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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 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, Suite 900
Brisbane, California 94005
(Address and Zip Code of Principal Executive Offices)
(650) 242-8052
(Registrant's Telephone Number, Including Area Code)

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

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

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

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

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

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

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

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

As of November 5, 2025, 43,021,275 shares of the registrant's common stock, $0.001 par value per share, were outstanding.

PACIRA BIOSCIENCES, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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

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

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 147,589	$ 276,774
Short-term available-for-sale investments	98,745	207,841
Accounts receivable, net	115,268	113,304
Inventories, net	157,680	125,282
Prepaid expenses and other current assets	43,469	21,929
Total current assets	562,751	745,130
Fixed assets, net	147,388	167,169
Right-of-use assets, net	44,266	49,222
Goodwill	20,317	—
Intangible assets, net	382,396	425,970
Deferred tax assets	120,188	130,376
Investments and other assets	20,271	35,649
Total assets	$ 1,297,577	$ 1,553,516
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 17,687	$ 19,133
Accrued expenses	79,643	80,124
Lease liabilities	9,748	8,887
Current portion of long-term debt, net	—	201,776
Total current liabilities	107,078	309,920
Long-term debt, net	376,721	383,545
Lease liabilities	38,839	44,645
Contingent consideration	17,834	20,241
Deferred tax liabilities	4,587	—
Other liabilities	25,304	16,817
Total liabilities	570,363	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 September 30, 2025 and December 31, 2024	—	—
Common stock, par value $0.001; 250,000,000 shares authorized; 47,735,248 shares issued and 42,965,902 shares outstanding at September 30, 2025 and 47,077,844 shares issued and 46,240,604 shares outstanding at December 31, 2024	48	47
Treasury stock, at cost, inclusive of excise tax and broker fees, 4,769,346 and 837,240 shares at September 30, 2025 and December 31, 2024, respectively	(125,543)	(25,121)
Additional paid-in capital	1,049,545	1,009,435
Accumulated deficit	(200,959)	(206,356)
Accumulated other comprehensive income	4,123	343
Total stockholders' equity	727,214	778,348
Total liabilities and stockholders' equity	$ 1,297,577	$ 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues:				
Net product sales	$ 178,040	$ 167,722	$ 525,981	$ 509,933
Royalty revenue	1,476	851	3,557	3,780
Total revenues	179,516	168,573	529,538	513,713
Operating expenses:				
Cost of goods sold	34,278	38,864	109,450	130,542
Research and development	25,966	19,104	79,859	57,680
Selling, general and administrative	91,797	74,333	267,151	214,485
Amortization of acquired intangible assets	14,322	14,322	42,966	42,966
Goodwill impairment	—	163,243	—	163,243
Contingent consideration charges (gains), acquisition-related expenses, restructuring and other	6,791	(1,766)	13,261	2,872
Total operating expenses	173,154	308,100	512,687	611,788
Income (loss) from operations	6,362	(139,527)	16,851	(98,075)
Other income (expense):				
Interest income	8,534	5,482	20,437	14,134
Interest expense	(4,279)	(4,689)	(13,554)	(11,889)
(Loss) gain on early extinguishment of debt	(983)	—	(983)	7,518
Other, net	(110)	(122)	(6,448)	(320)
Total other income (expense), net	3,162	671	(548)	9,443
Income (loss) before income taxes	9,524	(138,856)	16,303	(88,632)
Income tax expense	(4,092)	(4,610)	(10,906)	(26,969)
Net income (loss)	$ 5,432	$ (143,466)	$ 5,397	$ (115,601)
Net income (loss) per common share:				
Basic and diluted net income (loss) per common share	$ 0.12	$ (3.11)	$ 0.12	$ (2.50)
Weighted average common shares outstanding:				
Basic	44,038	46,134	45,257	46,269
Diluted	44,459	46,134	45,729	46,269

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	$ 5,432	$ (143,466)	$ 5,397	$ (115,601)
Other comprehensive income (loss):				
Net unrealized gain (loss) on investments, net of tax	29	597	(102)	437
Foreign currency translation adjustments	32	(24)	3,882	(6)
Total other comprehensive income	61	573	3,780	431
Comprehensive income (loss)	$ 5,493	$ (142,893)	$ 9,177	$ (115,170)

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 June 30, 2025	47,691	(2,793)	$ 48	$ (75,515)	$ 1,035,563	$ (206,391)	$ 4,062	$ 757,767
Exercise of stock options	1	—	—	—	12	—	—	12
Vested restricted stock units	43	—	—	—	(1)	—	—	(1)
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	—	—	—	—	(7)	—	—	(7)
Stock-based compensation	—	—	—	—	13,978	—	—	13,978
Purchase of treasury stock, inclusive of excise tax and broker fees	—	(1,976)	—	(50,028)	—	—	—	(50,028)
Other comprehensive income (Note 11)	—	—	—	—	—	—	61	61
Net income	—	—	—	—	—	5,432	—	5,432
Balance at September 30, 2025	47,735	(4,769)	$ 48	$ (125,543)	$ 1,049,545	$ (200,959)	$ 4,123	$ 727,214

	Number of Shares Outstanding							
	Common Shares	Treasury Shares	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at June 30, 2024	46,954	(837)	$ 47	$ (25,121)	$ 983,178	$ (78,931)	$ 105	$ 879,278
Vested restricted stock units	31	—	—	—	—	—	—	—
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	—	—	—	—	(32)	—	—	(32)
Stock-based compensation	—	—	—	—	13,230	—	—	13,230
Other comprehensive income (Note 11)	—	—	—	—	—	—	573	573
Net loss	—	—	—	—	—	(143,466)	—	(143,466)
Balance at September 30, 2024	46,985	(837)	$ 47	$ (25,121)	$ 996,376	$ (222,397)	$ 678	$ 749,583

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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
Exercise of stock options	1	—	—	—	12	—	—	12
Vested restricted stock units	765	—	1	—	—	—	—	1
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	(210)	—	—	—	(5,474)	—	—	(5,474)
Common stock issued under employee stock purchase plan	101	—	—	—	1,569	—	—	1,569
Stock-based compensation	—	—	—	—	44,003	—	—	44,003
Purchase of treasury stock, inclusive of excise tax and broker fees	—	(3,932)	—	(100,422)	—	—	—	(100,422)
Other comprehensive income (Note 11)	—	—	—	—	—	—	3,780	3,780
Net income	—	—	—	—	—	5,397	—	5,397
Balance at September 30, 2025	47,735	(4,769)	$ 48	$ (125,543)	$ 1,049,545	$ (200,959)	$ 4,123	$ 727,214

	Number of Shares Outstanding							
	Common Shares	Treasury Shares	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2023	46,481	—	$ 46	$ —	$ 976,633	$ (106,796)	$ 247	$ 870,130
Vested restricted stock units	448	—	1	—	—	—	—	1
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	—	—	—	—	(414)	—	—	(414)
Common stock issued under employee stock purchase plan	56	—	—	—	1,364	—	—	1,364
Stock-based compensation	—	—	—	—	38,905	—	—	38,905
Purchase of treasury stock, inclusive of excise tax	—	(837)	—	(25,121)	—	—	—	(25,121)
Purchase of capped call transaction, net of tax	—	—	—	—	(20,112)	—	—	(20,112)
Other comprehensive income (Note 11)	—	—	—	—	—	—	431	431
Net loss	—	—	—	—	—	(115,601)	—	(115,601)
Balance at September 30, 2024	46,985	(837)	$ 47	$ (25,121)	$ 996,376	$ (222,397)	$ 678	$ 749,583

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30,	
	2025	**2024**
Operating activities:		
Net income (loss)	$ 5,397	$ (115,601)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Goodwill impairment	—	163,243
Indefinite-lived intangible asset impairment	25,866	—
Investment impairment	11,000	—
Deferred taxes	10,221	17,113
Depreciation of fixed assets and amortization of intangible assets	69,681	57,542
Amortization of debt issuance costs	2,320	2,284
Amortization of debt discount	101	70
Loss (gain) on early extinguishment of debt	983	(7,518)
Stock-based compensation	44,003	38,905
Changes in contingent consideration	(2,407)	(5,541)
Other net gains	(5,887)	(53)
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,943)	4,903
Inventories, net	(32,384)	(7,512)
Prepaid expenses and other assets	(13,911)	(6,338)
Accounts payable	(2,669)	3,409
Accrued expenses and income taxes payable	(7,145)	12,546
Other liabilities	5,079	(1,195)
Net cash provided by operating activities	108,305	156,257
Investing activities:		
Acquisition of GQ Bio Therapeutics GmbH (net of cash acquired)	(16,702)	—
Purchases of fixed assets	(15,115)	(8,518)
Purchases of available-for-sale investments	(113,450)	(207,017)
Sales of available-for-sale investments	226,665	132,627
Purchases of debt investments	(1,250)	—
Net cash provided by (used in) investing activities	80,148	(82,908)
Financing activities:		
Proceeds from exercises of stock options	12	—
Proceeds from shares issued under employee stock purchase plan	1,569	1,364
Payment of employee withholding taxes on restricted stock unit vests	(5,474)	(414)
Purchase of treasury stock, inclusive of broker fees	(100,080)	(25,000)
Proceeds from 2029 convertible senior notes	—	287,500
Proceeds from Revolving Credit Facility	101,000	—
Repayment of 2024 convertible senior notes	—	(8,641)
Repayment of 2025 convertible senior notes	(202,487)	(190,994)
Repayment of Term loan A facility	(105,312)	(8,438)
Repayment of Revolving Credit Facility	(5,000)	—
Purchase of capped call transactions	—	(26,709)
Payment of debt issuance and financing costs	(2,203)	(9,350)
Net cash (used in) provided by financing activities	(317,975)	19,318
Effect of exchange rate changes on cash and cash equivalents	337	—
Net (decrease) increase in cash and cash equivalents	(129,185)	92,667
Cash and cash equivalents, beginning of period	276,774	153,298
Cash and cash equivalents, end of period	$ 147,589	$ 245,965

See accompanying condensed notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2025	**2024**
Supplemental cash flow information:		
Cash paid for interest	$ 10,390	$ 10,191
Net cash paid for income taxes	$ 8,944	$ 9,575
Non-cash investing and financing activities:		
Fixed assets included in accounts payable and accrued liabilities	$ 1,116	$ 415
Excise tax on share repurchases included in accrued liabilities	$ 341	$ 121

See accompanying notes to condensed consolidated financial statements.

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

NOTE 1—DESCRIPTION OF BUSINESS

Pacira BioSciences, Inc. and its subsidiaries (collectively, the "Company" or "Pacira") deliver 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 other than an interscalene brachial plexus nerve block, a sciatic nerve block in the popliteal fossa, and 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. (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 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 portfolio 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, tariffs, 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 September 30, 2025, and for the three and nine-month periods ended September 30, 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. The condensed consolidated financial statements as presented reflect certain reclassifications from previously issued financial statements to conform to the current presentation. 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Largest wholesaler	31%	35%	32%	35%
Second largest wholesaler	25%	23%	26%	23%
Third largest wholesaler	21%	20%	21%	20%
Total	77%	78%	79%	78%

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 September 30, 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.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40), Targeted Improvements to the Accounting for Internal-Use Software*. The ASU amendment removed all references to prescriptive and sequential software development stages (referred to as project stages) throughout Subtopic 350-40. This had been replaced by the requirement to start capitalizing software costs when both of the following occur: (i) management has authorized and committed to funding a software project, and (ii) it is probable that the project will be completed and the software will be used to perform the function intended (referred to as the "probable-to-complete recognition threshold"). The ASU's amendments are effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. The ASU's amendments may be adopted on a prospective, modified transition approach that is based on the status of a current project and whether software costs were capitalized before the date of adoption or retrospective basis. The Company is currently evaluating the impact of adopting ASU 2025-06 on its consolidated financial statements.

