until the close of business on the second scheduled trading day immediately preceding August 1, 2025. 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, 2023	$ 15,877	$ 12,134	$ 28,011
Foreign currency adjustments	—	(236)	(236)
Balance at December 31, 2024	15,877	11,898	27,775
Realized gain of prior investments (1)	4,227	1,674	5,901
Settled investments (1)	(8,315)	(5,322)	(13,637)
Foreign currency adjustments	(39)	—	(39)
Balance at March 31, 2025	$ 11,750	$ 8,250	$ 20,000

(1) In conjunction with the GQ Bio Acquisition, the settlement of the Company's prior equity investment and notes receivable were part of the fair value of consideration exchanged. Upon acquiring the remaining 81% ownership interest in GQ Bio, the Company remeasured its previously held equity interest to its acquisition-date fair value. The $4.2 million gain resulting from the equity investment was recognized as other, net within the condensed consolidated statement of operations. In settling the notes receivable, the Company recognized $1.7 million in interest income. See Note 3, *GQ Bio Therapeutics Acquisition*, for information on the GQ Bio Acquisition.

Acquisition-Related Contingent Consideration

The Company has recognized contingent consideration related to the Flexion Acquisition in the amount of $17.6 million and $20.2 million as of March 31, 2025 and December 31, 2024, 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 Monte Carlo simulation. These inputs include, as applicable, 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 months ended March 31, 2025, the Company recognized contingent consideration gains of $2.7 million due to revisions to the latest discount rates. During the three months ended March 31, 2024, 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. These adjustments were recorded within contingent consideration gains, acquisition-related expenses, restructuring and other in the condensed consolidated statements of operations. At March 31, 2025, the weighted average discount rate was 8.2%.

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

Assumption	Ranges Utilized as of March 31, 2025
Discount rates	8.0% to 8.4%
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, 2023	$ 24,698
Fair value adjustments and accretion	(4,457)
Balance at December 31, 2024	20,241
Fair value adjustments and accretion	(2,675)
Balance at March 31, 2025	$ 17,566

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. Net unrealized gains and losses (excluding credit losses, if any) from the Company's short-term investments are reported in other comprehensive income. At March 31, 2025 and December 31, 2024, 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 available-for-sale investments at March 31, 2025 and December 31, 2024 (in thousands):

March 31, 2025 Investments	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Current:				
Asset-backed securities	$ 10,691	$ 10	$ (2)	$ 10,699
Commercial paper	154,105	42	(30)	154,117
Corporate bonds	40,179	11	(6)	40,184
Yankee bond	5,006	10	—	5,016
Total	$ 209,981	$ 73	$ (38)	$ 210,016

December 31, 2024 Investments	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Current:				
Asset-backed securities	$ 21,626	$ 43	$ —	$ 21,669
Commercial paper	142,556	120	(55)	142,621
Corporate bonds	32,502	25	(5)	32,522
U.S. federal agency bonds	5,996	8	—	6,004
Yankee bond	5,012	13	—	5,025
Total	$ 207,692	$ 209	$ (60)	$ 207,841

At March 31, 2025, 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 March 31, 2025 and December 31, 2024, the interest receivable from its available-for-sale investments recognized in prepaid expenses and other current assets was $0.4 million and $0.5 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 March 31, 2025, three wholesalers each accounted for over 10% of the Company's accounts receivable, at 36%, 21% and 19%. At December 31, 2024, three wholesalers each accounted for over 10% of the Company's accounts receivable, at 34%, 18% 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 March 31, 2025 and December 31, 2024, there were $0.4 million of allowances for credit losses on the Company's accounts receivable.

NOTE 11—STOCKHOLDERS' EQUITY

Accumulated Other Comprehensive Income

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

	Net Unrealized Gain (Loss) From Available-For-Sale Investments	Unrealized Foreign Currency Translation	Accumulated Other Comprehensive Income
Balance at December 31, 2024	$ 190	$ 153	$ 343
Net unrealized loss on investments, net of tax	(86)	—	(86)
Foreign currency translation adjustments	—	1,094	1,094
Balance at March 31, 2025	$ 104	$ 1,247	$ 1,351

	Net Unrealized Gain (Loss) From Available-For-Sale Investments	Unrealized Foreign Currency Translation	Accumulated Other Comprehensive Income
Balance at December 31, 2023	$ 124	$ 123	$ 247
Net unrealized loss on investments, net of tax [1]	(108)	—	(108)
Foreign currency translation adjustments	—	13	13
Balance at March 31, 2024	$ 16	$ 136	$ 152

(1) Net of a nominal tax benefit for both the three months ended March 31, 2025 and 2024.

Share Repurchase Programs

On May 7, 2024, the Company announced that its Board of Directors approved a share repurchase program which authorized the Company to repurchase up to an aggregate of $150.0 million of its outstanding common stock. 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.

On April 17, 2025, the Company announced that its Board of Directors approved a new share repurchase program, which replaced the previously authorized share repurchase program and was effective immediately, which authorizes the Company to repurchase up to an aggregate of $300.0 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.

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 12—STOCK PLANS

Stock Incentive Plans

The Pacira BioSciences, Inc. Amended and Restated 2011 Stock Incentive Plan, or 2011 Plan, was originally adopted by its board of directors and approved by its stockholders in June 2011 and was amended and restated in June 2014, June 2016, June 2019, June 2021 and June 2023. The June 2023 amendment and restatement and approval by the Company's stockholders increased the number of shares of common stock authorized for issuance as equity awards under the 2011 Plan by 3,300,000 shares, which allows for the granting of incentive stock options, non-statutory stock options, restricted stock units and other stock-based awards.

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 people and compensation committee of the board of directors (the "P&C Committee"), adopted the Pacira BioSciences, Inc. Amended and Restated 2014 Inducement Plan (as amended and restated, the "First A&R Inducement Plan") such that, among other things, an additional 642,093 shares of the Company's common stock were reserved for issuance. In September 2024, the board of directors, upon the recommendation of the P&C Committee, adopted the Pacira BioSciences, Inc. Amended and Restated 2014 Inducement Plan (as amended and restated, the "Second A&R Inducement Plan") 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. In January 2025, the board of directors, upon the recommendation of the P&C Committee, adopted the Pacira BioSciences, Inc. Amended and Restated 2014 Inducement Plan (as amended and restated to date, the "Inducement Plan") to add an additional 785,000 shares of the Company's common stock to bring the total amount of shares reserved for issuance under the Inducement Plan to 2,310,000, of which 465,007 shares remain available for issuance as of March 31, 2025, and extend the term of the Inducement Plan such that it will now expire on January 18, 2035.

The Inducement Plan allows for the granting of nonstatutory stock options, restricted stock awards and other stock-based awards, and was adopted by the board of directors without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Stock Market Listing Rules. In accordance with this rule, awards under the Inducement Plan may only be made to an employee who has not previously been an employee or member of the board of directors or the board of directors of any parent or subsidiary, or following a bona fide period of non-employment by the Company or a parent or subsidiary, if he or she is granted such award in connection with his or her commencement of employment with the Company or a subsidiary and such grant is an inducement material to his or her entering into employment with the Company or such subsidiary.

Inducement Awards

From time to time, the board of directors, upon recommendation of the P&C Committee, has approved individually negotiated grants of options and restricted stock units for certain of the Company's officers in connection with their respective appointments, in each case, pursuant to the inducement plan in effect at such time.

Stock-Based Compensation

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

	Three Months Ended March 31,	
	2025	2024
Cost of goods sold	$ 1,716	$ 1,128
Research and development	2,241	1,803
Selling, general and administrative	10,596	7,985
Contingent consideration gains, acquisition-related expenses, restructuring and other	—	2,235
Total	$ 14,553	$ 13,151
Stock-based compensation from:		
Stock options	$ 4,440	$ 6,729
Restricted stock units	9,606	6,210
Employee stock purchase plan share options	507	212
Total	$ 14,553	$ 13,151

Equity Awards

The following tables contain information about the Company's stock option and restricted stock unit, or RSU, activity for the three months ended March 31, 2025:

Stock Options	Number of Stock Options	Weighted Average Exercise Price (Per Share)
Outstanding at December 31, 2024	6,845,618	$ 42.95
Granted	252,300	25.65
Forfeited	(10,485)	29.08
Expired	(253,556)	45.57
Outstanding at March 31, 2025	6,833,877	42.23

Restricted Stock Units	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value (Per Share)
Unvested at December 31, 2024	2,769,728	$ 32.07
Granted	2,177,261	26.19
Vested	(52,708)	40.80
Forfeited	(52,862)	27.79
Unvested at March 31, 2025	4,841,419	29.37

The weighted average fair value of stock options granted during the three months ended March 31, 2025 was $13.88 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	Three Months Ended March 31, 2025
Expected dividend yield	None
Risk-free interest rate	4.29%
Expected volatility	57.3%
Expected term of options	5.13 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 three months ended March 31, 2025, no shares were purchased and issued through the ESPP.

NOTE 13—NET INCOME PER COMMON SHARE

Basic net income per common share is calculated by dividing the net income attributable to common shares by the weighted average number of common shares outstanding during the period. Diluted net income per common share is calculated by dividing the net 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 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 income per common share computation to the extent they would be antidilutive.

The following table sets forth the computation of basic and diluted net income per common share for the three months ended March 31, 2025 and 2024 (in thousands, except per common share amounts):

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net income—basic	$ 4,812	$ 8,979
2025 Notes if-converted method adjustment	—	1,029
Adjusted net income—diluted	$ 4,812	$ 10,008
Denominator:		
Weighted average common shares outstanding—basic	46,275	46,499
Computation of diluted securities:		
2025 Notes if-converted method adjustment	—	5,608
Dilutive effect of stock options	20	1
Dilutive effect of RSUs	227	85
Dilutive effect of ESPP share options	4	—
Weighted average common shares outstanding—diluted	46,526	52,193
Net income per common share:		
Basic and diluted net income per common share	$ 0.10	$ 0.19

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

	Three Months Ended March 31,	
	2025	2024
Weighted average number of stock options	6,677	7,662
2025 Notes if-converted method adjustment	2,821	—
Weighted average number of RSUs	2,363	1,230
Weighted average ESPP share options	—	52
Total	11,861	8,944

NOTE 14—INCOME TAXES

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

	Three Months Ended March 31,	
	2025	2024
Income (loss) before income taxes:		
Domestic	$ 10,673	$ 13,657
Foreign	(1,967)	(17)
Total income before income taxes	$ 8,706	$ 13,640
Income tax expense	$ 3,894	$ 4,661
Effective tax rate	45 %	34 %

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 March 31, 2025 was primarily impacted by costs related to non-deductible executive compensation, non-deductible stock-based compensation and a non-U.S. valuation allowance, partially offset by tax credits.

The Company's effective tax rate for the three months ended March 31, 2024 includes costs related to non-deductible stock-based compensation and non-deductible executive compensation, partially offset by tax credits and a fair value adjustment for contingent consideration.

As of both March 31, 2025 and December 31, 2024, the Company had an income tax payable balance of $5.1 million that was included in other liabilities within the condensed consolidated balance sheet. As of March 31, 2025 and December 31, 2024, the Company has $1.5 million and $0.7 million, respectively, of current income taxes payable that is included in accrued expenses within the condensed consolidated balance sheet.

