UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): May 7, 2024

PACIRA BIOSCIENCES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-35060**	**51-0619477**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5401 West Kennedy Boulevard, Suite 890
Tampa, Florida 33609
(Address and Zip Code of Principal Executive Offices)

(813) 553-6680
(Registrant's Telephone Number, Including Area Code)

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

On May 7, 2024, Pacira BioSciences, Inc. (the "Company") issued a press release announcing its financial results for the first quarter ended March 31, 2024. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

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

Item 8.01. Other Items.

On May 7, 2024, the Company announced that its Board of Directors has approved a new share repurchase program, effective immediately, which authorizes the Company to purchase up to an aggregate of $150.0 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. The share repurchase program may be suspended or discontinued at any time by the Company and has an expiration date of December 31, 2026.

Item 9.01. Financial Statements and Exhibits.

Exhibit Number	Description
99.1	Earnings Press Release dated May 7, 2024.
104	Cover Page Interactive Data File (Formatted as Inline XBRL)

SIGNATURE

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

PACIRA BIOSCIENCES, INC.
(REGISTRANT)

Dated: May 7, 2024

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

FOR IMMEDIATE RELEASE

NEWS RELEASE

Pacira BioSciences Reports First Quarter 2024 Financial Results and Announces $150 Million Share Repurchase program

-- Conference call today at 4:30 p.m. ET --

TAMPA, FL, May 7, 2024 - Pacira BioSciences, Inc. (Nasdaq: PCRX), the industry leader in its commitment to non-opioid pain management and regenerative health solutions, today reported financial results for the first quarter of 2024.

First Quarter 2024 Financial Highlights

- Total revenues of $167.1 million
- Net product sales of $132.4 million for EXPAREL, $25.8 million for ZILRETTA, and $5.0 million for iovera°
- Net income of $9.0 million, or $0.19 per share (basic and diluted)
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of $44.6 million

See "Non-GAAP Financial Information" below.

"Sales are off to a solid start for all three of our trusted, opioid-sparing products and we remain sharply focused on driving accelerated growth in 2025 and beyond," said Frank D. Lee, chief executive officer of Pacira BioSciences. "We are pleased with the progress we are making advancing the launch of EXPAREL in two new lower extremity nerve block indications, and we are receiving positive market receptivity across all sites of care. We are also preparing for a significant growth catalyst ahead with the implementation of separate Medicare reimbursement for EXPAREL at average sales price plus 6 percent in outpatient settings beginning in January 2025. We believe this important reimbursement milestone will expand patient access to EXPAREL and drive greater utilization in outpatient procedures."

"Our confidence in Pacira's future remains steadfast and the $150 million stock buyback announced today underscores our belief in our team, products, and growth outlook," added Mr. Lee.

Recent Business Highlights

- ***New $150 Million Share Repurchase Program.*** Today the company announced its Board of Directors has approved a new share repurchase program effective immediately, which authorizes the company to purchase up to an aggregate of $150 million of its outstanding common stock. Repurchases under the program may be made at management's discretion on the open market or through privately negotiated transactions. The share repurchase program

may be suspended or discontinued at any time by the Company and has an expiration date of December 31, 2026. The company expects to fund the share repurchase program using a combination of existing cash reserves and future cash flows.

- ***Positive Efficacy and Safety Data of PCRX-201* (enekinragene inzadenovec) *Presented at OARSI 2024 World Congress.*** In April 2024, investigators presented encouraging preliminary results from a 72-patient study of PCRX-201 data at the Osteoarthritis Research Society International, or OARSI, 2024 World Congress in Vienna, Austria. PCRX-201 is the company's novel, intra-articular helper-dependent adenovirus gene therapy product candidate that codes for interleukin-1 receptor antagonist (IL-1Ra), for the treatment of osteoarthritis of the knee. The data showed that a single intra-articular injection of PCRX-201 demonstrated sustained clinical effect as assessed by patient-reported outcomes at all dose levels for at least one-year post-injection. Importantly, PCRX-201 was shown to be well-tolerated with a favorable safety profile. The company expects to submit updated data demonstrating PCRX-201's effectiveness through two years for presentation at a medical meeting in the Fall.
- ***PCRX-201 Granted Regenerative Medicine Advance Therapy (RMAT) Designation***. In March 2024, the company announced that the U.S. Food and Drug Administration (FDA) has granted Regenerative Medicine Advanced Therapy (RMAT) designation to PCRX-201. The company's RMAT application was supported by the preliminary safety and efficacy findings from the company's Phase 1 study.
- ***Three New EXPAREL Patents.*** In March 2024, the United States Patent and Trademark Office issued Patent No. 11,925,706 claiming composition of matter, Patent No. 11,918,565 claiming method of use as a sciatic nerve block in the popliteal fossa, and Patent No. 11,931,459 claiming method of use in pediatric patients. Each of these EXPAREL patents are listed in the FDA's "*Approved Drug Products with Therapeutic Equivalence Evaluations*" (the "Orange Book"). The '706 patent has an expiration date of January 22, 2041 and the '459 and '565 patents have expiration dates of March 17, 2042 and February 2, 2043, respectively.