NOTE 3—GQ BIO THERAPEUTICS ACQUISITION

On February 27, 2025, Pacira Therapeutics, Inc., a wholly-owned subsidiary of the Company, executed a securities purchase agreement to acquire the remaining 81% of GQ Bio for $30.6 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 is $7.8 million related to two employees' payments to be recognized and paid over three years pursuant to a key employee holdback agreement in increments of 50%, 30% and 20% at each year's respective anniversary. During the three and nine months ended September 30, 2025, the Company accrued key employee

holdback expenses of $1.2 million and $2.6 million, respectively. The key employee holdback is subject to continued employment, and therefore the accrued payments are recognized as research and development expense within the condensed consolidated statements 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	5,676
Cash payment of GQ Bio Acquisition transaction expenses	919
Settlement of previously invested note receivable	5,322
Settlement of pre-existing receivable	1,055
Purchase price consideration of 81% of GQ Bio	30,576
Prior 19% equity investment ownership of GQ Bio realized upon business combination	8,315
Total fair value of the GQ Bio Acquisition	$ 38,891

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 $5.7 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 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 (as Previously Reported) [a]	Measurement Period Adjustments [b]	Amounts Recognized at the Acquisition Date (as Adjusted)
ASSETS ACQUIRED			
Cash and cash equivalents	$ 1,884	$ —	$ 1,884
Accounts receivable	900	—	900
Prepaid expenses and other assets	120	383	503
Fixed assets	364	—	364
Right-of-use assets	1,374	—	1,374
In-process research and development (IPR&D)	22,500	—	22,500
Other noncurrent assets	56	—	56
Total assets	$ 27,198	$ 383	$ 27,581
LIABILITIES ASSUMED			
Accounts payable	$ 1,037	$ (39)	$ 998
Accrued expenses	91	191	282
Lease liabilities	1,374	—	1,374
Deferred tax liability	6,750	(2,664)	4,086
Other liabilities	49	—	49
Total liabilities	9,301	(2,512)	6,789
Total identifiable net assets acquired	17,897	2,895	20,792
Goodwill	20,763	(2,664)	18,099
Total fair value of the GQ Bio Acquisition	$ 38,660	$ 231	$ 38,891

(a) As previously reported in the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2025.
(b) Represents an adjustment to a deferred tax liability, unrecorded liabilities related to pre-acquisition expenses that were paid by the Company in 2025.

The acquired identifiable in-process research and development, or 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 nine months ended September 30, 2025, GQ Bio did not earn any revenue.

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, the E.U., and the U.K. 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, or ASC, 606. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

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

Disaggregated Revenue

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net product sales:				
EXPAREL	$ 139,902	$ 132,004	$ 419,348	$ 401,286
ZILRETTA	28,982	28,420	83,654	84,966
iovera°	6,465	5,655	17,176	16,359
Bupivacaine liposome injectable suspension	2,691	1,643	5,803	7,322
Total net product sales	$ 178,040	$ 167,722	$ 525,981	$ 509,933

NOTE 5—INVENTORIES

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

	September 30, 2025	December 31, 2024
Raw materials	$ 46,428	$ 50,800
Work-in-process	18,840	27,384
Finished goods	92,412	47,098
Total	$ 157,680	$ 125,282

In July 2025, the Company announced it decommissioned its 45-liter EXPAREL batch manufacturing suite located at its Science Center Campus in San Diego, California, and reduced its workforce accordingly. As a result, the Company reserved $1.0 million of raw materials related to that equipment during the nine months ended September 30, 2025.

NOTE 6—FIXED ASSETS

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

	September 30, 2025	December 31, 2024
Machinery and equipment	$ 163,980	$ 160,643
Leasehold improvements	76,343	86,034
Computer equipment and software	25,814	23,473
Office furniture and equipment	2,131	1,952
Construction in progress	11,785	27,996
Total	280,053	300,098
Less: accumulated depreciation	(132,665)	(132,929)
Fixed assets, net	$ 147,388	$ 167,169

For the three months ended September 30, 2025 and 2024, depreciation expense was $6.9 million and $6.0 million, respectively. For the three months ended September 30, 2025 and 2024, there was none and $0.5 million of capitalized interest on the construction of manufacturing sites, respectively.

For the nine months ended September 30, 2025 and 2024, depreciation expense was $26.7 million and $14.6 million, respectively. For the nine months ended September 30, 2025 and 2024, there was $0.1 million and $1.9 million of capitalized interest on the construction of manufacturing sites, respectively.

In July 2025, the Company announced it decommissioned its 45-liter EXPAREL batch manufacturing suite located at its Science Center Campus in San Diego, California, and reduced its workforce accordingly. As a result, the Company recognized $5.5 million of accelerated depreciation expense and disposed of $27.3 million of fully-depreciated leasehold improvements, machinery and equipment and, to a lesser extent, computer equipment and software associated with its 45-liter EXPAREL batch

manufacturing suite during the nine months ended September 30, 2025. The Company continues to operate its 200-liter EXPAREL batch manufacturing suite at the same facility.

As of September 30, 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 $43.8 million and $51.1 million, respectively.

As of September 30, 2025 and December 31, 2024, the Company had asset retirement obligations of $3.8 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. In April 2025, the Company moved its principal executive offices to Brisbane, California. The Company also has two embedded leases with Thermo Fisher Scientific Pharma Services 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. As part of the GQ Bio Acquisition in February 2025, the Company's European offices were assumed and include a research and development lab and offices in Luckenwalde, Germany and administrative offices in Hamburg, Germany and each of Eupen and Liège, Belgium.

The Company had been recognizing sublease income for laboratory space leased in Woburn, Massachusetts 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 and in April 2025, a lease and sublease term concluded for 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Fixed lease costs	$ 3,139	$ 3,459	$ 9,673	$ 10,416
Variable lease costs	642	562	1,757	1,345
Sublease income	—	(56)	(76)	(248)
Total	$ 3,781	$ 3,965	$ 11,354	$ 11,513

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

	Nine Months Ended September 30,	
	2025	2024
Cash paid for operating lease liabilities, net of lease incentives	$ 9,650	$ 9,686
Right-of-use assets recorded in exchange for lease obligations	$ 2,043	$ —

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

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

	September 30,	
	2025	2024
Weighted average remaining lease term	4.56 years	5.36 years
Weighted average discount rate	6.91 %	6.99 %

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

Year	Aggregate Minimum Payments Due
2025 (remaining three months)	$ 3,198
2026	12,789
2027	12,336
2028	11,188
2029	11,076
Thereafter	6,384
Total future lease payments	56,971
Less: imputed interest	(8,384)
Total operating lease liabilities	$ 48,587

NOTE 8—GOODWILL AND INTANGIBLE ASSETS

Goodwill

The Company's goodwill arose from the GQ Bio Acquisition in February 2025. As discussed below, the Company previously had goodwill resulting from the acquisition of Pacira Pharmaceuticals, Inc. (the Company's California operating subsidiary) from SkyePharma Holding, Inc. (now a subsidiary of Vectura Group plc, a subsidiary of Molex Asia Holdings Ltd.) in 2007, the MyoScience Acquisition in 2019 and the Flexion Acquisition in 2021. 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	18,099
Foreign currency adjustments	2,218
Balance at September 30, 2025	$ 20,317

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

Intangible Assets

Intangible assets, net, consists of the 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):

September 30, 2025	Gross Carrying Value	Foreign Currency Adjustments	Accumulated Amortization	Intangible Assets, Net	Weighted-Average Useful Lives
Developed technologies	$ 590,000	$ —	$ (241,893)	$ 348,107	10 years, 5 months
Customer relationships	90	—	(58)	32	10 years
Total finite-lived intangible assets, net	590,090	—	(241,951)	348,139	
Acquired IPR&D	31,500	2,757	—	34,257	
Total intangible assets, net	$ 621,590	$ 2,757	$ (241,951)	$ 382,396	

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 September 30, 2025 and 2024. Amortization expense on intangible assets was $43.0 million for both the nine months ended September 30, 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 $14.3 million for the remaining three 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.

As part of the GQ Bio Acquisition, the Company recognized $22.5 million of acquired IPR&D in February 2025. See Note 3, *GQ Bio Therapeutics Acquisition*, for information on the GQ Bio Acquisition.

The Company reviews its indefinite-lived intangible assets for impairment annually and whenever an event or change in circumstances arises that indicates the carrying amount of an indefinite-lived intangible asset is at risk of not being recoverable. During the three months ended September 30, 2025, the Company determined the fair value of the ZILRETTA acquired IPR&D for the treatment of shoulder OA pain may be at risk of impairment due to revised completion timelines for clinical trials and commercial availability which directly impacted revenue forecasts, among other factors. The Company determined that these events indicated that it was more likely than not that the fair value of the acquired IPR&D may be less than its fair value. The impairment assessment was conducted through a recoverability test by comparing the $33.9 million carrying value of the asset against the fair value through a discounted cash flow model based on new facts and circumstances. The assessment resulted in a fair value of $8.0 million. An impairment of $25.9 million was recognized within contingent consideration charges (gains), acquisition-related expenses, restructuring and other in the consolidated statements of operations for the three and nine months ended September 30, 2025 based on the amount its previous carrying value exceeded its updated fair value.

NOTE 9—DEBT

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

	September 30, 2025	December 31, 2024
Term loan A facility maturing March 2028 [1]	$ —	$ 104,211
2.125% Convertible senior notes due May 2029	280,721	279,334
0.750% Convertible senior notes due August 2025 [2]	—	201,776
Revolving Credit Facility [1]	96,000	—
Total	$ 376,721	$ 585,321

(1) In July 2025, the Company repaid the indebtedness outstanding under its TLA Credit Agreement (as defined below) and terminated the TLA Credit Agreement concurrently with its entry into the Revolving Credit Facility (as defined below).

(2) The 0.750% convertible senior notes matured and were repaid on August 1, 2025.

Revolving Credit Facility

On July 3, 2025, the Company entered into a credit agreement (the "Credit Agreement") with Wells Fargo Bank, N.A., as administrative agent, swingline lender and an issuing bank, and certain lenders, to, among other things, retire the indebtedness outstanding under the Company's then-existing TLA Credit Agreement and provide ongoing working capital.

The Credit Agreement provides for a senior secured revolving credit facility (the "Revolving Credit Facility") in an aggregate commitment amount of $300.0 million, with a letter of credit sublimit of $10.0 million and swingline loan sublimit of $15.0 million. The credit facility is secured by substantially all of the Company's and each subsidiary guarantor's assets and is scheduled to mature on July 3, 2030, subject to certain exceptions set forth in the Credit Agreement. Subject to certain conditions, the Company may, at any time, on one or more occasions, add one or more new classes of term facilities and/or increase the principal amount of any existing class of term loans by requesting one or more incremental term facilities in an aggregate principal amount not to exceed the greater of $225.0 million and 100% of Consolidated Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) (as defined in the Credit Agreement).

Each revolving loan borrowing which is an alternate base rate borrowing will bear interest at a rate per annum equal to (i) a base rate, plus (ii) a spread based on the Company's Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) ranging from 1.50% to 2.25%. Each revolving loan borrowing which is a term benchmark borrowing or daily simple SOFR (as defined in the Credit Agreement) borrowing will bear interest at a rate per annum equal to (i) a forward-looking term rate based on SOFR or a rate determined by reference to the daily simple SOFR, plus (ii) a spread based on the Company's Senior Secured Net Leverage Ratio ranging from 2.50% to 3.25%.

The Credit Agreement also contains customary affirmative and negative covenants, financial covenants, representations and warranties, events of default and other provisions. As of September 30, 2025, the Company was in compliance with all covenants under the Credit Agreement.

The Company incurred financing fees of approximately $2.1 million which are recorded as a noncurrent other asset on the Company's condensed consolidated balance sheet. The financing fees will be amortized over the term of the Credit Agreement.

Upon entering into the Credit Agreement, the Company borrowed $101.0 million under the Revolving Credit Facility, of which $96.0 million is outstanding as of September 30, 2025 after the Company made repayments of $5.0 million during the nine months ended September 30, 2025.

As of September 30, 2025, borrowings under the Revolving Credit Facility consisted entirely of term SOFR borrowings at an approximate all-in rate of 6.91%.