NOTE 15—CONTINGENT CONSIDERATION GAINS, ACQUISITION-RELATED EXPENSES, RESTRUCTURING AND OTHER

Contingent consideration gains, acquisition-related expenses, restructuring and other for the three months ended March 31, 2025 and 2024 summarized below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Contingent consideration gains	$ (2,675)	$ (3,806)
Restructuring charges	—	5,535
Acquisition-related expenses	1,511	174
Accrued key employee holdback	351	—
Legal settlement	7,000	—
Total contingent consideration gains, acquisition-related expenses, restructuring and other	$ 6,187	$ 1,903

Flexion Acquisition Contingent Consideration

The Company recognized gains of $2.7 million and $3.8 million related to contingent consideration during the three months ended March 31, 2025 and 2024, respectively. See Note 10, *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 designed to ensure it is well positioned for long-term growth. The restructuring plan included: (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 $5.5 million of restructuring charges for the three months ended March 31, 2024 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, 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	3,220	1,709	4,929
Cash payments made / settled	(1,985)	(20)	(2,005)
Balance at December 31, 2024	1,235	1,689	2,924
Cash payments made / settled	(823)	(1,689)	(2,512)
Balance at March 31, 2025	$ 412	$ —	$ 412

(1) During the year ended December 31, 2024, there was $3.6 million 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.

Acquisition-Related Expenses

The Company recognized acquisition-related expenses of $1.5 million during the three months ended March 31, 2025. These costs primarily relate to legal fees and third-party services related to the GQ Bio Acquisition. See Note 3, *GQ Bio Therapeutics Acquisition*, for more information.

The Company recognized acquisition-related expenses of $0.2 million during the three months ended March 31, 2024. These costs primarily related to vacant and underutilized Flexion leases that were assumed from the Flexion Acquisition.

Legal Settlement

The Company recognized $7.0 million of costs during the three months ended March 31, 2025 related to the legal settlement of the patent infringement suits against eVenus, Jiangsu Hengrui and Fresenius (each as defined below). For more information, see Note 16, *Commitments and Contingencies*.

NOTE 16—COMMITMENTS AND CONTINGENCIES

Legal Proceedings

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. The Company is not in a position to assess the likelihood of any potential losses or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from the following actions at this time.

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 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.

A trial was conducted in September 2023. In January 2025, the Court issued its decision, finding that the disputed milestones were not met and therefore granted judgment to the Company in full. In March 2025, the Company filed a motion to recover attorneys fees, and the parties subsequently agreed to settle the amount of expenses owed to the Company, whereby Fortis agreed to pay the Company $5.2 million and waived its rights to appeal the decision. A final judgment and order was entered in April 2025. The $5.2 million payment received was accounted for as a recovery of losses and recorded against selling, general and administrative expense in the three months ended March 31, 2025 within the condensed consolidated statement of operations, consistent to where the previous losses were recorded.

eVenus Pharmaceutical Laboratories Litigations

In October 2021, December 2021 and March 2024, the Company received Notice Letters advising that eVenus Pharmaceutical Laboratories, Inc., or eVenus, of Princeton, New Jersey, submitted to the United States Food and Drug Administration, or FDA, an Abbreviated New Drug Application, or ANDA with a Paragraph IV certification seeking authorization for the manufacturing and marketing of a generic bupivacaine liposome injectable suspension in the U.S. prior to the expiration of certain of the Company's U.S. patents.

Beginning in November 2021, the Company filed various patent infringement suits against eVenus, its parent company (Jiangsu Hengrui Pharmaceuticals, Co. Ltd., or Jiangsu Hengrui) and Fresenius Kabi USA, LLC, or Fresenius, (together, the "ANDA filers") in the U.S. District Court for the District of New Jersey asserting infringement of U.S. Patent No. 11,033,495 (the '495 patent) (21-cv-19829), U.S. Patent No. 11,179,336 (the '336 patent) (22-cv-00718), U.S. Patent No. 11,426,348 (the '348 patent) (23-cv-2367), U.S. Patent Nos. 11,819,574 (the '574 patent) and 11,819,575 (the '575 patent) (24-cv-6294), and U.S. Patent No. 11,925,706 (the '706 patent) (24-cv-7680). In December 2024, the Company filed a patent infringement suit against Fresenius and Jiangsu Hengrui in the Northern District of Illinois (24-cv-12416) asserting that the ANDA products will infringe U.S. Patent No. 12,156,940 (the '940 patent). Also in December 2024, the ANDA filers filed an action for declaratory judgment of non-infringement and invalidity with respect to the '940 patent in the District Court of New Jersey (24-cv-11014).

On April 7, 2025, the Company, along with its operating subsidiary, Pacira Pharmaceuticals, Inc., entered into a settlement agreement with the ANDA filers with respect to the litigations noted above. Pursuant to the settlement agreement, the ANDA filers will be enjoined from marketing a generic bupivacaine liposome injectable suspension before the expiration of the patents-in-suit, except as provided for in the settlement agreement, as described below. In settlement of all outstanding claims in the litigations, the Company agreed to provide the ANDA filers with a license to the Company's patents required to manufacture and sell certain volume-limited amounts of a generic bupivacaine liposome injectable suspension in the U.S. beginning on a confidential date that is sometime in early 2030. While the agreed-upon volume-limited percentages are confidential, they begin at a high single-digit percentage of the total volumes distributed in the U.S. market and increase gradually in each 12-month period following the volume-limited entry date until reaching a percentage in the low thirties in 2033 and increasing modestly in each of the next two 12-month periods before reaching a maximum percentage in the high thirties of the total volumes distributed in the U.S. for the final three years of the agreement. In addition, the Company has agreed to provide the ANDA filers with a license to its patents required to manufacture and sell an unlimited quantity of a generic bupivacaine liposome injectable suspension in the U.S. beginning on a confidential date in 2039. In addition, in recognition of the Company's expected savings with respect to, among other things, the avoidance of fees, costs, time and resources associated with continuing the litigations, the Company paid the ANDA filers $7.0 million. This legal settlement cost was recorded within contingent consideration gains, acquisition-related expenses, restructuring and other in the three months ended March 31, 2025 in the Company's condensed consolidated statement of operations.

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.

Securities Class Action

On January 13, 2025, Leandro Alvarez filed a putative class action on behalf of Company shareholders between August 2, 2023 and August 8, 2024 against the Company and certain of its officers, in the District Court of New Jersey (25-cv-322). The complaint alleges that the Company made materially false and misleading statements and/or concealed material adverse facts concerning EXPAREL patents. The case is in the pleadings stage and the Company is unable to predict the outcome of this litigation 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 sought a declaration from the court that the Company owed no royalties to RDF with respect to its EXPAREL product after December 24, 2021.

In August 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 its 45-liter manufacturing process as of December 24, 2021. A trial as to whether royalties were owed on EXPAREL made under the Company's enhanced, larger-scale manufacturing process was conducted in September 2024. In April 2025, the Court issued judgment in favor of the Company. As a result, the low single-digit royalty that the Company had been paying RDF is eliminated, and the Company is seeking repayment of up to $23.1 million, plus interest, from RDF, representing the royalties that the Company paid to RDF under protest on the collection of revenues of EXPAREL that occurred after December 24, 2021. As the repayment has not yet been realized, the Company has not recognized this subsequent event.

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 has received notification from both the FDA and EMA that its pediatric studies requirement had been waived for the indications of brachial plexus interscalene nerve block, lower extremity nerve block, sciatic nerve block in the popliteal fossa and adductor canal block indications 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 10, *Financial Instruments*, for information on potential contingent milestone payments related to the Flexion Acquisition.

PCRX-201

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

In 2017, in an agreement between The Baylor College of Medicine, or BCM, and GQ Bio, the Company (through the Flexion Acquisition) became the direct licensee of certain underlying BCM 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 BCM 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.

NOTE 17—SEGMENT INFORMATION

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, or CODM—manages and allocates resources at a consolidated level. Accordingly, the Company views its business as one operating segment and one reportable segment to evaluate its performance, allocate resources, set operational targets and forecast its future financial results.

The key measure of the Company is GAAP net income. The CODM uses this measure to evaluate its performance, allocate resources, set operational targets and forecast its future financial results.

There are significant expense categories and amounts that are regularly provided to the CODM. These expense categories differ from what is disclosed in the Company's financial results. The table below reconciles the significant expense categories provided to the CODM to the Company's expenses as disclosed under GAAP (in thousands):

	Three Months Ended March 31,	
	2025	2024
Revenues	$ 168,923	$ 167,117
Less:		
Adjusted cost of goods sold	32,590	46,288
Adjusted research and development	23,101	16,435
Adjusted selling and marketing	55,571	39,435
Adjusted general and administrative	20,609	24,329
Stock-based compensation	14,553	13,151
Amortization of acquired intangible assets	14,322	14,322
Changes in the fair value of contingent consideration	(2,675)	(3,806)
Other	8,862	3,751
Total operating expenses	166,933	153,905
Total other income, net	6,716	428
Income before income taxes	8,706	13,640
Income tax expense	(3,894)	(4,661)
Net income	$ 4,812	$ 8,979

For information on the Company's fixed assets located outside of the U.S., refer to Note 6, *Fixed Assets*.

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: '5x30', our growth and business strategy, our future outlook, our intellectual property and patent terms, our growth and future operating results and trends, our 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 failure to realize the anticipated benefits and synergies from the acquisition of GQ Bio Therapeutics GmbH; 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 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, 2024 (the "2024 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. 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 for the treatment of OA of the knee. PCRX-201 is the lead program from our proprietary high-capacity adenovirus, or HCAd, vector platform, which enables local administration of genetic medicines and has the potential to unlock gene therapy for large prevalent diseases affecting millions of people. In February 2025, we acquired the remaining 81 percent equity interest in GQ Bio Therapeutics GmbH, or GQ Bio (the "GQ Bio Acquisition"), a privately-held biopharmaceutical company, which included the novel HCAd platform, a preclinical portion of HCAd-based assets and research and development talent. For more information on the GQ Bio Acquisition, see Note 3, *GQ Bio Therapeutics Acquisition*, to our condensed consolidated financial statements included herein.

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, Inflation and Tariffs

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 or the imposition of tariffs, which could, among other things, result in higher costs for labor, raw materials, equipment and other goods 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. There has been no material impact related to tariffs to date. 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

- In April 2025, we, along with our operating subsidiary Pacira Pharmaceuticals, Inc., settled our litigations with Fresenius Kabi USA, LLC, eVenus Pharmaceuticals Laboratories, Inc. and Jiangsu Hengrui Pharmaceuticals Co., Ltd., (together, the "Fresenius Parties"), related to patents for EXPAREL. As part of the settlement, the Fresenius Parties will be enjoined from marketing a generic bupivacaine liposome injectable suspension before the expiration of the patents-in-suit, except as provided for in the settlement, as we have agreed to provide the Fresenius Parties with a license to our patents required to manufacture and sell certain volume-limited amounts of a generic bupivacaine liposome injectable suspension in the U.S. beginning on a confidential date in early 2030. In addition, we have agreed to provide the Fresenius Parties with a license to our patents required to manufacture and sell an unlimited quantity of a generic bupivacaine liposome injectable suspension in the U.S. beginning on a confidential date in 2039. The license will permit entry of a generic bupivacaine liposome injectable suspension before the July 2, 2044 expiration date of the last-to-expire Orange Book-listed patents for EXPAREL.