First Quarter 2024 Financial Results

- Total revenues were $167.1 million in the first quarter of 2024, versus $160.3 million reported for the first quarter of 2023.
- EXPAREL net product sales were $132.4 million in the first quarter of 2024, versus $130.4 million reported for the first quarter of 2023. First quarter volume growth of 3 percent was offset by contracted discounts and vial mix. There were 62 selling days in the first quarter of 2024 and 63 selling days in the first quarter of 2023.
- ZILRETTA net product sales were $25.8 million in the first quarter of 2024, versus $24.3 million reported for the first quarter of 2023.
- First quarter 2024 iovera° net product sales were $5.0 million, versus $4.0 million reported for the first quarter of 2023.
- Sales of bupivacaine liposome injectable suspension to third-party licensees were $2.5 million in the first quarter of 2024, versus $0.7 million reported for the first quarter of 2023.

- Total operating expenses were $153.9 million in the first quarter of 2024, compared to $163.4 million in the first quarter of 2023.
- Research and development (R&D) expenses were $18.2 million in the first quarter of 2024, compared to $17.1 million in the first quarter of 2023. R&D expenses included $7.4 million and $7.7 million of product development and manufacturing capacity expansion costs in the first quarters of 2024 and 2023, respectively.
- Selling, general and administrative (SG&A) expenses were $72.0 million in the first quarter of 2024, compared to $70.8 million in the first quarter of 2023.
- GAAP net income was $9.0 million, or $0.19 per share (basic and diluted) in the first quarter of 2024, compared to a GAAP net loss of $19.5 million, or $(0.43) per share (basic and diluted) in the first quarter of 2023.
- Non-GAAP net income was $31.1 million, or $0.67 per share (basic) and $0.62 per share (diluted) in the first quarter of 2024, compared to $24.3 million, or $0.53 per share (basic) and $0.49 per share (diluted), in the first quarter of 2023.
- Adjusted EBITDA was $44.6 million in the first quarter of 2024, compared to $41.9 million in the first quarter of 2023.
- Pacira ended the first quarter of 2024 with cash, cash equivalents and available-for-sale investments ("cash") of $325.9 million. Cash provided by operations was $49.1 million in the first quarter of 2024, compared to $19.1 million in the first quarter of 2023.
- Pacira had 46.5 million basic and 52.2 million diluted weighted average shares of common stock outstanding in the first quarter of 2024.
- For non-GAAP measures, Pacira had 52.2 million diluted weighted average shares of common stock outstanding in the first quarter of 2024.

See "Non-GAAP Financial Information" below.

2024 Financial Guidance

Today the company is reiterating its full-year 2024 financial guidance as follows:

- Total revenue of $680 million to $705 million;
- Non-GAAP gross margin of 74% to 76%;
- Non-GAAP R&D expense of $70 million to $80 million;
- Non-GAAP SG&A expense of $245 million to $265 million; and
- Stock-based compensation of $50 million to $55 million.

See "Non-GAAP Financial Information" below.

Today's Conference Call and Webcast Reminder

The Pacira management team will host a conference call to discuss the company's financial results and recent developments today, Tuesday, May 7, 2024, at 4:30 p.m. ET. To participate in the conference call, dial 1-800-715-9871 and provide the passcode 6363041. International callers may dial 1-646-307-1963 and use the same passcode. In addition, a live audio of the conference call will

be available as a webcast. Interested parties can access the event through the “Events” page on the Pacira website at investor.pacira.com.

Non-GAAP Financial Information

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

These measures supplement the company’s financial results prepared in accordance with GAAP. Pacira management uses these measures to better analyze its financial results, estimate its future cost of goods sold, R&D expense and SG&A expense outlook for 2024 and to help make managerial decisions. In management’s opinion, these non-GAAP measures are useful to investors and other users of the company’s financial statements by providing greater transparency into the ongoing operating performance of Pacira and its future outlook. Such measures should not be deemed to be an alternative to GAAP requirements or a measure of liquidity for Pacira. The non-GAAP measures presented here are also unlikely to be comparable with non-GAAP disclosures released by other companies. See the tables below for a reconciliation of GAAP to non-GAAP measures.