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. The term loan issued under the TLA Credit Agreement (the "TLA Term Loan") was issued at a 0.30% discount and provided for a single-advance term loan A facility in the principal amount of $150.0 million, which was secured by substantially all of the Company's and any subsidiary guarantor's assets. 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, permitted the Company's share repurchase program and the Capped Call Transactions (as defined and described below).

The TLA Term Loan was scheduled to mature on March 31, 2028 and the TLA Credit Agreement required quarterly repayments of principal in the amount of $2.8 million which commenced on June 30, 2023 and increased to $3.8 million on March 31, 2025, with an originally stated balloon payment of approximately $85.3 million due at maturity.

On July 3, 2025, the Company used a portion of the $300.0 million of Revolving Credit Facility to repay the remaining indebtedness outstanding under the TLA Credit Agreement, which consisted of $98.8 million and its final interest payment of $0.1 million, and terminated the TLA Credit Agreement. The Company did not incur any prepayment penalties or fees in connection with the termination of the TLA Credit Agreement. The prepayment resulted in a loss on early extinguishment of debt of approximately $1.0 million which was recognized during the three months ended September 30, 2025. Prior to the TLA Credit Agreement extinguishment, the Company made voluntary principal prepayments of $6.6 million during the nine months ended September 30, 2025 and $11.3 million during the year ended December 31, 2024.

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

	December 31, 2024
Term loan A facility maturing March 2028 [(1)]	$ 105,313
Deferred financing costs	(821)
Discount on debt	(281)
Total debt, net of debt discount and deferred financing costs	$ 104,211

Convertible Senior Notes Due 2029

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

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

	September 30, 2025	December 31, 2024
2.125% convertible senior notes due May 2029	$ 287,500	$ 287,500
Deferred financing costs	(6,779)	(8,166)
Total debt, net of deferred financing costs	$ 280,721	$ 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 September 30, 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 September 30, 2025, the 2029 Notes had a market price of $1,014 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 September 30, 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 accrued interest at a fixed rate of 0.750% per year, which was payable semiannually in arrears on February 1st and August 1st of each year.

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.

On August 1, 2025, the 2025 Notes matured and the Company settled the remaining outstanding principal balance of $202.5 million in cash. Between February 3, 2025 and the close of business on the second scheduled trading day immediately preceding August 1, 2025, holders could have converted their 2025 Notes at any time. Upon the maturity of the 2025 Notes, a nominal gain on extinguishment of debt was recognized due to certain holders having converted their 2025 Notes.

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

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

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Contractual interest expense	$ 3,597	$ 4,296	$ 11,282	$ 11,404
Amortization of debt issuance costs	626	840	2,320	2,284
Amortization of debt discount	56	23	101	70
Capitalized interest (Note 6)	—	(470)	(149)	(1,869)
Total	$ 4,279	$ 4,689	$ 13,554	$ 11,889
Effective interest rate on total debt	3.57 %	3.03 %	3.24 %	3.00 %

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 revolving line of credit 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 amount of equity investments and convertible notes receivable without readily determinable fair values are recorded at cost minus impairment, if any, plus or minus observable price changes of identical or similar investments.

At September 30, 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	$ 7,750	$ —	$ —	$ 7,750
Convertible notes receivable	$ 2,500	$ —	$ —	$ 2,500
Financial Liabilities:				
Acquisition-related contingent consideration	$ 17,834	$ —	$ —	$ 17,834
Financial Liabilities Measured at Amortized Cost:				
2.125% convertible senior notes due 2029 [(1)]	$ 280,721	$ —	$ 291,453	$ —
Revolving Credit Facility	$ 96,000	$ —	$ 96,000	$ —

(1) The closing price of the Company's common stock as reported on the Nasdaq Global Select Market was $25.77 per share on September 30, 2025, compared to a conversion price of $39.56 per share. At September 30, 2025, as the conversion price was above the stock price, the requirements for conversion have not been met.

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
Purchases	—	1,250	1,250
Impairments	(4,000)	(7,000)	(11,000)
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 September 30, 2025	$ 7,750	$ 2,500	$ 10,250

(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.

During the nine months ended September 30, 2025, an impairment of an equity investment and convertible note receivable totaling $11.0 million was recorded in other, net in the condensed consolidated statements of operations.

In June 2025, the Company invested $1.3 million in a convertible note receivable related to one of its existing early-stage strategic investments.

Acquisition-Related Contingent Consideration

The Company has recognized contingent consideration related to the Flexion Acquisition in the amount of $17.8 million and $20.2 million as of September 30, 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 September 30, 2025, the Company recognized contingent consideration charges of $0.6 million due to revisions to the latest discount rates, partially offset by a reduction in the sales forecast through the milestone expiration date. During the nine months ended September 30, 2025, the Company recognized contingent consideration gains of $2.4 million due to revisions to the latest discount rates. During the three and nine months ended September 30, 2024, the Company recognized contingent consideration gains of $3.2 million and $5.5 million, respectively, due to adjustments reflecting the probability of achieving the remaining Flexion regulatory milestone by the milestone expiration date, partially offset by revisions to the latest discount rates. These adjustments were recorded within contingent consideration charges (gains), acquisition-related expenses, restructuring and other in the condensed consolidated statements of operations. At September 30, 2025, the weighted average discount rate was 7.5%.

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

Assumption	Ranges Utilized as of September 30, 2025
Discount rates	7.2% to 7.8%
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	(2,407)
Balance at September 30, 2025	$ 17,834

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 (loss). At September 30, 2025 and December 31, 2024, all of the Company's short-term 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 September 30, 2025 and December 31, 2024 (in thousands):

September 30, 2025 Investments	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Current:				
Asset-backed securities	$ 8,520	$ 2	$ —	$ 8,522
Commercial paper	57,292	8	(9)	57,291
Corporate bonds	32,918	16	(2)	32,932
Total	$ 98,730	$ 26	$ (11)	$ 98,745

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 September 30, 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 September 30, 2025 and December 31, 2024, the interest receivable from its available-for-sale investments recognized in prepaid expenses and other current assets was $0.2 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 September 30, 2025, three wholesalers each accounted for over 10% of the Company's accounts receivable, at 33%, 22% and 17%. 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 September 30, 2025 and December 31, 2024, there were $0.6 million and $0.4 million of allowances for credit losses on the Company's accounts receivable, respectively.

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 [1]	(102)	—	(102)
Foreign currency translation adjustments	—	3,882	3,882
Balance at September 30, 2025	$ 88	$ 4,035	$ 4,123

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

(1) Net of a nominal and $0.1 million tax benefit for the nine months ended September 30, 2025 and 2024, respectively.

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, including plans that comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The share repurchase program may be suspended or

discontinued at any time by the Company and has an expiration date of December 31, 2026. During the nine months ended September 30, 2025, the Company repurchased 3,932,106 shares of its common stock through open market transactions for $100.4 million which included $0.1 million of broker fees and was inclusive of $0.3 million of accrued excise tax. As of September 30, 2025, $200.0 million remains available for future repurchases under this authorization (which excludes the broker fees and excise tax incurred). Refer to Part II Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds* of this Quarterly Report on Form 10-Q for more information on repurchases occurring during the third quarter of 2025.

Repurchases of the Company's common stock are accounted for at cost and recorded as treasury stock. The broker fees incurred and excise tax on repurchases of the Company's common stock are recorded as a cost of acquiring treasury stock. Any 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.

In addition to the Company's share repurchase plan, during the nine months ended September 30, 2025, the Company withheld 210,423 shares of its common stock to cover employee tax withholding obligations on restricted stock unit vests for $5.5 million. All shares of common stock withheld to cover employee tax withholding obligations are retired and are done so pursuant to the terms of the Company's stock incentive plans and related equity grant agreements rather than the Company's share repurchase plan. Retired shares of common stock are not available for future issuance under the Company's stock incentive plans.

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, June 2023 and June 2025. The June 2025 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 2,500,000 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 115,107 shares remained available for issuance as of September 30, 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 they are granted such award in connection with their commencement of employment with the Company or a subsidiary and such grant is an inducement material to their 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of goods sold	$ 1,506	$ 1,509	$ 4,904	$ 3,896
Research and development	2,326	1,794	6,974	5,522
Selling, general and administrative	10,146	9,137	32,125	25,970
Contingent consideration charges (gains), acquisition-related expenses, restructuring and other	—	790	—	3,517
Total	$ 13,978	$ 13,230	$ 44,003	$ 38,905
Stock-based compensation from:				
Stock options	$ 3,403	$ 4,767	$ 12,152	$ 17,292
Restricted stock units	10,383	8,276	30,670	21,003
Employee stock purchase plan share options	192	187	1,181	610
Total	$ 13,978	$ 13,230	$ 44,003	$ 38,905

Equity Awards

The following tables contain information about the Company's stock option and restricted stock unit, or RSU, activity for the nine months ended September 30, 2025:

Stock Options	Number of Stock Options	Weighted Average Exercise Price (Per Share)
Outstanding at December 31, 2024	6,845,618	$ 42.95
Granted	485,232	25.30
Exercised	(726)	15.14
Forfeited	(202,193)	42.18
Expired	(676,528)	52.13
Outstanding at September 30, 2025	6,451,403	40.68

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	2,449,865	26.00
Vested	(766,373)	36.67
Forfeited	(239,411)	28.45
Unvested at September 30, 2025	4,213,809	27.82

The weighted average fair value of stock options granted during the nine months ended September 30, 2025 was $13.73 per share. The fair values of stock options granted were estimated using the Black-Scholes option valuation model with the following weighted average assumptions:

Black-Scholes Weighted Average Assumption	Nine Months Ended September 30, 2025
Expected dividend yield	None
Risk-free interest rate	4.14%
Expected volatility	57.9%
Expected term of options	5.14 years

Employee Stock Purchase Plan

The Company's Amended and Restated 2014 Employee Stock Purchase Plan, or ESPP, features two six-month offering periods per year, running from January 1 to June 30 and July 1 to December 31. Under the ESPP, employees may elect to contribute after-tax earnings to purchase shares at 85% of the closing fair market value of the Company's common stock on either the offering date or the purchase date, whichever is lesser. During the nine months ended September 30, 2025, 100,728 shares were purchased and issued through the ESPP.

NOTE 13—NET INCOME (LOSS) PER COMMON SHARE

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

The following table sets forth the computation of basic and diluted net income (loss) per common share for the three and nine months ended September 30, 2025 and 2024 (in thousands, except per common share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income (loss)	$ 5,432	$ (143,466)	$ 5,397	$ (115,601)
Denominator:				
Weighted average common shares outstanding—basic	44,038	46,134	45,257	46,269
Computation of diluted securities:				
Dilutive effect of stock options	37	—	32	—
Dilutive effect of RSUs	383	—	429	—
Dilutive effect of ESPP share options	1	—	11	—
Weighted average common shares outstanding—diluted	44,459	46,134	45,729	46,269
Net income (loss) per common share:				
Basic and diluted net income (loss) per common share	$ 0.12	$ (3.11)	$ 0.12	$ (2.50)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Weighted average number of stock options	6,488	6,925	6,573	7,305
2025 Notes	972	2,821	2,205	4,184
Weighted average number of RSUs	1,531	2,637	1,831	1,935
Weighted average ESPP share options	—	47	—	51
Total	8,991	12,430	10,609	13,475

NOTE 14—INCOME TAXES

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income (loss) before income taxes:				
Domestic	$ 10,497	$ (140,309)	$ 16,956	$ (89,656)
Foreign	(973)	1,453	(653)	1,024
Total income (loss) before income taxes	$ 9,524	$ (138,856)	$ 16,303	$ (88,632)
Income tax expense	$ 4,092	$ 4,610	$ 10,906	$ 26,969
Effective tax rate	43 %	(3)%	67 %	(30)%

The Company's 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 Company's effective tax rate for the three and nine months ended September 30, 2025 was primarily impacted by costs related to non-deductible stock-based compensation, non-deductible executive compensation and a non-U.S. valuation allowance, partially offset by tax credits.