  For more information, see Note 16, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

- In April 2025, the U.S. District Court, District of Nevada issued judgment in our favor that royalties were not owed to the Research Development Foundation, or RDF, on EXPAREL manufactured under our enhanced, larger-scale manufacturing process. As a result, this judgment means that the low single-digit royalty that we had been paying RDF is eliminated, thus directly benefitting our cost of goods sold and gross margin. Additionally, we are seeking repayment of up to $23.1 million, plus interest, from RDF, representing the royalties that we paid to RDF under protest on the collection of revenues of EXPAREL that occurred after December 24, 2021, the expiration date of U.S. Patent No. 9,585,838.
- In April 2025, we announced that the first patient was dosed in our Phase 2 ASCEND study evaluating the safety and efficacy of PCRX-201 for the treatment of OA of the knee. The two-part, multicenter ASCEND study will involve approximately 135 patients, 45 to 80 years old with painful OA of the knee at a Kellgren-Lawrence (K-L) Grade of 2, 3 or 4. The primary endpoint is the number and percent of treatment-emergent adverse events, adverse events of special interest, and serious adverse events for PCRX-201 plus steroid pretreatment versus saline plus steroid pretreatment from Week 1 through Week 52. The study's secondary and exploratory endpoints include efficacy assessments such as changes in pain and physical function from baseline at Weeks 38 and 52.
- In March 2025, the United States Patent and Trademark Office issued U.S. Patent No. 12,251,468 (the '468 patent) claiming EXPAREL composition made by our large-scale batch process in San Diego, California, which demonstrated a more consistent and stable multivesicular liposome as measured by an in vitro release assay (IVRA). The '468 patent marks the 18th EXPAREL patent listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (the "Orange Book") and additional patents are expected to be forthcoming. The '468 patent has an expiration date of July 2, 2044.
- In February 2025, Pacira Therapeutics, Inc., our wholly-owned subsidiary, entered into a securities purchase agreement to acquire the remaining 81 percent of GQ Bio that we did not already own for $30.3 million, net of working capital adjustments. The transaction builds upon our previous investments in GQ Bio, as well as the two companies' partnership for the development of a commercially scalable manufacturing process for PCRX-201 and other products utilizing GQ Bio's HCAd gene therapy vector platform. We intend to maintain GQ Bio's operations and invest in its HCAd gene therapy vector platform and innovative products built on the platform, leveraging our clinical, regulatory and commercial capabilities. We believe the transaction provides us with substantial expected financial benefits by eliminating our obligations for up to $64.0 million in potential future milestone payments, including a $4.5 million milestone payment that would have been due upon the initiation of the Phase 2 ASCEND clinical trial of PCRX-201.

  For more information, see Note 3, *GQ Bio Therapeutics Acquisition*, to our condensed consolidated financial statements included herein.

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 are advancing 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 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 undergoing TKA have less pain, improved function and improved sleep for six months after surgery versus patients who do not receive iovera°.

In December 2024, we received FDA clearance to market a new iovera° Smart Tip designed to access the medial branch nerves to manage chronic low back pain. Millions of Americans suffer from chronic low back pain. It often leads to poor quality of life, disability, lost wages, and persistent prescription opioid use. The first phase of the launch is underway with an initial focus on spine key opinion leaders to gather insights and feedback before expanding to a broader targeted audience. A pilot randomized control trial evaluating iovera° versus radiofrequency ablation for the treatment of lower back pain showed that iovera° had significantly greater improvements in pain and disability and required fewer injections over a year.

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 are advancing a registration trial to evaluate 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.

Clinicians have 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.

The HCAd Platform

Our proprietary HCAd vector platform solves many of the challenges in the field of genetic medicine that have prevented its utilization in treating common diseases like OA. Key features include:

- The HCAd vector is much more efficient at delivering genes into cells compared to many other gene therapies that rely on adenovirus associated virus, or AAV, vectors. As a result, the desired effect can be achieved with much smaller doses;
- The vector used in the HCAd platform can carry up to 30,000 base pairs of DNA, which enables gene therapy with multiple or larger genes compared to AAV vectors; and
- Genetic medicines based on the HCAd platform can be administered locally and have the potential for redosing at therapeutically appropriate intervals.

Lower dose levels and efficient delivery of genes into cells means that thousands of doses can be produced in a single batch. As a result, any therapies built on the HCAd platform are expected to have a commercially attractive and viable cost of goods profile.

Clinical Development Programs

PCRX-201

PCRX-201 is the lead program from our HCAd platform and we believe it underscores its promise for treating common diseases given its encouraging data in OA. PCRX-201 is targeting the IL-1 pathway, which triggers inflammation in response to pathogens and cellular stress. IL-1Ra is a core regulator of this pathway and helps to keep inflammation in balance by turning off the IL-1 pathway when it's not needed. As people get older, their bodies have a more challenging time maintaining that balance resulting in chronic IL1-driven inflammation that eventually causes joint damage and pain.

After injection of PCRX-201, 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. In all 3 doses, over 70% of patients saw a more than 50% improvement in pain compared to baseline at week 16 and 78. PCRX-201 was well-tolerated with no serious treatment-emergent adverse events related to the treatment or procedure reported regardless of steroid pretreatment or dose level administered. While other therapies typically provide relief for three to six months, PCRX-201 has shown the potential to set a new standard with pain relief lasting at least 2 years from a single injection.

Given these highly encouraging Phase 1 data, we are advancing a Phase 2 clinical study in knee OA. The two-part, multicenter study—known as ASCEND—will involve approximately 135 patients, 45 to 80 years old with painful OA of the knee at a Kellgren-Lawrence (K-L) Grade of 2, 3 or 4. Subjects are randomly assigned to a treatment dose group and stratified by K-L Grade, a semiquantitative method for evaluating the severity of OA on a scale of 0-4.

ASCEND will evaluate two doses of PCRX-201, Dose A is 1.4 x 10^{10} genome copies and Dose B is 1.4 x 10^{11} genome copies. Patients are being randomized 1:1:1 to Dose A, Dose B or saline. All cohorts will receive concurrent pretreatment with an intraarticular corticosteroid (methylprednisolone 40 mg), a technique common in gene therapy dosing to improve tolerability and gene transfer.

Part A of the study will randomize approximately 45 patients and Part B will randomize approximately 90 patients. The drug product used in Part B of the study will be manufactured using our newly developed, suspension-based batch manufacturing process intended for commercial scale-up. Pacira expects to report topline results from Part A of the study before the end of 2026.

For both Parts A and B of the study, the primary endpoint is the number and percent of treatment-emergent adverse events, adverse events of special interest, and serious adverse events for PCRX-201 plus steroid pretreatment versus saline plus steroid pretreatment from Week 1 through Week 52. The study's secondary and exploratory endpoints include efficacy assessments such as changes in pain and physical function from baseline at Weeks 38 and 52. Efficacy will be measured using the Numerical Rating Scale (NRS), WOMAC and KOOS. Biomarkers, including structural endpoints, as well as immunogenicity and biodistribution will also be evaluated and all subjects will be followed for 5 years.

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. RMAT designation provides the benefits of intensive FDA guidance on efficient drug development, including the ability for early interactions with the FDA to discuss surrogate or intermediate endpoints, potential ways to support accelerated approval and satisfy post-approval requirements, potential priority review of the Biologics License Application and other opportunities to expedite development and review. PCRX-201 is the first gene therapy product candidate to receive RMAT designation for OA. PCRX-201 was also granted Advanced Therapy Medicinal Products (ATMP) designation by the European Medicines Agency in May 2023.

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
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

Results of Operations

Comparison of the Three Months Ended March 31, 2025 and 2024

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 the E.U. and (iv) sales of our bupivacaine liposome injectable suspension product 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 March 31,		% Increase / (Decrease)
	2025	2024	
Net product sales:			
EXPAREL	$ 136,529	$ 132,430	3%
ZILRETTA	23,338	25,839	(10)%
iovera°	5,123	5,030	2%
Bupivacaine liposome injectable suspension	2,604	2,525	3%
Total net product sales	167,594	165,824	1%
Royalty revenue	1,329	1,293	3%
Total revenues	$ 168,923	$ 167,117	1%

EXPAREL revenue increased 3% in the three months ended March 31, 2025 versus 2024. Components of the increase included a 3% increase in gross vial volume, which was partially offset by a shift in product mix. EXPAREL revenue was also positively impacted by a 1% increase in net selling price per unit related to a January 2025 price increase, partially offset by increases in sales-related allowances as a result of group purchasing organization contracting.

ZILRETTA revenue decreased 10% in the three months ended March 31, 2025 versus 2024 due to an 11% decrease in kit volume. Our ZILRETTA volume was impacted by the restructuring of our field-based team in the fourth quarter of 2024, as our existing sales force was realigned to focus on EXPAREL and a new sales team was hired to support ZILRETTA. This transition impacted first quarter sales as ZILRETTA is a promotionally sensitive product. The decrease was partially offset by a 1% increase in net selling price per unit set in January 2025. The increase in net selling price per unit is related to a 4% increase in gross selling price per unit, partially offset by higher sales-related allowances.

Net product sales of iovera° increased 2% in the three months ended March 31, 2025 versus 2024 primarily due to a 1% increase in Smart Tip net selling price per unit.

Bupivacaine liposome injectable suspension revenue increased 3% and its related royalties increased 3% in the three months ended March 31, 2025 versus 2024, respectively, 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 three months ended March 31, 2025 and 2024 (in thousands):

March 31, 2025	Returns Allowances	Prompt Payment Discounts	Service Fees	Volume Rebates and Chargebacks	Government Rebates	Total
Balance at December 31, 2024	$ 1,600	$ 1,308	$ 4,875	$ 4,863	$ 1,707	$ 14,353
Provision	225	3,384	5,223	35,003	1,094	44,929
Payments	(150)	(3,276)	(6,080)	(36,149)	(1,403)	(47,058)
Balance at March 31, 2025	$ 1,675	$ 1,416	$ 4,018	$ 3,717	$ 1,398	$ 12,224

March 31, 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	76	3,057	4,771	25,800	636	34,340
Payments	(175)	(3,087)	(5,064)	(26,320)	(333)	(34,979)
Balance at March 31, 2024	$ 1,769	$ 1,278	$ 3,404	$ 5,350	$ 1,478	$ 13,279

Total reductions of gross product sales from sales-related allowances and accruals were $44.9 million and $34.3 million, or 21.1% and 17.1% of gross product sales, for the three months ended March 31, 2025 and 2024, respectively. The overall 4.0% 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 March 31,		% Increase / (Decrease)
	2025	2024	
Cost of goods sold	$ 34,306	$ 47,416	(28)%
Gross margin	80 %	72 %	

Gross margin increased eight percentage points in the three months ended March 31, 2025 versus 2024 primarily due to lower ZILRETTA and EXPAREL inventory reserves and improved product costs due to higher volumes manufactured in order to enhance the level of inventory on hand.

In April 2025, the U.S. District Court, District of Nevada, concluded we were no longer obligated to pay royalties to RDF for EXPAREL manufactured under our enhanced, larger-scale manufacturing process. As a result, during the three months ended March 31, 2025, EXPAREL did not incur royalty expense. For more information, see Note 16, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

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, 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 March 31,		% Increase / (Decrease)
	2025	2024	
Clinical and preclinical development	$ 12,607	$ 6,346	99%
Product development	8,078	7,395	9%
Regulatory and other	2,416	2,694	(10)%
Stock-based compensation	2,241	1,803	24%
Total research and development expense	$ 25,342	$ 18,238	39%
% of total revenues	15 %	11 %	

Total research and development expense increased 39% in the three months ended March 31, 2025 versus 2024.

Clinical and preclinical development expense increased 99% in the three months ended March 31, 2025 versus 2024 due to start-up expenses related to the PCRX-201 Phase 2 ASCEND trial for knee OA, ongoing site start-up and enrollment in a ZILRETTA shoulder trial, an EXPAREL pediatric trial and an iovera° spasticity trial, as well as additional headcount to support clinical initiatives. We expect to continue investing in our clinical and preclinical development programs throughout 2025.

Product development expense increased 9% in the three months ended March 31, 2025 versus 2024, primarily attributable to investing into our preclinical product pipeline. These increases were partially offset by the completion of pre-commercial scale-up activities of our enhanced, larger-scale EXPAREL manufacturing capacity at our Science Center Campus in San Diego, California, which the FDA approved in February 2024 and was placed into service in July 2024.

Regulatory and other expense decreased 10% in the three months ended March 31, 2025 versus 2024 due to a realignment of medical communication activities, partially offset by additional sites related to our iGOR registry study.

Stock-based compensation expense increased 24% in the three months ended March 31, 2025 versus 2024 primarily due to increased headcount in research and development personnel as well as the shifting of our annual equity grant to the first quarter in 2025.

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 March 31,		% Increase / (Decrease)
	2025	2024	
Sales and marketing	$ 55,571	$ 39,435	41%
General and administrative	20,609	24,606	(16)%
Stock-based compensation	10,596	7,985	33%
Total selling, general and administrative expense	$ 86,776	$ 72,026	20%
% of total revenues	51 %	43 %	

Total selling, general and administrative expense increased 20% in the three months ended March 31, 2025 versus 2024.

Sales and marketing expense increased 41% in the three months ended March 31, 2025 versus 2024 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 hospital outpatient department, or HOPD, settings and iovera° at up to an additional $255.85 when providers began administering iovera° in ambulatory surgery centers and HOPD settings in January 2025 as part of the NOPAIN Act. We also expanded the size of our sales force in the second half of 2024 in order to better extend our reach on each of our commercial products.

General and administrative expense decreased 16% in the three months ended March 31, 2025 versus 2024 primarily driven by a recovery of legal expenses in 2025 and higher compensatory costs associated with the transition to our new Chief Executive Officer recorded in the first quarter of 2024.

Stock-based compensation expense increased 33% for the three months ended March 31, 2025 versus 2024 primarily due to equity grants provided to new executive officers as well as the shifting of our annual equity grant to the first quarter in 2025.

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 March 31,		% Increase / (Decrease)
	2025	2024	
Amortization of acquired intangible assets	$ 14,322	$ 14,322	—%

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 8, *Goodwill and Intangible Assets*, to our condensed consolidated financial statements included herein.

Contingent Consideration Gains, Acquisition-related Expenses, Restructuring and Other

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

	Three Months Ended March 31,		% Increase / (Decrease)
	2025	2024	
Contingent consideration gains	$ (2,675)	$ (3,806)	(30)%
Restructuring charges	—	5,535	(100)%
Acquisition-related expenses	1,511	174	100% +
Accrued key employee holdback	351	—	N/A
Legal settlement	7,000	—	N/A
Total contingent consideration gains, acquisition-related expenses, restructuring and other	$ 6,187	$ 1,903	100% +

Total contingent consideration gains, acquisition-related expenses, restructuring and other included net charges of $6.2 million and $1.9 million in the three months ended March 31, 2025 and 2024, respectively.

During the three months ended March 31, 2025, we recognized a contingent consideration gain of $2.7 million primarily due to revisions to the latest discount rates. During the three months ended March 31, 2024, we recognized a contingent consideration gain of $3.8 million primarily due to an adjustment reflecting the probability of achieving the remaining Flexion regulatory milestone by December 31, 2030, the expiration date.

During the three months ended March 31, 2024, we recognized restructuring charges of $5.5 million 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 months ended March 31, 2025, we recognized acquisition-related expenses of $1.5 million primarily related to legal expenses and third-party consulting fees associated with the GQ Bio Acquisition.

During the three months ended March 31, 2025, we recognized legal settlement costs of $7.0 million related to the settlement of the patent infringement suits against the Fresenius Parties.

For more information, see Note 3, *GQ Bio Therapeutics Acquisition*, Note 10, *Financial Instruments,* Note 15, *Contingent Consideration Gains, Acquisition-related Expenses, Restructuring and Other* and Note 16, *Commitments and Contingencies,* to our condensed consolidated financial statements included herein.

Other Income, Net

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

	Three Months Ended March 31,		% Increase / (Decrease)
	2025	2024	
Interest income	$ 6,895	$ 3,903	77%
Interest expense	(4,580)	(3,316)	38%
Other, net	4,401	(159)	N/A
Total other income, net	$ 6,716	$ 428	100% +

During the three months ended March 31, 2025 and 2024, we recognized total other income, net of $6.7 million and $0.4 million, respectively.

Interest income increased 77% in the three months ended March 31, 2025 versus 2024 due to higher overall investment balances as well as interest realized on a GQ Bio note receivable investment we had made prior to the GQ Bio Acquisition.

The 38% increase in interest expense during the three months ended March 31, 2025 versus 2024 was primarily driven by issuing the 2029 Notes (as defined below) in May 2024, partially offset by lower outstanding principal associated with the TLA Term Loan (as defined below). For more information, see Note 9, *Debt*, to our condensed consolidated financial statements included herein.

The $4.4 million of other net income during the three months ended March 31, 2025 was primarily due to a realized gain associated with a previously acquired equity investment in GQ Bio that increased in fair value resulting from the GQ Bio Acquisition. For more information, see Note 3, *GQ Bio Therapeutics Acquisition*, 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 March 31,		% Increase / (Decrease)
	2025	2024	
Income tax expense	$ 3,894	$ 4,661	(16)%
Effective tax rate	45 %	34 %	

The effective tax rates were 45% and 34% for the three months ended March 31, 2025 and 2024, respectively. Income tax expense represents the estimated annual effective tax rate applied to the year-to-date operating results adjusted for certain discrete tax items.

The effective tax rate for the three months ended March 31, 2025 is primarily impacted by costs related to non-deductible executive compensation, non-deductible stock-based compensation and a non-US valuation allowance, partially offset by tax credits.

The effective tax rate for the three months ended March 31, 2024 include costs related to non-deductible stock-based compensation and non-deductible executive compensation, partially offset by tax credits and a fair value adjustment for 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 March 31, 2025, we had an accumulated deficit of $201.5 million, cash and cash equivalents and available-for-sale investments of $493.6 million and working capital of $445.2 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):

	Three Months Ended March 31,	
Condensed Consolidated Statements of Cash Flows Data:	**2025**	**2024**
Net cash provided by (used in):		
Operating activities	$ 35,459	$ 49,101
Investing activities	(25,629)	(15,530)
Financing activities	(2,994)	(2,817)
Net increase in cash and cash equivalents	$ 6,836	$ 30,754

Operating Activities

During the three months ended March 31, 2025, net cash provided by operating activities was $35.5 million, compared to $49.1 million during the three months ended March 31, 2024. The decrease of $13.6 million was attributable to an increase in produced inventory days on hand and increased operating expenses driven by investing in programs to drive awareness and education for our customers and enhance our marketing, market access and reimbursement teams as well as increased clinical and preclinical expenses as we continue to invest in our pipeline development, partially offset by improvements in gross margin.

Investing Activities

During the three months ended March 31, 2025, net cash used in investing activities was $25.6 million, which reflected $16.7 million related to the cash consideration for the GQ Bio Acquisition (net of cash acquired), $8.5 million of capital expenditures for manufacturing product fill lines and the build-out of our new corporate headquarters in Brisbane, California, as well as $0.4 million of outflows from available-for-sale investment purchases (net of sales).

During the three months ended March 31, 2024, net cash used in investing activities was $15.5 million, which reflected $12.7 million of outflows from available-for-sale investment purchases (net of sales), as well as $2.8 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.

Financing Activities

During the three months ended March 31, 2025, net cash used in financing activities was $3.0 million, which primarily consisted of a $2.8 million voluntary prepayment associated with the TLA Term Loan.

During the three months ended March 31, 2024, net cash used in financing activities was $2.8 million for a voluntary prepayment of TLA Term Loan principal.

See Note 9, *Debt*, to our condensed consolidated financial statements included herein for further discussion of the TLA Term Loan.

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 three months ended March 31, 2025, we made $2.8 million of voluntary principal prepayments. During the year ended December 31, 2024, we made $11.3 million of voluntary principal prepayments. As of March 31, 2025, borrowings under the TLA Term Loan consisted entirely of term benchmark borrowings at a rate of 7.40%.

The TLA Credit Agreement requires us 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 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 $300.0 million ($500.0 million less a $200.0 million prepayment of the 2025 Notes in the year ended December 31, 2024) less any additional 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. The TLA Credit Agreement also contains customary affirmative and negative covenants, financial covenants, representations and warranties, events of default and other provisions. As of March 31, 2025, we were in compliance with all financial covenants under the TLA Credit Agreement. See Note 9, *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 March 31, 2025, all $287.5 million of principal was outstanding on the 2029 Notes. See Note 9, *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 March 31, 2025, the outstanding principal on the 2025 Notes was $202.5 million. See Note 9, *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 10, *Financial Instruments*, to our condensed consolidated financial statements included herein for more information;
- the impact of global economic conditions—including the impact of inflation and tariffs—on our products, 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 and product candidates, including the additional pediatric trials required by the FDA and EMA as a condition of the approval of EXPAREL and clinical trials for PCRX-201;
- 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 extent to which we acquire or invest in products, businesses and technologies; and
- the timing and the number of shares of our common stock repurchased through our $300.0 million share repurchase program announced in April 2025, which has an expiration date of December 31, 2026. For more information, see Note 11, *Stockholders' Equity*, to our condensed consolidated financial statements included herein.

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

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 2024 Annual Report. 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, 2024.