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

As of both September 30, 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 September 30, 2025 and December 31, 2024, the Company had $0.6 million and $0.7 million, respectively, of current income taxes payable that is included in accrued expenses within the condensed consolidated balance sheet.

U.S. Tax Reform

In July 2025, federal legislation known as the One Big Beautiful Bill Act (the "OBBBA") was enacted, resulting in changes to U.S. federal income tax law. Significant provisions of the OBBBA include the permanent extension of certain provisions of the 2017 Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. In accordance with ASC 740, *Income Taxes*, the Company is required to recognize the effect of the tax law changes in the period of enactment, such as remeasuring its estimated U.S. deferred tax assets and liabilities. The Company has $124.6 million of a gross deferred tax asset attributed to unamortized U.S. capitalized research and development costs as of December 31, 2024 that will be deductible on its 2025 and 2026 income tax returns. There are no other material impacts to the Company related to the enactment of the OBBBA.

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

Contingent consideration charges (gains), acquisition-related expenses, restructuring and other for the nine months ended September 30, 2025 and 2024 summarized below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Contingent consideration charges (gains)	$ 625	$ (3,244)	$ (2,407)	$ (5,541)
Restructuring charges	3,728	1,193	3,728	7,724
Acquisition-related expenses	(280)	285	2,222	689
Legal settlement	—	—	7,000	—
Legal judgment	(23,148)	—	(23,148)	—
Impairment of acquired IPR&D	25,866	—	25,866	—
Total contingent consideration charges (gains), acquisition-related expenses, restructuring and other	$ 6,791	$ (1,766)	$ 13,261	$ 2,872

Flexion Acquisition Contingent Consideration

The Company recognized charges of $0.6 million and gains of $2.4 million related to contingent consideration arising from the Flexion Acquisition during the three and nine months ended September 30, 2025, respectively. The Company recognized gains of $3.2 million and $5.5 million related to contingent consideration during the three and nine months ended September 30, 2024, respectively. 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.

2025 Restructuring Charges

In July 2025, as a result of improving manufacturing efficiencies for EXPAREL, the Company instituted a reduction in force at its Science Center Campus in San Diego, California. The Company's enhanced efficiencies are the result of its multi-year investment in two large-scale 200+ liter EXPAREL batch manufacturing suites located in San Diego and Swindon, U.K., which commenced commercial production in 2024 and 2021, respectively.

These two large-scale manufacturing suites are capable of producing bulk EXPAREL volumes that are approximately four-fold greater than the Company's 45-liter batch manufacturing process. The Company believes these larger manufacturing suites provide ample capacity for meeting the growing demand and improving gross margins for EXPAREL through a meaningfully more favorable cost structure and manufacturing yields versus the 45-liter batch process. As a result, the Company decommissioned its 45-liter EXPAREL batch manufacturing suite located in San Diego and reduce its workforce accordingly. The reduction impacted 71 employees or approximately 8% of the Company's then-total workforce.

During both the three and nine months ended September 30, 2025, the Company recognized $3.7 million of employee termination benefit charges, under ASC 420—*Liabilities for Exit or Restructuring Activities.* These employee termination benefits consist of garden leave under California employment law, severance, healthcare benefits, and, to a lesser extent, other one-time termination benefits.

As noted in Note 5, *Inventories*, and Note 6, *Fixed Assets*, the Company reserved $1.0 million of inventory and recognized $5.5 million of accelerated depreciation expense during the nine months ended September 30, 2025 associated with the decommission of the 45-liter manufacturing assets, which was recognized as costs of goods sold in the condensed consolidated statements of operations.

The Company's 2025 restructuring charges, including the beginning and ending liability balances, are summarized below (in thousands):

	Employee Termination Benefits
Balance at December 31, 2024	$ —
Charges incurred	3,728
Cash payments made / settled	(2,772)
Balance at September 30, 2025	$ 956

2024 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 executive team, (ii) reallocating efforts and resources from its ex-U.S. and certain early-stage development programs to its U.S. commercial portfolio in the U.S. market and (iii) reprioritizing investments to enhance key commercial capabilities and expand EXPAREL utilization. The Company recognized $1.2 million and $7.7 million of restructuring charges for the three and nine months ended September 30, 2024, respectively, related to employee termination benefits, such as the acceleration of share-based compensation, severance, and, to a lesser extent, other employment-related termination costs, as well as contract termination costs.

The Company's 2024 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	(1,225)	(1,689)	(2,914)
Balance at September 30, 2025	$ 10	$ —	$ 10

(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 an acquisition-related credit of $0.3 million and costs of $2.2 million during the three and nine months ended September 30, 2025, respectively. These costs primarily related to third-party services and legal fees associated with the GQ Bio Acquisition. See Note 3, *GQ Bio Therapeutics Acquisition*, for more information.

The Company recognized acquisition-related expenses of $0.3 million and $0.7 million during the three and nine months ended September 30, 2024, respectively. 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 nine months ended September 30, 2025 related to the patent infringement suits against eVenus, Jiangsu Hengrui and Fresenius (each as defined below). For more information, see Note 16, *Commitments and Contingencies.*

Legal Judgment

The Company recognized other income of $23.1 million during both the three and nine months ended September 30, 2025 upon receipt of a cash payment associated with the U.S. District Court for the District of Nevada issuing judgment declaring that the Research Development Foundation was required to repay the Company the royalties on EXPAREL sales that the Company previously paid under protest. For more information, see Note 16, *Commitments and Contingencies.*

Impairment of Acquired IPR&D

The Company recognized an impairment of $25.9 million during the three and nine months ended September 30, 2025, for an acquired IPR&D intangible asset related to ZILRETTA for the treatment of OA pain of the shoulder based on the amount that its previous carrying value of $33.9 million exceeded its current fair value of $8.0 million. See Note 8, *Goodwill and Intangible Assets*, for more information.

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, Inc. 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 attorney 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 nine months ended September 30, 2025 within the condensed consolidated statement of operations, consistent to where the previous expenses were recorded.

eVenus Pharmaceutical Laboratories Litigations

In October 2021, December 2021, April 2023 and May 2024, the Company received Notice Letters advising that eVenus Pharmaceutical Laboratories, Inc., or eVenus, of Princeton, New Jersey, submitted to the FDA an Abbreviated New Drug Application, or ANDA, with a Paragraph IV certification seeking authorization for the manufacturing and marketing of a generic 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 "eVenus 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-02367), U.S. Patent Nos. 11,819,574 (the '574 patent) and 11,819,575 (the '575 patent) (24-cv-06294), and U.S. Patent No. 11,925,706 (the '706 patent) (24-cv-07680). 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 eVenus 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 eVenus ANDA Filers with respect to the litigations noted above. Pursuant to the settlement agreement, the eVenus 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 eVenus 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 eVenus 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 eVenus ANDA Filers $7.0 million. This legal settlement cost was recorded within contingent consideration charges (gains), acquisition-related expenses, restructuring and other in the nine months ended September 30, 2025 in the Company's condensed consolidated statement of operations.

Paragraph IV Certification Notices

In October 2025, the Company received two separate Paragraph IV Certifications from two Chinese generic drug manufacturers (The WhiteOak Group, Inc., or WhiteOak, of Rockville, Maryland (a subsidiary of Zhejiang Haichang Biotechnology Co., Ltd.) and Qilu Pharmaceutical (Hainan) Co., Ltd., or Qilu), each advising that they had submitted an ANDA to the FDA seeking authorization from the FDA to manufacture, use or sell a generic version of EXPAREL in the U.S. Each letter alleged that EXPAREL patents listed in the FDA's *Approved Drug Products with Therapeutic Equivalence Evaluations* (the "Orange Book") are not valid, not enforceable, and/or will not be infringed by the commercial manufacture, use or sale of the proposed products described in these ANDA submissions.

The Company is currently assessing these notification letters and has 45 days from the applicable date of receipt to commence patent infringement lawsuits against these generic challengers if it believes they are infringing its intellectual property. In the event that the Company files one or more patent infringement lawsuit(s), the FDA would enter a 30-month stay of final approval of the ANDA(s). The Company intends to vigorously defend its intellectual property rights relating to EXPAREL.

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 (the '838 patent) and the *Physician's Desk Reference* in support of its allegation. In response, the Company submitted rebuttal evidence, certain claim amendments, and new claims. Claim 7 was withdrawn from the reexamination due to the finality of the judgment in the eVenus litigation, and claim 1 was canceled. The USPTO agreed with the Company's position and issued a Reexamination Certificate in August 2025.

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.

Shareholder Derivative Action

On June 16, 2025, a Shareholder Derivative suit, Young v. Lee, et al, was filed in the District of New Jersey (25-cv-11841). The complaint alleges that certain officers and members of the Company's board of directors breached their fiduciary duties by making 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 the '838 patent. 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 batch 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 sought 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.

In June 2025, the U.S. District Court for the District of Nevada issued judgment in favor of the company declaring that RDF is required to repay Pacira $23.1 million in royalties on EXPAREL sales that were previously paid under protest. The Nevada Court also awarded Pacira an additional interest payment of $5.2 million in statutory interest on the royalties paid under protest. In July 2025, the Company received a $28.3 million cash payment for which $23.1 million was recorded within contingent consideration charges (gains), acquisition-related expenses, restructuring and other and $5.2 million was recorded within interest income in the nine months ended September 30, 2025 in the Company's condensed consolidated statements of operations. In May and September 2025, RDF filed two notices of appeal which are pending.

Other Commitments and Contingencies

Johnson & Johnson MedTech

In July 2025, the Company entered into a co-promotion agreement (the "J&J Agreement"), with Johnson & Johnson MedTech, or J&J MedTech, to market and promote the use of ZILRETTA for OA knee pain in the U.S. J&J MedTech's specialized early intervention sales force will extend the reach of ZILRETTA beyond orthopedic practices, into multiple new physician specialties, including sports medicine, osteopathy, pain management and rheumatology.

Under the J&J Agreement, J&J MedTech is the exclusive third-party co-promoter for ZILRETTA in the U.S. The initial term of the J&J Agreement extends through 2031 with an option to extend under mutual agreement.

The Company will continue to recognize all revenue from sales of ZILRETTA. As compensation for its promotional efforts, for the first 12 months of the J&J Agreement the Company will pay J&J MedTech a minimum monthly commission. For the remaining term of the agreement, Pacira will pay a tier-based commission with higher commission percentages earned at higher annual ZILRETTA sales levels. J&J MedTech will receive a tiered commission ranging from low single digits to double digits.

The Company and J&J MedTech have mutual termination rights under the J&J Agreement, subject to certain terms, conditions and advance notice requirements, provided that the Company or J&J MedTech generally may not terminate the J&J Agreement, without cause, within one year of the effective date of the J&J Agreement. The Company also has additional unilateral termination rights under certain circumstances. The J&J Agreement contains customary representations, warranties, covenants and confidentiality provisions, as well as mutual indemnification obligations. J&J MedTech is also subject to certain obligations and restrictions, including required compliance with certain laws and regulations and the Company's policies, in connection with fulfilling their obligations under the J&J Agreement.

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.

The Company has successfully completed Part 1 of a pediatric study in children aged two to less than six years of age and has initiated enrollment for Part 2 of the study in children aged six months to less than two years of age using the same dosage that was utilized in Part 1.

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.

Purchase Obligations

During the three months ended September 2025, the Company entered into a non-cancelable contractual commitment of approximately $2.4 million for the remaining three months of 2025 and $5.5 million in 2026.