Contractual Obligations

There have been no material changes in our contractual obligations relating to our indebtedness, lease obligations and purchase obligations from those reported in our 2024 Annual Report. For more information on our contractual obligations and commercial commitments, see Part II, Item 7 in our 2024 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 March 31, 2025 by approximately $0.7 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 March 31, 2025, the estimated fair value of the 2025 Notes was $986 per $1,000 principal amount. See Note 9, *Debt*, to our condensed consolidated financial statements included herein for further discussion of our 2025 Notes, which bear interest at a fixed rate. At March 31, 2025, $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 March 31, 2025, the estimated fair value of the 2029 Notes was $973 per $1,000 principal amount. See Note 9, *Debt*, to our condensed consolidated financial statements included herein for further discussion of our 2029 Notes, which bear interest at a fixed rate. At March 31, 2025, $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 March 31, 2025, the outstanding principal on the TLA Term Loan was $102.5 million. As of March 31, 2025, borrowings under the TLA Term Loan consisted entirely of term benchmark borrowings at a rate of 7.40%. A hypothetical 100 basis point increase in interest rates would increase interest expense over the next 12 months by approximately $1.0 million, based on the balance outstanding for these borrowings as of March 31, 2025.

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 March 31, 2025.

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 March 31, 2025 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 16, *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 2024 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 2024 Annual Report. The risks described in our 2024 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 March 31, 2025, 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
3.1	Third Amended and Restated Bylaws. (1)
10.1	Settlement Agreement, dated April 7, 2025, by and between Pacira BioSciences, Inc. and Pacira Pharmaceuticals, Inc. with Fresenius Kabi USA, LLC, eVenus Pharmaceutical Laboratories Inc., and Jiangsu Hengrui Pharmaceuticals Co., Ltd. (f/k/a Jiangsu Hengrui Medicine Co., Ltd.).* †† ##
10.2	Amended and Restated 2014 Inducement Plan. *** (2)
10.3	Form of Nonstatutory Stock Option Agreement under the Amended and Restated 2014 Inducement Plan. *** (3)
10.4	Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2014 Inducement Plan. *** (4)
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 March 31, 2025, 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 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.

†† Certain portions of the exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation S-K. The omitted information (i) is not material and (ii) is the type that the Registrant treats as private or confidential.

Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to supplementally furnish copies of any omitted schedules and exhibits to the Securities and Exchange Commission upon request.

(1) Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K, filed on March 14, 2025.

(2) Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K, filed on January 21, 2025.

(3) Incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K, filed on January 21, 2025.

(4) Incorporated by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K, filed on January 21, 2025.

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:	May 8, 2025	By:	/s/ FRANK D. LEE
			Frank D. Lee
			Chief Executive Officer and Director
			(Principal Executive Officer)
Date:	May 8, 2025	By:	/s/ SHAWN M. CROSS
			Shawn M. Cross
			Chief Financial Officer
			(Principal Financial Officer)

PORTIONS OF THIS EXHIBIT MARKED BY [**] HAVE BEEN OMITTED PURSUANT TO RULE 601(B)(10) OF REGULATION S-K. THE OMITTED INFORMATION IS (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (this "Agreement") is made and effective as of April 7, 2025 (the "Effective Date"), by and among Pacira Biosciences, Inc., a corporation organized and existing under the laws of State of Delaware with a principal place of business at 5401 West Kennedy Blvd, Lincoln Center, Suite 890, Tampa, FL 33609, on behalf of itself and its Affiliates and Pacira Pharmaceuticals, Inc., a corporation organized and existing under the laws of the State of California with its principal place of business at 5401 West Kennedy Blvd, Lincoln Center, Suite 890, Tampa, FL 33609, on behalf of itself and its Affiliates (together, Pacira Biosciences, Inc. and Pacira Pharmaceuticals, Inc., the "Pacira Parties"; and the Pacira Parties, together with their Affiliates, "Pacira"), on the one hand, and Fresenius Kabi USA, LLC, a limited liability corporation organized and existing under the laws of the State of Delaware with a principal place of business at Three Corporate Drive, Lake Zurich, Illinois 60047, on behalf of itself and its Affiliates ("Fresenius Kabi"), eVenus Pharmaceutical Laboratories Inc., a corporation organized and existing under the laws of the State of New Jersey with a principal place of business at 506 Carnegie Center, Suite 100, Princeton, New Jersey, 08540, on behalf of itself and its Affiliates ("eVenus"), and Jiangsu Hengrui Pharmaceuticals Co., Ltd. (f/k/a Jiangsu Hengrui Medicine Co., Ltd.), a corporation organized and existing under the laws of China with a principal place of business at No. 7 Kunlunshan Road, Lianyugang Eco & Tech Development Zone, Lianyungang, Jiangsu, 222002, China, on behalf of itself and its Affiliates ("Jiangsu") (together, Fresenius Kabi USA, LLC, eVenus Pharmaceutical Laboratories Inc., and Jiangsu Hengrui Pharmaceuticals Co., Ltd., collectively, the "Fresenius Parties;" and the Fresenius Parties, together with their Affiliates, "Fresenius"), on the other hand, respectively (each of Pacira Biosciences, Inc., Pacira Pharmaceuticals, Inc., Fresenius Kabi USA, LLC, eVenus Pharmaceutical Laboratories Inc., and Jiangsu Hengrui Pharmaceuticals Co., Ltd., a "Party" and, collectively, the "Parties").

RECITALS

WHEREAS, certain of the Parties are parties to one or more good-faith patent infringement litigations identified in Appendix A hereto (the "Pending Litigations");

WHEREAS, the Parties were parties to good-faith patent infringement litigations identified in Appendix B hereto (the "Prior Litigations");

WHEREAS, Pacira has asserted against one or more of Fresenius Kabi USA, LLC, eVenus Pharmaceutical Laboratories Inc., and Jiangsu Hengrui Pharmaceuticals Co., Ltd., respectively, in the Prior Litigations and the Pending Litigations one or more of the patents identified in Appendix C hereto (the "Asserted Patents");

WHEREAS, Pacira currently manufactures and markets the EXPAREL® brand bupivacaine liposome injectable suspension product authorized by the United States Food and Drug Administration ("FDA") under approved New Drug Application ("NDA") No. 022496, including any amendments, supplements or replacements to the same (the "Pacira Exparel Product");

WHEREAS, in the Prior Litigations and the Pending Litigations, the relevant Parties to those litigations have asserted claims against each other in connection with an Abbreviated New Drug Application ("ANDA") filed by Jiangsu seeking approval to engage in the commercial manufacture, use, or sale of bupivacaine liposome injectable suspension products;

WHEREAS, the United States patents identified in Appendix D are among the patents currently listed in the FDA's publication, *Approved Drug Products with Therapeutic Equivalence Evaluations* ("Orange Book") in connection with the Pacira Exparel Product;

WHEREAS, Pacira Biosciences, Inc. and its Affiliates collectively own all right, title, and interest in and to the Licensed Patents (as defined below);

WHEREAS, Jiangsu (through eVenus) filed ANDA No. 214348 with the FDA seeking approval to engage in the commercial manufacture, use, or sale of bupivacaine liposome injectable suspension products; and

WHEREAS, to avoid the time and expense of the Pending Litigations and potential future litigations, the Parties desire to enter into a full, final, complete, and global settlement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article 1
DEFINITIONS

Section 1.1 Certain Defined Terms. The following terms, when used with initial capital letters, shall have the meanings set forth below:

"Affiliate" means, with respect to a Person (as defined below), any Person that, as of the Effective Date or thereafter, is directly or indirectly controlled by, under common control with or that controls such Person. For purposes of this definition, "control" means (i) with respect to an individual, a contractual or other legal right to direct the relevant actions of the individual, or (ii) with respect to a corporation or other entity, (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a corporation or other entity whether through the ownership of voting securities, or by contract or otherwise, (b) direct or indirect ownership of or the right to exercise at least fifty percent (50%) of the outstanding shares or securities entitled to vote for the election of directors or similar managing authority of the subject corporation or entity, or (c) direct or indirect ownership of or the right to exercise at

least fifty percent (50%) of the ownership interest representing the right to make the decisions for the subject corporation or entity.

"Agreement" shall have the meaning set forth in the preamble.

"ANDA" shall have the meaning set forth in the Recitals.

"Asserted Patents" shall have the meaning set forth in the Recitals.

"Authorized Generic Product(s)" means any bupivacaine liposome injectable suspension product manufactured, sold, offered for sale, or distributed pursuant to the Pacira NDA (as defined below) in the Territory (as defined below) without the Exparel® trademark or any replacement trademark or trade name owned by Pacira or its Affiliates.

"Certification" shall have the meaning set forth in Section 3.10.

"Claims" means claims, counterclaims, answers, cross-claims, defenses, and any judicial, administrative or other proceeding of any kind in any jurisdiction, as well as any and all actions, causes of action, costs, damages, debts, demands, expenses, liabilities, losses, obligations, proceedings, and suits of every kind and nature, liquidated or unliquidated, fixed or contingent, in law, equity, or otherwise, whether asserted or unasserted, whether presently known or unknown, whether anticipated or unanticipated, and whether direct or derivative.

"Controlled" means, with respect to any Patent (as defined below) or regulatory exclusivity, the possession by Pacira or any of its Affiliates of the right, whether through ownership or license (other than a license under this Agreement), to grant a license, sublicense, waiver, covenant not to sue, or other access or authorization as provided herein to such Patent or regulatory exclusivity, without violating the terms of any agreement or other arrangement with any Third Party (as defined below) or incurring any upstream obligations (including incurring any monetary obligations) to any Third Party for granting such access to, or in connection with, such license or sublicense to other Persons.

"Covenant Patents" means U.S. Patent Nos. 11,179,336; 11,278,494; 11,304,904; 11,311,486; 11,357,727; and 11,452,691.

"Covered Product" means any bupivacaine liposome injectable suspension product that (i) is the subject of the Pacira NDA, as amended, supplemented or replaced, or (ii) is the subject of any application that is the substantial equivalent of the Pacira NDA, including in respect to both (i) and (ii), any currently approved or future indications, dosage forms, or dosage strengths, including any Authorized Generic Products. For avoidance of doubt, Covered Product shall not include Nocita®, approved under New Animal Drug Application No. 141-461, or any generic equivalent of Nocita® approved under an Abbreviated New Animal Drug Application.

"DOJ" shall have the meaning set forth in Section 2.2.

"Effective Date" shall have the meaning set forth in the preamble.

"eVenus" shall have the meaning set forth in the preamble.

"Excess Quantity" shall have the meaning set forth in Section 3.10.

"FDA" shall have the meaning set forth in the Recitals.

"Final Court Decision" means a final decision on the merits of a United States Court or the U.S. Patent Trial and Appeal Board (including any decision resulting from any *inter partes* review, post grant review or *ex parte* reexamination) from which no further appeal has been or can be taken, other than a petition to the Supreme Court for a *writ of certiorari*.

"Fresenius" shall have the meaning set forth in the preamble.

"Fresenius Kabi" shall have the meaning set forth in the preamble.

"Fresenius Parties" shall have the meaning set forth in the preamble.

"FTC" shall have the meaning set forth in Section 2.2.

"Generic Equivalent(s)" means a bupivacaine liposome injectable suspension product that seeks or has received FDA approval for marketing in the Territory pursuant to an ANDA (or application under 21 U.S.C. § 355(b)(2)), that references the Pacira Exparel Product or Pacira NDA as the reference listed drug or listed drug relied upon.

"IQVIA" means IQVIA's National Sales Perspectives database (or any successor database thereto) or, if unavailable, an equivalent database demonstrating the number of total units of Generic Equivalents sold during any applicable time period hereunder.

"Jiangsu" shall have the meaning set forth in the preamble.

"License" shall have the meaning set forth in Section 3.1.

"Licensed ANDA" means ANDA No. 214348, as amended, supplemented, or replaced.

"Licensed ANDA Product(s)" means any bupivacaine liposome injectable suspension product(s) manufactured or marketed pursuant to the Licensed ANDA.

"Licensed Patents" means (i) the Orange Book Patents (as defined below) and (ii) all other United States Patents (as defined below) Controlled by Pacira or its Affiliates during the Term (as defined below) that, absent the licenses set forth in this Agreement, would be infringed by the manufacture, use, importation, distribution, offer for sale, or sale of the Licensed ANDA Product.

"Licensed Quantities" means the number of units of the Licensed ANDA Product that Fresenius may sell during a given time period (the "License Period(s)"), as follows:

(i) "First License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(ii) "Second License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(iii) "Third License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(iv) "Fourth License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(v) "Fifth License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(vi) "Sixth License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(vii) "Seventh License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(viii) "Eighth License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(ix) "Ninth License Period": For the License Period beginning on [**], and ending on [**], a quantity of the Licensed ANDA Product equal to [**].

(x) "Tenth License Period": For the License Period beginning on January 1, 2039, Fresenius may sell any quantity of the Licensed ANDA Product in the Territory without being subject to any Licensed Quantities percentage.

(xi) For clarity, as stated below in the definition of License Effective Date, if at any time during any License Period [**].

"License Effective Date" means the earliest to occur of the following dates:

(i) [**];

(ii) [**];

(iii) [**]; or

(iv) [**].

[**].

"NDA" shall have the meaning set forth in the Recitals.

"Orange Book" shall have the meaning set forth in the Recitals.

"Orange Book Patents" means any patent listed by Pacira, now or in the future, in the Orange Book for the Pacira Exparel Product, including those identified in Appendix D.

"Pacira" shall have the meaning set forth in the preamble.

"Pacira Exparel Product" shall have the meaning set forth in the Recitals.

"Pacira NDA" means NDA No. 022496, as may be amended, supplemented or replaced.

"Pacira Parties" shall have the meaning set forth in the preamble.

"Party" and "Parties" shall have the meaning set forth in the preamble.

"Patents" means (i) all classes or types of patents in any country or jurisdiction, including utility patents, utility models, design patents, invention certificates, reexamination certificates, and reissue patents; (ii) all applications for all classes and types of patents in any country or jurisdiction, including provisional applications, nonprovisional applications, continuations, divisionals, and continuations-in-part; and (iii) all rights to inventions for which applications may be filed in any country or jurisdiction.

"Pending Litigations" shall have the meaning set forth in the Recitals.

"Person" means an individual, trust, corporation, partnership, joint venture, limited liability company, association, unincorporated organization or other legal or governmental entity.

"Pre-Booking Activities" shall have the meaning set forth in Section 3.2.

"Prior Litigations" shall have the meaning set forth in the Recitals.

"Proceeding" means any administrative, judicial, or legislative action, audit, litigation, investigation, suit, or other proceeding in any tribunal.

"Related Parties" means, with respect to a Party and its Affiliates, all directors, officers, employees, agents, representatives, heirs, assigns, predecessors, and successors.

"Term" shall have the meaning set forth in Section 5.1.

"Territory" means the United States of America and its territories and possessions, including the Commonwealth of Puerto Rico and the District of Columbia.

"Third Party" means a Person other than (i) a Party to this Agreement or (ii) an Affiliate of a Party to this Agreement.

"Wire Transfer Instructions" shall have the meaning set forth in Section 2.7.

Article 2
SETTLEMENT AND RELEASE

Section 2.1 Dismissal of Pending Litigations. Within three (3) business days after the Effective Date, the Parties shall file the Stipulations of Dismissal attached as Exhibits A-E. The Stipulations of Dismissal shall dismiss all claims and defenses, with each Party to bear its own fees and costs in connection with all Prior Litigations and Pending Litigations. If for any reason any court in which the Parties seek dismissal raises an objection to the relevant Stipulation of Dismissal as filed or requires that the Parties modify the relevant Stipulation of Dismissal, the Parties agree to confer promptly and in good faith in order to take action consistent with this Agreement to secure entry of the relevant Stipulation of Dismissal; provided that nothing contained herein shall be deemed to require a Party to agree to a modification of this Agreement or to any Stipulation of Dismissal that materially affects the economic value of the transactions contemplated hereby.

Section 2.2 FTC Review. Each Party shall submit this Agreement (including all attachments hereto) to federal antitrust agencies, i.e., the U.S. Federal Trade Commission ("FTC") and U.S. Department of Justice ("DOJ"), within ten (10) business days of the Effective Date. The Parties hereby agree that they will work in good faith to resolve any related issues and endeavor to modify this Agreement in view of any objections from such federal antitrust agencies, but no Party shall be required to accept any terms that materially change or modify the purposes of this Agreement. Each Party reserves the right to communicate separately with the FTC and/or DOJ regarding such filings as it believes appropriate, provided, however, that each Party will keep the other Parties reasonably informed of such communications.

Section 2.3 Mutual Releases. In consideration of the mutual execution of this Agreement and upon the terms and subject to the conditions of this Agreement, and further subject expressly to the occurrence of the dismissals required pursuant to Section 2.1 above, each Party, on behalf of itself, its Affiliates, shareholders, directors, officers, employees, agents, representatives, assigns, predecessors, and successors, hereby fully, finally and irrevocably releases, relinquishes, acquits, and discharges the other Party and its Affiliates, and each of their respective directors, officers, employees, agents, representatives, heirs, assigns, shareholders, customers, importers, manufacturers, distributors, suppliers, marketing partners, purchasers, resellers, insurers and each of their predecessors and successors of and from any and all pending and potential Claims (i) arising out of or in any way related to, in any manner or degree, the Licensed ANDA, the Licensed ANDA Product, the Pacira Exparel Product, the Pending Litigations or the Prior Litigations or the facts raised in the Pending Litigations or the Prior Litigations, including any Claims which could have been, are or were asserted in the Pending Litigations or the Prior Litigations, or (ii) for infringement of the Licensed Patents by the Licensed ANDA Product prior to or on the Effective Date. For the avoidance of doubt, nothing in this Agreement shall prevent or impair the right of any Party to bring a Proceeding in court or any other forum for breach of this Agreement (including, without limitation, any claim for infringement of any intellectual

property based upon activities that are not the subject of the licenses, releases, waivers or covenants not to sue granted hereunder) or any representation, warranty or covenant herein, or to bring a Proceeding in court or any other forum concerning any product or drug application that was not the subject of the Pending Litigations or the Prior Litigations or any activities after the Effective Date.

Section 2.4 Statutory Acknowledgement. The releases set forth in Section 2.3 are full and final releases by which each Party, on behalf of itself and its Affiliates, waives all rights and benefits they may have had in the past, now have, or in the future may have in connection with the Claims released in Section 2.3 under the terms of any statute or provision of law that provides that a general release does not extend to Claims which a Party and its Affiliates do not know or suspect to exist in their favor at the time of executing this release by the Parties. Each Party and its Affiliates understand and accept the risk that they may have substantial Claims that are presently unknown, and they nevertheless release all such Claims within the scope of the foregoing releases. Specifically, each Party, on behalf of itself and its Affiliates, hereby expressly waives any rights they may have under California Civil Code Section 1542 (and any other law of similar effect in any jurisdiction), in connection with the Claims released in Section 2.3, which provides that:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Section 2.5 Agreement Enforceability. The Parties acknowledge and agree that this Agreement is enforceable according to its terms with respect to the final dismissal of all Claims as between the parties in the Pending Litigations.

Section 2.6 Costs and Attorneys' Fees. The Parties agree that they shall bear their own costs and attorneys' fees relating to the negotiation of this Agreement, with respect to each other.

Section 2.7 Saved Litigation Costs. In recognition of the savings inuring to Pacira in terms of the avoidance of fees, costs, expenditure of time and resources, disruption, and burden associated with continuing the Pending Litigations, any appeals that may be taken of the Pending Litigations, and any other actions or suits that may occur related to the Licensed ANDA or the Licensed ANDA Product, or the Asserted Patents or any other Licensed Patents, and in consideration for settlement of the Pending Litigations and the releases granted herein, Pacira will pay to Fresenius Kabi Seven Million Dollars ($7,000,000.00) (US) following the Effective Date and within eleven (11) days of Pacira's receipt of the Wire Transfer Instructions (defined below). The Parties agree such payment shall be subject to review and any objection by the FTC. The payment shall be wired, in immediately available funds, to an account designated in writing by Fresenius Kabi ("Wire Transfer Instructions") within three (3) business days following the Effective Date.

Section 2.8 Taxes. All taxes imposed as a result of the existence of this Agreement or the performance hereunder shall be paid by the Party required to do so by applicable law.

Article 3
LICENSE GRANT AND COVENANTS

Section 3.1 License Grant. Pacira hereby grants to the Fresenius Parties and their Affiliates, a non-exclusive, worldwide, royalty-free license under the Licensed Patents, with no right to sublicense, and no right to transfer (except as permitted by Section 6.1), to make, have made, use, have used, sell, have sold, offer to sell, have offered for sale, import, have imported, and otherwise transfer, have transferred, dispose of, or have disposed of, the Licensed Quantities of the Licensed ANDA Product in the Territory upon and following the License Effective Date and earlier solely as set forth in Section 3.2 (collectively, the "License").

Section 3.2 [**]

Section 3.3 Reservation of Rights. All rights not expressly granted to the Fresenius Parties and their Affiliates hereunder are expressly reserved to Pacira, and Pacira has no obligation to make available any intellectual property rights or to take any other actions other than as expressly set forth herein. Except as expressly provided herein, nothing in this Agreement shall be construed as granting the Fresenius Parties and their Affiliates any rights: (a) with respect to the Licensed ANDA Product outside the Territory; (b) with respect to any product other than the Licensed ANDA Product; or (c) to make, have made, use, offer to sell, sell, import, or otherwise dispose of any generic version of any Pacira product (other than the Pacira Exparel Product but only to the extent expressly provided in this Agreement).

Section 3.4 Certain Covenants. The Fresenius Parties and their Affiliates shall not make, have made, import into, offer to sell, or sell in the Territory any Generic Equivalent (including the Licensed ANDA Product) or assist, authorize or cooperate with any Third Party in doing any of the foregoing, prior to the License Effective Date and earlier solely as set forth in Section 3.2. Fresenius agrees that any breach by the Fresenius Parties or their Affiliates of this Section 3.4 shall cause irreparable harm to Pacira, and Fresenius hereby consents to specific performance, or immediate entry of a temporary restraining order, preliminary injunction, and permanent injunction, to enforce this Section 3.4. Without limitation of the foregoing, if any of the Fresenius Parties or their Affiliates sell in the Territory any Generic Equivalent (including the Licensed ANDA Product) prior to the License Effective Date, Pacira may terminate the licenses and covenants not to interfere granted to Fresenius under this Agreement immediately upon written notice.