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 therapies. 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	$ 179,516	$ 168,573	$ 529,538	$ 513,713
Less:				
Adjusted cost of goods sold	32,772	37,355	98,025	126,646
Adjusted research and development	22,489	17,310	70,276	52,158
Adjusted selling and marketing	58,471	43,191	165,006	121,673
Adjusted general and administrative	23,180	21,831	70,020	66,097
Goodwill impairment	—	163,243	—	163,243
Stock-based compensation	13,978	13,230	44,003	38,905
Amortization of acquired intangible assets	14,322	14,322	42,966	42,966
Changes in the fair value of contingent consideration	625	(3,244)	(2,407)	(5,541)
Legal settlement	—	—	7,000	—
Legal judgment	(23,148)	—	(23,148)	—
Impairment of acquired IPR&D	25,866	—	25,866	—
Other	4,599	862	15,080	5,641
Total operating expenses	173,154	308,100	512,687	611,788
Total other income (expense), net	3,162	671	(548)	9,443
Income (loss) before income taxes	9,524	(138,856)	16,303	(88,632)
Income tax expense	(4,092)	(4,610)	(10,906)	(26,969)
Net income (loss)	$ 5,432	$ (143,466)	$ 5,397	$ (115,601)

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

NOTE 18—SUBSEQUENT EVENTS

In November 2025, the Company and AmacaThera, Inc., or AmacaThera, a clinical-stage biotechnology company specializing in drug delivery, announced an exclusive worldwide license agreement for the development and commercialization of AMT-143, a long-acting formulation of the non-opioid analgesic ropivacaine for postsurgical pain. In a Phase 1 study, AMT-143 demonstrated sustained release of ropivacaine through 14 days. The Company and AmacaThera expect to initiate a Phase 2 program in 2026. Under the terms of the agreement, AmacaThera will receive an upfront payment of $5.0 million with the potential for future development- and sales-based milestone payments and a tiered royalty on future net product sales.

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, the strength and efficacy of our intellectual property protection and patent terms, our future growth potential and future financial and operating results and trends, our plans, objectives, expectations (financial or otherwise) and intentions, including our plans with respect to the repayment of our indebtedness, anticipated product portfolio and product development programs, strategic alliances, plans with respect to the Non-Opioids Prevent Addiction in the Nation ("NOPAIN") Act, the expected cost savings and benefits of a July 2025 reduction in force 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 tariffs, 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, iovera° and any of our other product candidates, including PCRX-201 (enekinragene inzadenovec); the commercial success of EXPAREL, ZILRETTA and iovera°; the related timing and success of U.S. 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"); in Part II. Item 1A in this Quarterly Report on Form 10-Q and in other reports filed with the SEC.

Unless the context requires otherwise, references to "Pacira," the "Company," the "Registrant," "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 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. in November 2021 (the "Flexion Acquisition"), we acquired ZILRETTA, 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. 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 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 procure a sufficient supply of materials.

While there has been no material impact on our business related to tariffs to date, the current macroeconomic environment remains dynamic and subject to rapid and possibly material changes. For instance, the U.S. government may in the future pause, reimpose or increase tariffs and foreign governments have, and in the future may, impose retaliatory trade protection measures. Our business may be impacted by ongoing risks associated with global macroeconomic conditions, including international relations and trade disputes. For example, and most notably for us, the active pharmaceutical ingredient for both EXPAREL and ZILRETTA are sourced from outside the U.S. In July 2025, the U.S. and the European Union, or E.U., agreed to a trade deal that sets a 15% tariff on most imports from the E.U., including branded pharmaceuticals, and effectively exempts the E.U. from higher tariffs that may be imposed on pharmaceutical imports from other countries pursuant to a pending investigation of such imports under Section 232 of the Trade Expansion Act of 1962. Pharmaceuticals imported from countries outside the E.U. may face higher tariffs, including tariffs that may be imposed pursuant to the pending Section 232 investigation.

Such tariffs imposed by the U.S. and/or other countries that are currently in effect, or may take effect in the future, could increase our manufacturing and operating expenses in future periods, including the cost to deliver our products to commercial markets, the cost to source raw materials for the manufacturing of our products and the cost of materials used in our research and development activities. The imposition of future tariffs impacting our industry, the magnitude of response by other countries to such tariffs and the length of time such tariffs are in effect may also increase uncertainty and adversely impact our business.

There has been significant volatility in U.S. tariff and customs policy recently, with frequent changes in rates, sudden elimination or reinstatement of exemptions, shifts in implementation dates and reversals of prior actions. Most recently, in

September 2025, the U.S. Presidential administration noted it would explore imposing a 100% tariff on imports of branded or patented pharmaceutical products, unless a pharmaceutical company is building a manufacturing plant in the U.S. This volatility makes it more difficult to forecast costs, plan our global supply chain and provide reliable financial guidance. Policy changes often require rapid operational adjustments that can increase costs and reduce efficiency. We expect such volatility and uncertainty related to tariffs and customs to continue, potentially posing ongoing challenges to our operations, financial planning and investor communications.

In addition, federal agencies in the U.S. have been operating under a government shutdown since October 1, 2025 (which has continued as of the date of this Quarterly Report on Form 10-Q). The shutdown has impacted certain federal agencies, such as the FDA and Centers for Medicare Services, or CMS, who have furloughed staff and scaled back their operations. While we have not yet experienced an adverse impact on our business operations due to this government shutdown, if the government shutdown continues for a prolonged period of time, or if a widespread freeze on federal funding occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions or negatively affect sales of our products if some of our customers do not (or perceive that they will not) receive adequate reimbursement from third-party payors or CMS. We will continue to evaluate the impacts of the government shutdown on our business and results of operations. The duration of the current U.S. government shutdown is unknown, nor is the extent of potential agency backlogs once the shutdown concludes, and therefore we are unable to predict the potential impact of a prolonged government shutdown on our business or operations.

Recent Highlights

- In August 2025, the U.S. Patent and Trademark Office, or USPTO, issued U.S. Patent No. 12,370,142 (the ‘142 patent), claiming composition of EXPAREL manufactured by an enhanced process from our large-scale batch process in San Diego, California, which demonstrated a more consistent stability profile as measured by an in-vitro release assay (IVRA). We now have 21 EXPAREL patents listed in the FDA’s *Approved Drug Products with Therapeutic Equivalence Evaluations* (the “Orange Book”). The ‘142 patent expires in July 2044.
- In October 2025, we presented new data from our Phase 1 clinical trial evaluating PCRX-201 (enekinragene inzadenovec), our novel gene therapy candidate for OA of the knee, at the American College of Rheumatology’s Convergence 2025 meeting. These data demonstrated sustained efficacy from a single IA injection of PCRX-201 with improvements in pain, stiffness and function for up to three years. Importantly, efficacy was observed across all structural severity subgroups including the most severe with a Kellgren-Lawrence (K-L) grade of 4. In addition, investigators highlighted that pre-existing neutralizing antibodies did not affect PCRX-201’s efficacy or safety at all three dose levels tested. Natural immune responses are a major obstacle for gene therapies, and these preliminary data indicate the potential for re-dosing.

  Additionally, in November 2025, we announced the conclusion of patient enrollment in Part A of our Phase 2 ASCEND study evaluating PCRX-201 for the treatment of OA of the knee. This milestone marks the first stage of a two-part, multicenter trial designed to evaluate the safety and efficacy of PCRX-201. We remain on track to report results from a pre-specified interim analysis before the end of 2026.
- In November 2025, we and AmacaThera, Inc., or AmacaThera, a clinical-stage biotechnology company specializing in drug delivery, announced an exclusive worldwide license agreement for the development and commercialization of AMT-143, a long-acting formulation of the non-opioid analgesic ropivacaine for postsurgical pain. Under the terms of the agreement, AmacaThera will receive an upfront payment of $5.0 million with the potential for future development- and sales-based milestone payments and a tiered royalty on future net product sales. This acquisition aligns with our 5x30 growth strategy to prioritize clinical stage, derisked opportunities that are complementary to our call points in pain management.

  AMT-143 is a slow-release, non-opioid local analgesic providing long-acting post-operative pain relief. It is administered via instillation at the time of the surgery and leverages AmacaThera’s innovative hydrogel platform, a fast-gelling physical hydrogel composed of two well-established polymers enabling slow-release while minimizing systemic side effects. It is delivered via a conventional syringe and rapidly forms a depot as it warms to body temperature. In a Phase 1 study, AMT-143 demonstrated sustained release of ropivacaine through 14 days. We and AmacaThera expect to initiate a Phase 2 program in 2026.

Science Center Campus Reduction in Force

In July 2025, as a result of improving manufacturing efficiencies for EXPAREL, we instituted a reduction in force at our Science Center Campus in San Diego, California. Our enhanced efficiencies were the result of our multi-year investment in two large-scale 200+ liter batch manufacturing suites located in San Diego and Swindon, United Kingdom, which commenced commercial production in 2024 and 2021, respectively. These two large-scale manufacturing suites are capable of producing bulk EXPAREL volumes that are approximately four-fold greater than our 45-liter batch manufacturing process, and we believe these larger manufacturing suites provide ample capacity for meeting the growing demand and improving gross margins for EXPAREL through a meaningfully more favorable cost structure and manufacturing yields versus the 45-liter batch process. As a result, and after careful consideration, we decided to decommission our 45-liter EXPAREL batch manufacturing suite located in San Diego and reduce our workforce accordingly.

The reduction impacted 71 employees or approximately 8% of our then-total workforce. As a result, during both the three and nine months ended September 30, 2025, we recognized $3.7 million of employee termination benefit charges which consist of garden leave under California employment law, severance, healthcare benefits, and, to a lesser extent, other one-time termination benefits. In June 2025, we reserved $1.0 million of inventory and recognized $5.5 million of accelerated depreciation expense associated with the decommissioning of the 45-liter manufacturing assets.

This reduction in the workforce is subject to local regulatory requirements and the majority of these charges occurred in the third quarter of 2025. The reduction in the workforce is anticipated to lead to an annual reduction in operating expenses of approximately $13.0 million, which does not reflect the one-time expenses associated with the workforce reduction. In addition, we may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur in connection with the workforce reduction.

For more information, see Note 15, *Contingent Consideration Charges (Gains), Acquisition-related Expenses, Restructuring and Other,* 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. We are currently advancing a registration program for EXPAREL in pediatric patients under six years of age.

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.

We have successfully completed Part 1 of a pediatric study in children aged two to less than six years of age. We have initiated enrollment for Part 2 of the pediatric study in children aged six months to less than two years of age using the same dosage that was utilized in Part 1.

ZILRETTA

ZILRETTA is the first and only extended-release, single-shot corticosteroid IA injection therapy for OA knee pain. ZILRETTA employs a proprietary, extended-release 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 IA space and is used in other approved drug products and surgical devices. The ZILRETTA microspheres slowly and continuously release TA 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 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 both 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 August 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 that iovera° 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 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.

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.

Innovations in Genicular Outcomes Registry (IGOR)

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 that 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.

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 15 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 Vector 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 mean that thousands of doses can be produced in a single batch. As a result, we expect that any therapies built on the HCAd platform would 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 IL-1-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 who were broken into two cohorts. The first cohort received one of three doses of PCRX-201. The second cohort received concurrent pre-treatment with an IA corticosteroid (methylprednisolone 40 mg), a technique common in gene therapy dosing to improve tolerability and gene transfer. 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 50% or greater 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 1.4×10^{10} genome copies and Dose B is 1.4×10^{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 IA corticosteroid (methylprednisolone 40 mg).

Part A of the study randomized 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. We recently achieved our enrollment target for Part A of the study and expect to report results from a pre-specified interim analysis 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.

PCRX-201 has received Regenerative Medicine Advanced Therapy, or RMAT, designation from the FDA and Advanced Therapy Medicinal Products, or ATMP, designation from the EMA. RMAT and ATMP are regulatory programs designed to expedite the development and review processes for promising therapies targeting a significant unmet need with preliminary clinical evidence indicating that the therapy has the potential to offer a major advantage over existing treatments.

Other HCAd Product Candidates

In addition to PCRX-201, we currently have prioritized three other preclinical HCAd-based gene therapy programs that we believe have disease modifying potential in other painful conditions. These include Investigational New Drug (IND) enabling studies of PCRX-1002 for Dry Eye Disease and PCRX-1003 for Degenerative Disc Disease. We also intend to conduct animal studies for PCRX-1001, which we believe has out-licensing potential for OA in dogs and other companion animals.