Section 3.5 Covenant Not to Challenge or Assist Challenges to the Licensed Patents. The Fresenius Parties and their Affiliates shall not, directly or indirectly contest, or assist any Third Party in contesting in any forum, including federal courts, whether under 28 U.S.C. §§ 2201-2202 or not, the U.S. Patent and Trademark Office, and/or the International Trade Commission, that the Licensed Patents or any claims thereof are patentable, valid and enforceable or not infringed in any Proceeding concerning the Licensed ANDA Product, the Pacira Exparel Product or any Generic Equivalent, unless any such Licensed Patent is asserted or threatened to be asserted against the Fresenius Parties or their Affiliates. Such challenges to the

patentability, validity or enforceability or non-infringement of any of the Licensed Patents or any claims thereof include, but are not limited to, filing or maintaining (i) a request for inter partes review; (ii) a request for reexamination; (iii) any other pre- or post-grant proceeding in the United States Patent and Trademark Office; or (iv) a declaratory judgment action concerning the Licensed ANDA Product, the Pacira Exparel Product or any Generic Equivalent. Fresenius agrees that any breach by the Fresenius Parties or their Affiliates of this Section 3.5 shall cause irreparable harm to Pacira, and Fresenius hereby consents to specific performance, or immediate entry of a temporary restraining order, preliminary injunction, and permanent injunction, to enforce this Section 3.5. Permitted challenges in defense of a suit pursuant to this Section 3.5 include, but are not limited to, opposition proceedings, IPR proceedings, PGR proceedings, and revocation and nullity proceedings, notwithstanding the forum selection set forth in Section 6.3. For avoidance of doubt, nothing in this Section 3.5 or anywhere else in this Agreement shall prevent or prohibit Fresenius from challenging any Licensed Patent or any other Patent in any Proceeding involving an application that is not the Licensed ANDA or a product that is not the Licensed ANDA Product or any Generic Equivalent.

Section 3.6 [**]

Section 3.7 [**]

Section 3.8 Regulatory Waiver. As of the Effective Date, to the extent licensed under the License, and to the extent permitted by law, Pacira hereby grants to the Fresenius Parties a waiver under any regulatory exclusivities or other regulatory rights that Pacira Controls that apply to the Licensed ANDA Product that could prevent the Fresenius Parties from obtaining approval of the Licensed ANDA Product as soon as it is otherwise approvable, or from marketing the Licensed ANDA Product in the Territory as of the License Effective Date. Within ten (10) calendar days of receiving a written request from Fresenius, Pacira will provide FDA with written confirmation of the license grants and waivers herein (subject to Fresenius's review and approval prior to any submission, such approval not to be unreasonably withheld, delayed or conditioned).

Section 3.9 Non-Interference. Except for safety or efficacy reasons (or as otherwise required by FDA or any other applicable law) and so long as Fresenius has not breached, in any material respect, any provision of this Agreement, Pacira hereby covenants not to take any action to interfere with the efforts of Fresenius to obtain and maintain FDA approval of the Licensed ANDA Product and the Licensed ANDA.

Section 3.10 Pacira Licensed Quantities Audit Right. Within [**] calendar days following each License Period, Fresenius shall provide to Pacira a written certification signed by an officer of each Fresenius Party certifying that Fresenius has not sold more than its Licensed Quantity for such License Period ("Certification"). The Fresenius Parties shall, and shall ensure that their Affiliates will, keep complete and accurate records in accordance with generally acceptable accounting standards and in sufficient detail pertaining to the units of Licensed ANDA Product sold during each calendar year starting with the 2024 calendar year through the 2038 calendar year, to permit Pacira to confirm the veracity of each Certification. Such records shall be retained for at least five (5) years following the calendar year to which they pertain. Upon no less than

[**] days' prior notice, at Pacira's expense, Pacira shall have the right to have an independent auditor, selected by Pacira and reasonably acceptable to Fresenius, and subject to confidentiality terms reasonably acceptable to Fresenius, audit the sales/unit data for any License Period no more than once for each calendar-year License Period in order to confirm the veracity of the applicable Certification. [**].

Section 3.11 Fresenius Licensed Quantities Audit Right. Pacira shall, and shall ensure that its Affiliates will, keep complete and accurate records in accordance with generally acceptable accounting standards and in sufficient detail pertaining to the units of Covered Product sold during each calendar year starting with the 2028 calendar year through the 2038 calendar year, to permit Fresenius to confirm the accuracy of any and all applicable actual sales/unit data underlying the written certification provided to Fresenius pursuant to the Licensed Quantities definition. Such records shall be retained for at least five (5) years following the calendar year to which they pertain. Upon no less than [**] days' prior notice, at Fresenius's expense, Fresenius shall have the right to have an independent auditor, selected by Fresenius and reasonably acceptable to Pacira, and subject to confidentiality terms reasonably acceptable to Pacira, audit any and all applicable actual sales/unit data underlying the written certification provided by Pacira to Fresenius for any License Period no more than once for each calendar-year License Period. [**].

Section 3.12 Ex-U.S. Covenant Not to Sue. During the Term, Pacira and its Affiliates will not sue, or otherwise assert or authorize any claim, for infringement of any of their Controlled non-United States Patents against (a) the Fresenius Parties or their Affiliates, or any of its or their Third Party contract manufacturers, for the manufacture of Licensed ANDA Product outside the Territory solely to the extent such manufacture is for importation into, and sale, offer for sale and distribution in, the Territory by or on behalf of the Fresenius Parties or their Affiliates or (b) the Fresenius Parties or their Affiliates, or any of its or their Third Party developers for the development of the Licensed ANDA Product outside the Territory solely to the extent such development is (i) by or on behalf of the Fresenius Parties or their Affiliates and (ii) limited to development of Licensed ANDA Product for importation into, and sale, offer for sale and distribution in, the Territory by or on behalf of the Fresenius Parties or their Affiliates.

Article 4
REPRESENTATIONS AND WARRANTIES

Section 4.1 Mutual Representations. Each Party hereby represents and warrants to the other Party as of the Effective Date as follows:

(a) Due Authorization. Such Party is an entity duly organized and in good standing as of the Effective Date, and the execution, delivery, and performance of this Agreement by such Party have been duly authorized by all necessary action on the part of such Party.

(b) Due Execution. This Agreement has been duly executed and delivered by such Party and, with due authorization, execution and delivery by the other Party, constitutes a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

(c) No Conflict. Such Party's execution, delivery, and performance of this Agreement does not: (i) violate, conflict with, or result in the breach of any provision of the charter or by-laws (or similar organizational documents) of the Party or (ii) conflict with or result in any breach of any agreement to which such Party is a party or is otherwise bound.

(d) Affiliates. Such Party has the full right and authority to enter into this Agreement on behalf of and bind all of its Affiliates, and shall cause all such Affiliates to comply with and grant all necessary rights, licenses, covenants, and releases to effect this Agreement, and all other terms and conditions of this Agreement, and shall be directly liable to the other Party and its Affiliates for any breach of this Agreement by any of such Party's Affiliates, including any failure by any Affiliate to comply with or grant any such right, license, covenant, or release.

Section 4.2 Pacira Representations and Warranties. Pacira represents and warrants to Fresenius that, as of the Effective Date, Pacira (a) has the right to settle the Pending Litigations and the Prior Litigations; (b) shall, to the extent the licenses and covenants herein do not run with the relevant Patents under applicable law, impose the licenses and covenants herein on any Third Party to whom Pacira transfers, assigns or otherwise conveys any rights in the Licensed Patents or any Patents that are the subject of the Ex-U.S. Covenant Not to Sue in Section 3.12; and (c) Controls the Licensed Patents.

Section 4.3 Fresenius Parties Representations, Warranties and Covenants. Jiangsu and eVenus represent and warrant to Pacira that, as of the Effective Date, (a) Jiangsu owns all right, title and interest in, to and under the Licensed ANDA, and Jiangsu has not granted or assigned to any Third Party, directly or indirectly, any rights in, to or under the Licensed ANDA or the Licensed ANDA Product, (b) Fresenius does not, and shall not until the License Effective Date, own or control any application directed to a Generic Equivalent other than the Licensed ANDA, (c) subject to the restrictions in Section 6.1, Jiangsu shall not transfer ownership, in whole or in part, of said Licensed ANDA, except to an Affiliate, without assigning all of Jiangsu's rights and obligations under this Agreement, and (d) Jiangsu and eVenus have the right to settle the Pending Litigations and Prior Litigations. Fresenius Kabi represents and warrants to Pacira that, as of the Effective Date, Fresenius Kabi has the right to settle the Pending Litigations and Prior Litigations.

Section 4.4 Mutual Agreements. Each Party acknowledges and agrees that:

(a) If any fact relating to this Agreement, the Prior Litigations, or the Pending Litigations and now believed to be true is found hereafter to be other than, or different from, that which is now believed, each Party expressly assumes the risk of such difference in fact and agrees that this Agreement shall be, and will remain, effective notwithstanding any such difference in fact, subject to each Party's right to bring a Proceeding for a breach of any representation, warranty or covenant herein.

(b) This Agreement shall be deemed to be a full and complete defense to, and may be used as a basis for injunction against, any Proceeding that may be instituted, prosecuted, or attempted in breach hereof.

Section 4.5 Reliance on Agreement. The Pacira Parties and the Fresenius Parties agree that nothing in this Agreement shall be construed as an admission or waiver as to any factual or legal matter by any Party or its Affiliates with respect to (a) any jurisdiction outside of the Territory, (b) any products other than the Licensed ANDA Product, or (c) any Patents other than the Licensed Patents, and no Party or its Affiliates will use this Agreement outside of the Territory, or in connection with any Proceeding regarding products other than the Licensed ANDA Product or patents other than the Licensed Patents, for any purpose except to enforce this Agreement.

Section 4.6 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NO PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF APPLICABLE LAW, AND EACH PARTY HEREBY EXPRESSLY DISCLAIMS SUCH WARRANTIES.

Article 5
TERM AND TERMINATION

Section 5.1 Term. Unless terminated sooner pursuant to the terms of this Agreement, this Agreement continues until expiration of the last to expire of the Licensed Patents. The provisions of Sections 3.3, 4.5 and 5.1, and Article 6 shall survive expiration or termination of this Agreement for any reason.

Section 5.2 Termination Rights. The Parties agree that an unauthorized sale of a Licensed ANDA Product or Generic Equivalent by the Fresenius Parties or their Affiliates or a Third Party authorized by the Fresenius Parties or their Affiliates, is a material breach that cannot be cured and that upon such breach, this Agreement may be terminated by Pacira, in its sole discretion, by written notice to the other Parties. This Agreement may also be terminated by any Party in the event there has been an adjudication of a material breach of any of the provisions of this Agreement and the breaching Party has not cured such breach within [**] business days of such adjudication. Notwithstanding the foregoing, the Parties agree that any breach by the Fresenius Parties or their Affiliates of Section 3.5 is a material breach which, if not cured by the Fresenius Parties or their Affiliates within [**] calendar days of receipt of written notice from Pacira, shall entitle Pacira to terminate this Agreement immediately upon written notice to the Fresenius Parties. In the event of termination under this Section 5.2, the termination shall be deemed to be effective as of the date the breach occurred. The date of such breach, if it cannot be agreed upon, shall be determined by the court hearing the dispute regarding the breach, and the non-breaching Party may be entitled to retroactive damages, which may include, but are not limited to, damages for patent infringement, commencing as of the date the breach occurred.

Article 6
MISCELLANEOUS

Section 6.1 Assignment. No Party may assign any of its rights or obligations under this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that a Party may assign this Agreement without such consent (a) to any Affiliate of such assigning Party (for as long as such assignee remains an Affiliate of such Party); or (b) to any purchaser or transferee of substantially all of the assets related to this Agreement, including a Third Party who acquires ownership of the

Licensed ANDA or a Third Party who acquires ownership of the Pacira NDA, as applicable, and who, as a result of such transfer or acquisition becomes subject to the terms and conditions of this Agreement and shall be bound hereby. Any purported assignment in violation of the foregoing shall be null and void and of no force or effect. No assignment of this Agreement will relieve the assigning Party from any of its obligations hereunder. In the event of a permitted assignment, this Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assigns.

Section 6.2 [**].

Section 6.3 Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to its conflict of laws principles. The Parties hereby consent to the exclusive jurisdiction of the federal courts located in New Jersey to the extent permitted by law, or else New Jersey state court, and expressly waive any objections or defenses based on lack of personal jurisdiction in federal courts in New Jersey or venue in connection with any dispute arising out of or relating to this Agreement or whether any Patents are Licensed Patents if such dispute was not resolved by binding arbitration pursuant to Section 6.2.

Section 6.4 Confidentiality. Pacira, Fresenius, and their respective Affiliates and Related Parties shall not use or disclose to Third Parties (a) the terms of this Agreement or (b) any information received from any other Party or their Affiliates or Related Parties or otherwise developed or obtained (including prior to the Effective Date) by any Party in the performance of activities under this Agreement without first obtaining the written consent of the disclosing Party, except as may be otherwise permitted in, or required in order for a Party to exercise its rights or fulfill its obligations under, this Agreement. This confidentiality obligation shall not apply to information that (a) is or becomes a matter of public knowledge (other than by breach of this Agreement by the receiving Party), (b) is required to be disclosed by law, regulation, or order of a court or administrative agency of competent jurisdiction, or that is otherwise disclosed to the FTC or DOJ pursuant to Section 6.5 or Section 6.6, (c) the receiving Party can establish was already known to it or was in its possession at the time of disclosure, (d) the receiving Party can establish was independently developed by Persons in its employ who had no contact with and were not aware of the content of the confidential information, or (e) is disclosed to the receiving Party by a Third Party having no obligation of confidentiality to the disclosing Party with respect to such information. Prior to either Party providing any disclosure to Third Parties as expressly permitted under this Section 6.4 or as required by law, that Party shall first provide the other Party a copy of such disclosure and specify the timing and nature of the disclosure and give the other Party sufficient time and the opportunity to comment thereon, and (as applicable) to seek a protective order or confidential treatment prior to any such disclosure. The Parties shall take reasonable measures to ensure that no unauthorized use or disclosure is made by others to whom access to such information is granted. Notwithstanding the foregoing, the Parties may publicly disclose to any Third Party any of the following: the fact of settlement and the Stipulations of Dismissal, which shall become public upon filing of the same; the License Effective Date; and that Fresenius is licensed (i) to market certain volume-limited annual amounts of the Licensed ANDA Product in the United States beginning on January 1, 2030, or earlier in certain circumstances, beginning at a high-single-digit percentage of the total volumes

distributed in the U.S. market and increasing gradually in each calendar year following the volume limited entry date until ultimately reaching a maximum high thirties percentage of the total volumes distributed in the United States for the final three years of the limited volume period, and (ii) an unlimited quantity of generic liposomal bupivacaine in the United States beginning January 1, 2039, or earlier in certain circumstances. Other than the foregoing, the Parties shall agree in writing prior to making any further public announcement, press release or other public disclosure regarding this Agreement or the subject matter or terms herein, which consent shall not be unreasonably withheld, conditioned or delayed (provided that any consent which is delayed for more than seven (7) days shall be deemed to have been given). Nothing in this Agreement shall prevent either Party from disclosing any confidential information relating to this Agreement, including a copy of this Agreement, to such Party's auditors, accountants, advisors, insurers, lenders, attorneys, prospective and actual acquirers, and prospective and actual shareholders, investors, underwriters, and commercial and marketing partners, in each case who are bound under a written agreement with the disclosing Party to keep such information confidential, or to the extent reasonably necessary in prosecuting or defending litigation, complying with obligations under pre-existing agreements, complying with applicable laws and regulations, including United States Securities and Exchange Commission regulations, or court order or submitting information to tax or other governmental authorities. Further, nothing in this Agreement shall prevent eVenus or Jiangsu from disclosing the terms of this Agreement to the FDA as may be reasonably necessary in obtaining and maintaining final approval of the Licensed ANDA and the Licensed ANDA Product.

Section 6.5 Cooperation and Compliance with Laws. Subject to confidentiality restrictions that may be reasonably requested by the other Party, each Party shall use its commercially reasonable efforts to:

(a) make all required filings with the FTC or DOJ. Subject to confidentiality restrictions that may be reasonably requested and to the extent permissible by law, the Parties shall coordinate all filings and documents submitted to the FTC or DOJ regarding this Agreement;

(b) cooperate with the other Party in any review, investigation, inquiry, or proceeding regarding this Agreement by the FTC or DOJ. Subject to such confidentiality restrictions as may be reasonably requested by the other Party, and to the extent permissible by law, the Parties shall respond promptly and in good faith to any requests for assistance from the other Party (or Parties) in connection with the Parties' common interests under this Agreement in connection with any such review, investigation, inquiry, or proceeding by the FTC or DOJ;

(c) promptly inform the other Party (or Parties) of any material communication made to, or received by, such Party from the FTC or DOJ regarding this Agreement; and

(d) perform their respective obligations hereunder in compliance with all applicable federal, state and local laws, rules, guidelines and regulations.

Section 6.6 Government Proceedings. Within ten (10) business days following the Effective Date, and pursuant to current statutory law or applicable consent decrees and settlement agreements, the Parties shall file or cause to be filed this Agreement with the FTC and DOJ, and

any other applicable state or federal governmental agency, and, in each case, shall request that this Agreement be treated as confidential to the fullest extent permitted under the law.

Section 6.7 Notices. All notices required or permitted under this Agreement must be in writing and must be given by addressing the notice to the address for the recipient set forth below or at such other address as the recipient may specify in writing under this procedure. Notices will be deemed to have been given two (2) business days after sending by internationally recognized overnight delivery service.

If to Pacira Biosciences, Inc. or Pacira Pharmaceuticals, Inc.:

Legal Department
Pacira BioSciences, Inc.
5 Sylvan Way
Parsippany, New Jersey 07054

and

Kirkland & Ellis, LLP
601 Lexington Avenue
New York, New York 10022

If to Fresenius Kabi:

Fresenius Kabi USA, LLC
Three Corporate Drive
Lake Zurich, Illinois 60047
Telephone: [**]
Attention: President

With a copy to:

Fresenius Kabi USA, LLC
Three Corporate Drive
Lake Zurich, Illinois 60047
Telephone: [**]
Attention: General Counsel

With a copy to (which shall not constitute notice hereunder):

[**]

If to Jiangsu Hengrui Pharmaceuticals Co., Ltd. or eVenus Pharmaceutical Laboratories Inc.:

[**]

Section 6.8 Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by authorized representatives of each of the Parties.

Section 6.9 No Waiver. The failure of any Party to enforce at any time for any period the provisions of or any rights deriving from this Agreement shall not be construed to be a waiver of such provisions or rights or the right of such Party thereafter to enforce such provisions. No waiver of a breach, failure of any condition, or any right or remedy, contained in or granted by

the provisions of this Agreement shall be effective unless it is in writing and signed by the Party waiving the breach, failure, right or remedy.

Section 6.10 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

Section 6.11 Headings; Construction. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the context requires otherwise, the word "or" is used in the inclusive sense (and/or). Each Party and its counsel have participated fully in the review of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement.

Section 6.12 Counterparts. This Agreement may be executed in one or more counterparts, and by the respective Parties in separate counterparts, including via .pdf, photocopy, electronic, DocuSign or equivalent signatures. Each counterpart shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement. Signatures to this Agreement delivered by facsimile or electronic transmission of a .pdf file shall constitute valid signatures.

Section 6.13 Entire Agreement. This Agreement (including Exhibits and Appendices hereto) constitutes the entire agreement among the Parties with respect to the subject matter hereof, and no oral or written statement that is not expressly set forth in this Agreement may be used to interpret or vary the meaning of the terms and conditions hereof. This Agreement supersedes any prior or contemporaneous agreements and understandings, whether written or oral, between the Parties with respect to the subject matter hereof.

Section 6.14 Third Party Beneficiaries. Except as expressly provided herein, nothing in this Agreement, either express or implied, is intended to or shall confer upon any Third Party any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the Effective Date.

Pacira Biosciences, Inc.

By: /s/ ANTHONY MOLLOY

Name: Anthony Molloy

Title: Chief Legal Officer

Location: Parsippany, NJ USA

Fresenius Kabi USA, LLC

By: /s/ [**]

Name: [**]

Title: Secretary/General Counsel

Location: Lake Zurich, IL USA

Pacira Pharmaceuticals, Inc.

By: /s/ ANTHONY MOLLOY

Name: Anthony Molloy

Title: Chief Legal Officer

Location: Parsippany, NJ USA

Fresenius Kabi USA, LLC

By: /s/ [**]

Name: [**]

Title: Chief Financial Officer

Location: Lake Zurich, IL USA

eVenus Pharmaceutical Laboratories Inc.

By: /s/ [**]

Name: [**]

Title: Vice President

Location: Princeton, NJ USA

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

By: /s/ [**]

Name: [**]

Title: Vice President

Location: Jiangsu, China

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

By: /s/ [**]

Name: [**]

Title: Sr. Director, CAM, GMC Center

Location: Jiangsu, China

SCHEDULES AND EXHIBITS HAVE BEEN OMITTED PURSUANT TO ITEM 601(A)(5) OF REGULATION S-K. THE COMPANY HEREBY UNDERTAKES TO SUPPLEMENALLY FURNISH COPIES OF ANY OMITTED SCHEDULES AND EXHIBITS TO THE SECURITIES AND EXCHANGE COMMISSION UPON REQUEST.

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: May 8, 2025

/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: May 8, 2025

/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 March 31, 2025, 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: May 8, 2025

/s/ FRANK D. LEE

Frank D. Lee

Chief Executive Officer and Director

(Principal Executive Officer)

Date: May 8, 2025

/s/ SHAWN M. CROSS

Shawn M. Cross

Chief Financial Officer

(Principal Financial Officer)