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 and Nine Months Ended September 30, 2025 and 2024

Revenues

Net product sales consist of sales of (i) EXPAREL in the U.S., E.U., and the United Kingdom, or U.K.; (ii) ZILRETTA in the U.S.; (iii) iovera° in the U.S., Canada, the E.U., and the U.K. 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 September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Net product sales:						
EXPAREL	$ 139,902	$ 132,004	6%	$ 419,348	$ 401,286	5%
ZILRETTA	28,982	28,420	2%	83,654	84,966	(2)%
iovera°	6,465	5,655	14%	17,176	16,359	5%
Bupivacaine liposome injectable suspension	2,691	1,643	64%	5,803	7,322	(21)%
Total net product sales	178,040	167,722	6%	525,981	509,933	3%
Royalty revenue	1,476	851	73%	3,557	3,780	(6)%
Total revenues	$ 179,516	$ 168,573	6%	$ 529,538	$ 513,713	3%

EXPAREL revenue increased 6% and 5% in the three and nine months ended September 30, 2025 versus 2024, respectively. Components of the increase included a 9% and 6% increase in gross vial volume in the three and nine months ended September 30, 2025 versus 2024, respectively, partially offset by a shift in product mix and decreases in net selling price per unit in both the three and nine months ended September 30, 2025 versus 2024. The decrease in net selling price per unit relates to increases in sales-related allowances as a result of group purchasing organization contracting, partially offset by a January 2025 price increase.

ZILRETTA revenue increased 2% in the three months ended September 30, 2025 versus 2024 due to a 1% increase in net selling price per unit and a 1% increase in kit volume. ZILRETTA revenue decreased 2% in the nine months ended September 30, 2025 versus 2024 due to a 4% decrease in kit volume, partially offset by a 2% increase in net selling price per unit. Both periods' 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. For the nine months ended September 30, 2025, ZILRETTA volume was impacted by the onboarding of a new field-based team to support ZILRETTA after realigning our existing sales force to focus on EXPAREL. This transition impacted sales in 2025 as ZILRETTA is a promotionally sensitive product.

Net product sales of iovera° increased 14% and 5% in the three and nine months ended September 30, 2025 versus 2024, respectively, driven by increases in Smart Tip volume of 16% and 7%, partially offset by decreases in Smart Tip net selling price of 1% and 2%.

Bupivacaine liposome injectable suspension revenue increased 64% in the three months ended and decreased 21% in the nine months ended September 30, 2025 versus 2024, respectively, due to timing of orders placed by our commercial partner for veterinary use. Its related royalties increased 73% in the three months ended and decreased 6% in the nine months ended September 30, 2025 versus 2024, respectively, primarily due to both the timing of orders and the sales mix of vial sizes.

The following tables provide a summary of activity with respect to our sales-related allowances and accruals related to EXPAREL and ZILRETTA for the nine months ended September 30, 2025 and 2024 (in thousands):

September 30, 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	1,051	10,469	17,835	117,974	2,641	149,970
Payments	(571)	(10,296)	(17,756)	(117,511)	(2,674)	(148,808)
Balance at September 30, 2025	$ 2,080	$ 1,481	$ 4,954	$ 5,326	$ 1,674	$ 15,515

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

Total reductions of gross product sales from sales-related allowances and accruals were $150.0 million and $108.8 million, or 22.1% and 17.6% of gross product sales, for the nine months ended September 30, 2025 and 2024, respectively. The overall 4.5% 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, quality control and engineering.

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Cost of goods sold	$ 34,278	$ 38,864	(12)%	$ 109,450	$ 130,542	(16)%
Gross margin	81 %	77 %		79 %	75 %	

Gross margin increased four percentage points in both the three and nine months ended September 30, 2025 versus 2024, due to lower EXPAREL inventory reserves and improved ZILRETTA product costs due to higher volumes manufactured in order to enhance the level of inventory on hand. The increase in the three months ended September 30, 2025 versus 2024 was partially offset by higher EXPAREL product cost as a result of lower production volumes. The increase in the nine months ended September 30, 2025 versus 2024 was partially offset by accelerated depreciation of fixed assets impacted by the decommissioning of our 45-liter EXPAREL batch manufacturing suite at our Science Center Campus in San Diego, California. For more information, see Note 6, *Fixed Assets*, to our condensed consolidated financial statements included herein.

Additionally, in April 2025, the U.S. District Court, District of Nevada, concluded we were no longer obligated to pay royalties to the Research Development Foundation, or RDF, for EXPAREL manufactured under our enhanced, larger-scale manufacturing process. As a result, during the nine months ended September 30, 2025, no royalty expense was incurred on net product sales of EXPAREL. For more information, see Note 16, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

Research and Development Expenses

Research and development, or R&D, expenses primarily consist of costs related to clinical trials and related outside services, product development and other R&D 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. Additionally, as part of the GQ Bio Acquisition, expenses related to a key employee holdback are also included in R&D.

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Clinical and preclinical development	$ 12,721	$ 8,215	55%	$ 39,447	$ 22,733	74%
Product development	6,854	7,239	(5)%	22,853	21,952	4%
Regulatory and other	2,914	1,856	57%	7,976	7,473	7%
Key employee holdback	1,151	—	N/A	2,609	—	N/A
Stock-based compensation	2,326	1,794	30%	6,974	5,522	26%
Total research and development expense	$ 25,966	$ 19,104	36%	$ 79,859	$ 57,680	38%
% of total revenues	14 %	11 %		15 %	11 %	

Total R&D expense increased 36% and 38% in the three and nine months ended September 30, 2025 versus 2024, respectively.

Clinical and preclinical development expense increased 55% and 74% in the three and nine months ended September 30, 2025 versus 2024, respectively, due to ongoing site start-up expenses and enrollment in the PCRX-201 Phase 2 ASCEND trial for knee OA and an iovera° spasticity trial, as well as additional personnel to support clinical initiatives. For the three months ended September 30, 2025 versus 2024, these increases were partially offset by an enrollment pause in a ZILRETTA shoulder trial pending Institutional Review Board (IRB) approval of a protocol amendment, as well as an enrollment pause between cohort 1 and cohort 2 in an EXPAREL pediatric trial. For the nine months ended September 30, 2025 versus 2024, increases include site start-up of and ongoing enrollment in the ZILRETTA shoulder trial, partially offset by the winding down of a PCRX-201 Phase 1 trial for knee OA.

Product development expense decreased 5% in the three months ended September 30, 2025 versus 2024 attributable to ZILRETTA development costs that were incurred in the prior year to develop a manufacturing fill line that was placed into service in 2025. Product development expense increased 4% in the nine months ended September 30, 2025 versus 2024, attributable to investing in our HCAd platform, primarily for the PCRX-201 program. 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. This manufacturing suite was approved by the FDA in February 2024 and placed into service in July 2024.

Regulatory and other expense increased 57% and 7% in the three and nine months ended September 30, 2025 versus 2024, respectively, due to a realignment of medical communication activities, as well as additional subjects enrolled in the IGOR registry study.

During the three and nine months ended September 30, 2025, we accrued $1.2 million and $2.6 million, respectively, related to a key employee holdback. As part of the GQ Bio Acquisition, $7.8 million related to two employees' payments will be recognized over three years pursuant to a key employee holdback agreement in increments of 50%, 30% and 20% at each year's respective anniversary.

Stock-based compensation expense increased 30% and 26% in the three and nine months ended September 30, 2025 versus 2024, respectively, primarily due to increased R&D 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 health outcome communications, provider-level market access, patient reimbursement support and customer educational programs. General and administrative expenses consist of compensation and benefits for legal, finance, regulatory activities related to approved products and indications, compliance, information technology, human resources, business development, executive management and other supporting personnel. It also includes professional fees for legal, audit, tax and consulting services. Stock-based compensation expense relates to the costs of stock option grants, RSU awards and our ESPP.

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Sales and marketing	$ 58,471	$ 43,191	35%	$ 165,006	$ 121,673	36%
General and administrative	23,180	22,005	5%	70,020	66,842	5%
Stock-based compensation	10,146	9,137	11%	32,125	25,970	24%
Total selling, general and administrative expense	$ 91,797	$ 74,333	23%	$ 267,151	$ 214,485	25%
% of total revenues	51 %	44 %		50 %	42 %	

Total selling, general and administrative expense increased 23% and 25% in the three and nine months ended September 30, 2025 versus 2024, respectively.

Sales and marketing expense increased 35% and 36% in the three and nine months ended September 30, 2025 versus 2024, respectively, 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 to enhance key commercial capabilities and expand EXPAREL utilization. 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 increased 5% in both the three and nine months ended September 30, 2025 versus 2024 primarily driven by increased headcount in the business development and other administrative departments. In addition, the increase in the nine months ended September 30, 2025 versus 2024 was partially offset by a recovery of legal expenses in the first quarter of 2025.

Stock-based compensation expense increased 11% and 24% for the three and nine months ended September 30, 2025 versus 2024, respectively, primarily due to equity grants provided to new executive officers as well as the shifting of our annual equity grant to the first quarter starting in 2025.

In October 2025, we received two separate Paragraph IV Certifications from two Chinese generic drug manufacturers each advising that they had submitted an Abbreviated New Drug Application to the FDA seeking authorization from the FDA to manufacture, use or sell a generic version of EXPAREL in the U.S. We expect to incur additional legal costs to defend our intellectual property, although we cannot predict the extent of costs or the outcome of these matters at this time. For more information, see Note 16, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

Amortization of Acquired Intangible Assets

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Amortization of acquired intangible assets	$ 14,322	$ 14,322	—%	$ 42,966	$ 42,966	—%

As part of the Flexion Acquisition and the MyoScience Acquisition, we acquired intangible assets consisting of developed technology intangible assets and customer relationships, with estimated useful lives between 9 and 14 years. For more information, see Note 8, *Goodwill and Intangible Assets*, to our condensed consolidated financial statements included herein.

Goodwill Impairment

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Goodwill impairment	$ —	$ 163,243	(100)%	$ —	$ 163,243	(100)%

During the three months ended September 30, 2024, the FDA approved a generic competitor to EXPAREL and a U.S. District Court ruled that one of our patents was not valid. Due to these events and a subsequent decrease in our common stock price, it was determined these qualitative factors indicated it was more likely than not that the fair value of goodwill may be less than its carrying value. Accordingly, we performed a quantitative assessment through a discounted cash flow model (or income approach), which resulted in the carrying value of the Company exceeding its fair value by more than the goodwill balance. As a result, a goodwill impairment of $163.2 million was recorded during the three months ended September 30, 2024. For more information, see Note 8, *Goodwill and Intangible Assets*, to our condensed consolidated financial statements included herein.

On April 7, 2025, we, along with our operating subsidiary, Pacira Pharmaceuticals, Inc., entered into a settlement agreement with eVenus Pharmaceutical Laboratories, Inc.; their parent company—Jiangsu Hengrui Pharmaceuticals, Co. Ltd.; and Fresenius Kabi USA, LLC, with respect to this matter. For more information, see Note 16, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

Contingent Consideration Charges (Gains), Acquisition-related Expenses, Restructuring and Other

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Contingent consideration charges (gains)	$ 625	$ (3,244)	N/A	$ (2,407)	$ (5,541)	(57)%
Restructuring charges	3,728	1,193	100+%	3,728	7,724	(52)%
Acquisition-related expenses	(280)	285	N/A	2,222	689	100+%
Legal settlement	—	—	N/A	7,000	—	N/A
Legal judgment	(23,148)	—	N/A	(23,148)	—	N/A
Impairment of acquired in-process research & development (IPR&D)	25,866	—	N/A	25,866	—	N/A
Total contingent consideration charges (gains), acquisition-related expenses, restructuring and other	$ 6,791	$ (1,766)	N/A	$ 13,261	$ 2,872	100+%

During the three and nine months ended September 30, 2025, total contingent consideration charges (gains), acquisition-related expenses, restructuring and other included net charges of $6.8 million and $13.3 million, respectively. During the three and nine months ended September 30, 2024, total contingent consideration charges (gains), acquisition-related expenses, restructuring and other included net gains of $1.8 million and net charges of $2.9 million, respectively.

During the three months ended September 30, 2025, we recognized contingent consideration charges of $0.6 million due revisions to the latest discount rates, partially offset by a reduction in the sales forecast through the milestone expiration date of December 31, 2030. During the nine months ended September 30, 2025, we recognized contingent consideration gains of $2.4 million due to revisions to the latest discount rates.

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

In July 2025, as a result of improving manufacturing efficiencies for EXPAREL, we instituted a reduction in force at our Science Center Campus in San Diego, California. Our enhanced efficiencies are the result of our multi-year investment in two large-scale 200+ liter EXPAREL batch manufacturing suites located in San Diego and Swindon, U.K., which commenced commercial production in 2024 and 2021, respectively. As a result, during both the three and nine months ended September 30, 2025, we recognized $3.7 million of pre-tax employee termination benefit charges which consist of garden leave under California employment law, severance, healthcare benefits, and, to a lesser extent, other one-time termination benefits.

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

During the nine months ended September 30, 2025, we recognized acquisition-related expenses of $2.2 million primarily related to third-party services and legal fees associated with the GQ Bio Acquisition.

During the nine months ended September 30, 2025, we recognized legal settlement costs of $7.0 million related to the settlement of the patent infringement suits against Fresenius Kabi USA, LLC, eVenus Pharmaceuticals Laboratories, Inc. and Jiangsu Hengrui Pharmaceuticals Co., Ltd.

During the three and nine months ended September 30, 2025, we recognized $23.1 million in other income upon receipt of a cash payment associated with the U.S. District Court for the District of Nevada issuing judgment declaring that RDF was

required to repay us the royalties on EXPAREL sales that we previously paid under protest. In May and September 2025, RDF filed two notices of appeal which are pending.

During both the three and nine months ended September 30, 2025, we recorded a $25.9 million in-process research and development (IPR&D) impairment associated with our ZILRETTA shoulder asset due to revised completion timelines for clinical trials and commercial availability which directly impacted revenue forecasts, among other factors.

For more information on these events, see Note 3, *GQ Bio Therapeutics Acquisition*, Note 8, *Goodwill and Intangible Assets*, Note 10, *Financial Instruments,* Note 15, *Contingent Consideration Charges (Gains), Acquisition-related Expenses, Restructuring and Other* and Note 16, *Commitments and Contingencies,* to our condensed consolidated financial statements included herein.

Other Income (Loss), Net

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Interest income	$ 8,534	$ 5,482	56%	$ 20,437	$ 14,134	45%
Interest expense	(4,279)	(4,689)	(9)%	(13,554)	(11,889)	14%
(Loss) gain on early extinguishment of debt	(983)	—	N/A	(983)	7,518	N/A
Other, net	(110)	(122)	(10)%	(6,448)	(320)	100+%
Total other income (loss), net	$ 3,162	$ 671	100+%	$ (548)	$ 9,443	N/A

Total other income (loss), net in the three and nine months ended September 30, 2025 included net other income of $3.2 million and a net other loss of $0.5 million, respectively. Total other income, net in the three and nine months ended September 30, 2024 was $0.7 million and $9.4 million, respectively.

Interest income increased 56% and 45% in the three and nine months ended September 30, 2025 versus 2024, respectively, due to interest income associated with the judgment surrounding the RDF legal proceeding, as well as interest realized on a GQ Bio note receivable investment we had made prior to the GQ Bio Acquisition, partially offset by lower interest rate and lower cash balances after repayment of the 2025 Notes. For more information on the RDF legal judgment, see Note 16, *Commitments and Contingencies,* to our condensed consolidated financial statements included herein.

Interest expense decreased 9% in the three months ended September 30, 2025 versus 2024, primarily due to the repayment of 2025 Notes and lower interest rate Revolving Credit Facility. Interest expense increased 14% in the nine months ended September 30, 2025 versus 2024 primarily due to the completion of a project that had incurred capitalized interest in the comparable period, as well as issuing the 2029 Notes (as defined below) in May 2024. For more information, see Note 9, Debt, to our condensed consolidated financial statements included herein.

In the three and nine months ended, September 30, 2025, we recognized a $1.0 million loss on early extinguishment of debt in conjunction with the repayment of the TLA Term Loan. In the nine months ended September 30, 2024, we recognized a $7.5 million gain on early extinguishment of debt in conjunction with the repurchase of $200.0 million principal of our 2025 Notes (as defined below).

The $6.4 million other net loss during the nine months ended September 30, 2025 was primarily driven by an impairment of an equity investment and convertible note receivable totaling $11.0 million, partially offset by 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*, and Note 10, *Financial Instruments*, to our condensed consolidated financial statements included herein.

Income Tax Expense

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

	Three Months Ended September 30,		% Increase / (Decrease)	Nine Months Ended September 30,		% Increase / (Decrease)
	2025	2024		2025	2024	
Income tax expense	$ 4,092	$ 4,610	(11)%	$ 10,906	$ 26,969	(60)%
Effective tax rate	43 %	(3)%		67 %	(30)%	

The effective tax rates were 43% and 67% for the three and nine months ended September 30, 2025, respectively. The effective tax rates were (3)% and (30)% for the three and nine months ended September 30, 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 and nine months ended September 30, 2025 is primarily impacted by costs related to non-deductible stock-based compensation, non-deductible executive compensation and a non-U.S. valuation allowance, partially offset by tax credits. The effective tax rate for the three and nine months ended September 30, 2024 was primarily impacted by non-deductible goodwill impairment charges. The effective tax rate for the nine months ended September 30, 2024 was additionally impacted by costs related to non-deductible stock-based compensation, mainly related to expired stock options.

Liquidity and Capital Resources

Since our inception in 2006, we have devoted most of our cash resources to manufacturing, R&D and selling, general and administrative activities related to the development and commercialization of EXPAREL. In addition, we acquired ZILRETTA as part of the Flexion Acquisition in November 2021 and iovera° as part of the MyoScience Acquisition in April 2019. We are primarily dependent on the commercial success of EXPAREL and ZILRETTA. We have financed our operations primarily with the proceeds from the sale of convertible senior notes and other debt, common stock, product sales and collaborative licensing and milestone revenue. As of September 30, 2025, we had an accumulated deficit of $201.0 million, cash and cash equivalents and available-for-sale investments of $246.3 million and working capital of $455.7 million.

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

Summary of Cash Flows

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

	Nine Months Ended September 30,	
Condensed Consolidated Statements of Cash Flows Data:	**2025**	**2024**
Net cash provided by (used in):		
Operating activities	$ 108,305	$ 156,257
Investing activities	80,148	(82,908)
Financing activities	(317,975)	19,318
Effect of exchange rate changes on cash and cash equivalents	337	—
Net (decrease) increase in cash and cash equivalents	$ (129,185)	$ 92,667

Operating Activities

During the nine months ended September 30, 2025, net cash provided by operating activities was $108.3 million, compared to $156.3 million during the nine months ended September 30, 2024. The decrease of $48.0 million was attributable to 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 and a higher investment in inventory, partially offset by the Company receiving $28.3 million related to a legal judgment by the U.S. District Court for the District of Nevada in the RDF legal proceeding and improvements in gross margin. See Note 16, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein for further discussion.

Investing Activities

During the nine months ended September 30, 2025, net cash provided by investing activities was $80.1 million, which reflected $113.2 million of inflows from available-for-sale investment sales (net of purchases), partially offset by $16.7 million related to the cash consideration for the GQ Bio Acquisition (net of cash acquired), as well as $15.1 million of capital expenditures for manufacturing product fill lines and the build-out of our new corporate headquarters in Brisbane, California.

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

Financing Activities

During the nine months ended September 30, 2025, net cash used in financing activities was $318.0 million, which primarily consisted of the $202.5 million repayment of the 2025 Notes; a $105.3 million repayment and extinguishment of the TLA Term Loan using $96.0 million in proceeds (net of repayments) of the Revolving Credit Facility to repay the remaining indebtedness outstanding; $100.1 million in purchases of treasury stock under a new $300.0 million share repurchase program authorized by our board of directors in April 2025; as well as $5.5 million to withhold shares of common stock to cover employee tax withholding obligations on restricted stock unit vests. There were also $1.6 million of proceeds from the issuance of common stock through our ESPP. For more information on our share repurchase program, see Note 11, *Stockholders' Equity*, to our condensed consolidated financial statements included herein and Part II Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds* of this Quarterly Report on Form 10-Q.

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

See Note 9, *Debt*, to our condensed consolidated financial statements included herein for further discussion of the 2025 Notes, Revolving Line of Credit and the repayment and extinguishment of the TLA Term Loan.

Debt

Revolving Credit Facility

On July 3, 2025, we entered into a credit agreement (the “Credit Agreement”) with Wells Fargo Bank, National Association, as administrative agent, swingline lender and an issuing bank, and certain lenders, to, among other things, refinance the indebtedness outstanding under our TLA Credit Agreement (as defined below) and provide ongoing working capital. The Credit Agreement provides for a senior secured revolving credit facility (the “Revolving Credit Facility”) in an aggregate commitment amount of $300.0 million, with a letter of credit sublimit of $10.0 million and swingline loan sublimit of $15.0 million. The credit facility is secured by substantially all of our and each subsidiary guarantor’s assets and matures on July 3, 2030, subject to certain exceptions set forth in the Credit Agreement. Subject to certain conditions, we may, at any time, on one or more occasions, add one or more new classes of term facilities and/or increase the principal amount of any existing class of term loans by requesting one or more incremental term facilities in an aggregate principal amount not to exceed the greater of $225.0 million and 100% of Consolidated EBITDA (as defined in the Credit Agreement).

Each revolving loan borrowing which is an alternate base rate borrowing will bear interest at a rate per annum equal to (i) a base rate, plus (ii) a spread based on our Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) ranging from 1.50% to 2.25%. Each revolving loan borrowing which is a term benchmark borrowing or daily simple SOFR (as defined in the Credit Agreement) borrowing will bear interest at a rate per annum equal to (i) a forward-looking term rate based on SOFR or a rate determined by reference to the daily simple SOFR, plus (ii) a spread based on our Senior Secured Net Leverage Ratio ranging from 2.50% to 3.25%.

The Credit Agreement also contains customary affirmative and negative covenants, financial covenants, representations and warranties, events of default and other provisions. As of September 30, 2025, we were in compliance with all covenants under the Credit Agreement.

Upon entering into the Credit Agreement, we borrowed $101.0 million under the Revolving Credit Facility, of which $96.0 million is outstanding as of September 30, 2025 after we made repayments of $5.0 million during the nine months ended September 30, 2025.

2028 Term Loan A Facility

On March 31, 2023, we entered into a credit agreement (as amended to date, the "TLA Credit Agreement"). 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 was secured by substantially all of our and any subsidiary guarantor's assets.

The TLA Term Loan was scheduled to mature on March 31, 2028 and the TLA Credit Agreement required quarterly repayments of principal in the amount of $2.8 million which commenced on June 30, 2023 and increased to $3.8 million on March 31, 2025, with an originally stated balloon payment of approximately $85.3 million due at maturity.

On July 3, 2025, we used a portion of the $300.0 million of Revolving Credit Facility to repay the remaining indebtedness outstanding under the TLA Credit Agreement, which consisted of $98.8 million and its final interest payment of $0.1 million, and terminated the TLA Credit Agreement. We did not incur any prepayment penalties or fees in connection with the termination of the TLA Credit Agreement. The prepayment resulted in a loss on early extinguishment of debt of approximately $1.0 million which was recognized during the three months ended September 30, 2025. Prior to the TLA Credit Agreement extinguishment, we made voluntary principal prepayments of $6.6 million during the nine months ended September 30, 2025 and $11.3 million during the year ended December 31, 2024. For more information, 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 September 30, 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 accrued interest at a fixed rate of 0.750% per annum, which was payable semiannually in arrears on February 1st and August 1st of each year.

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.

On August 1, 2025, the 2025 Notes matured and we settled the remaining outstanding principal balance of $202.5 million in cash. Between February 3, 2025 and the close of business on the second scheduled trading day immediately preceding August 1, 2025, holders could have converted their 2025 Notes at any time. Upon the maturity of the 2025 Notes, a nominal gain on extinguishment of debt was recognized due to certain holders having converted their 2025 Notes. 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 Revolving Credit Facility 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 Therapeutics, Inc. 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 procure a sufficient supply of materials, our operating expenses and our business strategy;
- the timing of and extent to which the holders of our 2029 Notes elect to convert their 2029 Notes, and the amount of borrowings and interest payments on our Revolving Credit Facility;
- 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 and capabilities;
- 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 either repurchased through our $300.0 million share repurchase program announced in April 2025, which has an expiration date of December 31, 2026 or withheld to cover employee tax withholding obligations on restricted stock unit vests.

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

In the three months ended September 30, 2025, we entered into a non-cancelable contractual commitment of approximately $2.4 million for the remaining three months of 2025 and $5.5 million in 2026.

Except as set forth above, 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 September 30, 2025 by approximately $0.4 million.

The fair value of our 2029 Notes is impacted by both the fair value of our common stock and interest rate fluctuations. As of September 30, 2025, the estimated fair value of the 2029 Notes was $1,014 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 September 30, 2025, $287.5 million of principal remains outstanding on the 2029 Notes.

The Revolving Credit Facility provides for a senior secured revolving credit facility in an aggregate commitment amount of $300.0 million, with a letter of credit sublimit of $10.0 million and swingline loan sublimit of $15.0 million. Each revolving loan borrowing which is an alternate base rate borrowing will bear interest at a rate per annum equal to (i) a base rate, plus (ii) a spread based on our Senior Secured Net Leverage Ratio (as defined in the Credit Agreement) ranging from 1.50% to 2.25%. Each revolving loan borrowing which is a term benchmark borrowing or daily simple SOFR (as defined in the Credit Agreement) borrowing will bear interest at a rate per annum equal to (i) a forward-looking term rate based on SOFR or a rate determined by reference to the daily simple SOFR, plus (ii) a spread based on our Senior Secured Net Leverage Ratio ranging from 2.50% to 3.25%. Upon entering into the Credit Agreement, we borrowed $101.0 million under the Revolving Credit Facility, of which $96.0 million is outstanding as of September 30, 2025. As of September 30, 2025, borrowings under the Revolving Credit Facility consisted entirely of term SOFR borrowings at an approximate all-in rate of 6.91%. 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 September 30, 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 three large wholesalers of pharmaceutical products. In the event of non-performance or non-payment, there may be a material adverse impact on our financial condition, results of operations or net cash flow.

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

Evaluation of Disclosure Controls and Procedures

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

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

Risks Related to Intellectual Property

The patents and the patent applications that we have covering our pMVL products are limited to specific injectable formulations, processes and uses of drugs encapsulated in our pMVL drug delivery technology and our market opportunity for our product candidates may be limited by the lack of patent protection for the active ingredient itself and other formulations and delivery technologies and systems that may be developed by competitors.

The active ingredient in EXPAREL is bupivacaine. Patent protection for the bupivacaine molecules themselves has expired and generic immediate-release products are available. As a result, competitors who obtain the requisite regulatory approval can offer products with the same active ingredient as EXPAREL so long as the competitors do not infringe any process, use or formulation patents that we have developed for drugs encapsulated in our pMVL drug delivery technology.

For example, we are aware of at least one FDA-approved long-acting instillable bupivacaine product on the market which utilizes an alternative delivery system to EXPAREL. Such a product is similar to EXPAREL in that it also extends the duration of effect of bupivacaine, but achieves this clinical outcome using a completely different drug delivery system as compared to our pMVL drug delivery technology.

The number of patents and patent applications covering products in the same field as EXPAREL indicates that competitors have sought to develop and may seek to market competing formulations that may not be covered by our patents and patent applications. The commercial opportunity for EXPAREL could be significantly harmed if competitors are able to develop and commercialize alternative formulations of bupivacaine that are long-acting but outside the scope of our patents.

For instance, because EXPAREL has been approved by the FDA, one or more third parties may challenge the patents covering this product, as described below, which could result in the invalidation or unenforceability of some or all of the relevant patent claims. For example, if a third-party files an ANDA for a generic drug product containing bupivacaine and relies in whole or in part on studies conducted by or for us, the third-party will be required to certify to the FDA that either: (i) there is no patent information listed in the FDA's Orange Book with respect to our NDA for EXPAREL; (ii) the patents listed in the Orange Book have expired; (iii) the listed patents have not expired, but will expire on a particular date and approval is sought after patent expiration or (iv) the listed patents are invalid or will not be infringed by the manufacture, use or sale of the third-party's generic drug product. A certification that the new product will not infringe the Orange Book-listed patents for EXPAREL, or that such patents are invalid, is called a Paragraph IV certification. If the third-party submits a Paragraph IV certification to the FDA, a notice of the Paragraph IV certification must also be sent to us once the third-party's ANDA is accepted for filing by the FDA. We may then initiate a lawsuit to defend the patents identified in the notice. The filing of a patent infringement lawsuit within 45 days of receipt of the notice automatically prevents the FDA from approving the third-party's ANDA until the earliest of 30 months or the date on which the patent expires, the lawsuit is settled or the court reaches a decision in the infringement lawsuit in favor of the third-party. If we do not file a patent infringement lawsuit within the required 45-day period, the third-party's ANDA will not be subject to the 30-month stay. Litigation or other proceedings to enforce or defend intellectual property rights are often very complex in nature, may be very expensive and time-consuming, may divert our management's attention from our core business and may result in unfavorable results that could adversely impact our ability to prevent third parties from competing with our products.

For example, In October 2021, December 2021, April 2023 and May 2024, we received Notice Letters advising that eVenus Pharmaceutical Laboratories, Inc., or eVenus, of Princeton, New Jersey, submitted to the FDA an Abbreviated New Drug Application, or ANDA with a Paragraph IV certification seeking authorization for the manufacturing and marketing of a generic bupivacaine liposome injectable suspension in the U.S. prior to the expiration of certain of our U.S. patents.

Beginning in November 2021, we 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 "eVenus 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-02367), U.S. Patent Nos. 11,819,574 (the '574 patent) and 11,819,575 (the '575 patent) (24-cv-06294), and U.S. Patent No. 11,925,706 (the '706 patent) (24-cv-07680). In December 2024, we 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 eVenus 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, we, along with our operating subsidiary, Pacira Pharmaceuticals, Inc., entered into a settlement agreement with the eVenus ANDA Filers with respect to the litigations noted above. Pursuant to the settlement agreement, the eVenus ANDA Filers are 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, we agreed to provide the eVenus ANDA Filers 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 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, we have agreed to provide the eVenus ANDA Filers 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. In addition, in recognition of our expected savings with respect to, among other things, the avoidance of fees, costs, time and resources associated with continuing the litigations, we paid the eVenus ANDA Filers $7.0 million.

Additionally, in October 2025, we received two separate Paragraph IV Certifications from two Chinese generic drug manufacturers (The WhiteOak Group, Inc., or WhiteOak, of Rockville, Maryland (a subsidiary of Zhejiang Haichang Biotechnology Co., Ltd.) and Qilu Pharmaceutical (Hainan) Co., Ltd., or Qilu), each advising that they had submitted an ANDA to the FDA seeking authorization from the FDA to manufacture, use or sell a generic version of EXPAREL in the U.S. Each letter alleged that EXPAREL patents listed in the FDA's Orange Book are not valid, not enforceable, and/or will not be infringed by the commercial manufacture, use or sale of the proposed products described in these ANDA submissions.

We are currently assessing these notification letters and have 45 days from the applicable date of receipt to commence patent infringement lawsuits against these generic challengers if we believe they are infringing our intellectual property. In the event that we file one or more patent infringement lawsuit(s), the FDA would enter a 30-month stay of final approval of the ANDA(s). We intend to vigorously defend our intellectual property rights relating to EXPAREL. We are unable to predict the outcome of these matters at this time.

For more information on these litigations and other legal proceedings we are involved in, see Note 16, *Commitments and Contingencies*, to our condensed consolidated financial statements included herein.

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

Purchases of Equity Securities by the Registrant

The following table provides information on our share repurchases during the quarter ended September 30, 2025:

	Issuer Purchases of Equity Securities			
Period	Total Number of Shares Purchased	Average Price Paid Per Share [1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs [1]
July 1, 2025 – July 31, 2025	—	$ —	—	$ 249,999,997
August 1, 2025 – August 31, 2025	1,762,524	$ 25.11	1,762,524	$ 205,734,498
September 1, 2025 – September 30, 2025	213,993	$ 26.80	213,993	$ 199,998,530
Total	1,976,517	$ 25.30	1,976,517	$ 199,998,530

(1) The average price paid per share excludes less than $0.1 million of broker fees and $0.3 million of excise tax incurred on share repurchases for the three months ended September 30, 2025. The remaining authorization outstanding for repurchases of common stock also excludes the broker fees and excise tax incurred.

(2) Our Board of Directors has authorized the repurchase of common stock under a share repurchase program adopted and announced in April 2025. The share repurchase program authorizes the Company to purchase up to an aggregate of $300.0 million of the Company's outstanding common stock. Repurchases under this program may be made at management's discretion on the open market or through privately negotiated transactions, including plans that comply with Rule 10b5-1 under the Exchange Act. The share repurchase program may be suspended or discontinued at any time by the Company and has an expiration date of December 31, 2026.

The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including our stock price, corporate and regulatory requirements, tax implications, restrictions under our debt obligations, other uses for capital, impacts on the value of remaining shares, and market and economic conditions.

Refer to Note 11, *Stockholders' Equity*, to our condensed consolidated financial statements included herein for more information on our share repurchases.

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

None.

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

Not applicable.

Item 5. *OTHER INFORMATION*

Rule 10b5-1 Trading Plans

The following table shows the "Rule 10b5-1 trading arrangements" and "non-Rule 10b5-1 trading arrangements" (as each term is defined in Item 408(a) of Regulation S-K) adopted by our directors and executive officers during the quarter ended September 30, 2025. No trading arrangements were terminated by our directors and executive officers during the quarter ended September 30, 2025.

			Trading Arrangement			
Name and Position	**Action**	**Date**	**Rule 10b5-1***	**Non-Rule 10b5-1****	**Total Number of Shares to be Sold**	**Expiration Date**
Jonathan Slonin Chief Medical Officer	Adopt	8/12/2025	☒		10,261	8/28/2026
Kristen Williams Chief Administrative Officer and Secretary	Adopt	9/10/2025	☒		To Be Determined [(1)]	6/5/2026

* Intended to satisfy the affirmative defense of Rule 10b5-1(c).
** Not intended to satisfy the affirmative defense of Rule 10b5-1(c).

(1) The aggregate number of shares to be sold pursuant to the trading arrangements listed above are dependent on, among other things, sale prices under the trading arrangements and the amount of tax withholding required upon the vesting of restricted stock units, and, therefore, is indeterminable at this time.

Item 6. *EXHIBITS*

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

Exhibit Number	Description
10.1	Credit Agreement, dated as of July 3, 2025, by and among Pacira BioSciences, Inc., the lenders from time to time party thereto and Wells Fargo Bank, National Association, as administrative agent, swingline lender and an issuing bank.(1) ##
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101	The following materials from the Quarterly Report on Form 10-Q of Pacira BioSciences, Inc. for the quarter ended September 30, 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 (Loss); (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.

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 10.1 to the Registrant's Current Report on Form 8-K, filed on July 7, 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:	November 6, 2025	By:	/s/ FRANK D. LEE
			Frank D. Lee
			Chief Executive Officer and Director
			(Principal Executive Officer)
Date:	November 6, 2025	By:	/s/ SHAWN M. CROSS
			Shawn M. Cross
			Chief Financial Officer
			(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Frank D. Lee, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 6, 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: November 6, 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 September 30, 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: November 6, 2025

/s/ FRANK D. LEE

Frank D. Lee

Chief Executive Officer and Director

(Principal Executive Officer)

Date: November 6, 2025

/s/ SHAWN M. CROSS

Shawn M. Cross

Chief Financial Officer

(Principal Financial Officer)