About Pacira

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

About EXPAREL® (bupivacaine liposome injectable suspension)

EXPAREL is indicated to produce postsurgical local analgesia via infiltration in patients aged 6 years and older, and postsurgical regional analgesia via an interscalene brachial plexus block in adults, a sciatic nerve block in the popliteal fossa in adults, and an adductor canal block in adults. The safety and effectiveness of EXPAREL have not been established to produce postsurgical regional analgesia via other nerve blocks besides an interscalene brachial plexus nerve block, a sciatic nerve block in the popliteal fossa, or an adductor canal block. The product combines bupivacaine with multivesicular liposomes, a proven product delivery technology that delivers medication over a desired time period. EXPAREL represents the first and only multivesicular

liposome local anesthetic that can be utilized in the peri- or postsurgical setting. By utilizing the multivesicular liposome platform, a single dose of EXPAREL delivers bupivacaine over time, providing significant reductions in cumulative pain scores with up to a 78 percent decrease in opioid consumption; the clinical benefit of the opioid reduction was not demonstrated. Additional information is available at www.EXPAREL.com.

Important Safety Information about EXPAREL for Patients

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

About ZILRETTA® (triamcinolone acetonide extended-release injectable suspension)

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

Indication and Select Important Safety Information for ZILRETTA

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

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

Warnings and Precautions:

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

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

Please see ZILRETTALabel.com for full Prescribing Information.

About iovera°®

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

Indication and Select Important Safety Information for iovera°®

Indication: iovera° applies freezing cold to peripheral nerve tissue to block and/or relieve pain for up to 90 days. It should not be used to treat central nervous system tissue.

Important Safety Information

- Do not receive treatment with iovera° if you experience hypersensitivity to cold or have open and/or infected wounds near the treatment site.
- You may experience bruising, swelling, inflammation and/or redness, local pain and/or tenderness, and altered feeling at the site of application.
- In treatment area(s), you may experience damage to the skin, skin darkening or lightening, and dimples in the skin.

- You may experience a temporary loss of your ability to use your muscles normally outside of the treatment area.
- Talk to your doctor before receiving treatment with iovera°.

Forward-Looking Statements

Any statements in this press release about Pacira's future expectations, plans, trends, outlook, projections and prospects, and other statements containing the words "anticipate," "believe," "can," "could," "estimate," "expect," "intend," "may," "plan," "project," "should," "will," "would," and similar expressions, constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, including, without limitation, statements related to our growth and future operating results and trends, our strategy, plans, objectives, expectations (financial or otherwise) and intentions, future financial results and growth potential, including our plans with respect to the repayment of our indebtedness, anticipated product portfolio, development programs, patent terms, development of products, strategic alliances and intellectual property and other statements that are not historical facts. For this purpose, any statement that is not a statement of historical fact should be considered a forward-looking statement. We cannot assure you that our estimates, assumptions and expectations will prove to have been correct. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including risks relating to, among others: the integration of our new chief executive officer; risks associated with acquisitions, such as the risk that the acquired 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 U.S. economic conditions (including inflation and rising interest rates), and our business, including our revenues, financial condition, cash flow and results of operations; the success of our sales and manufacturing efforts in support of the commercialization of EXPAREL, ZILRETTA and iovera°; the rate and degree of market acceptance of EXPAREL, ZILRETTA and iovera°; the size and growth of the potential markets for EXPAREL, ZILRETTA and iovera° and our ability to serve those markets; our plans to expand the use of EXPAREL, ZILRETTA and iovera° to additional indications and opportunities, and the timing and success of any related clinical trials for EXPAREL, ZILRETTA and iovera°; the commercial success of EXPAREL, ZILRETTA and iovera°; the related timing and success of U.S. Food and Drug Administration supplemental New Drug Applications and premarket notification 510(k)s; the related timing and success of European Medicines Agency Marketing Authorization Applications; our plans to evaluate, develop and pursue additional product candidates utilizing our proprietary multivesicular liposome ("pMVL") drug delivery technology; the approval of the commercialization of our products in other jurisdictions; clinical trials in support of an existing or potential pMVL-based product; our commercialization and marketing capabilities; our ability to successfully complete capital projects; the outcome of any litigation; the ability to successfully integrate any future acquisitions into our existing business; the recoverability of our deferred tax assets; assumptions associated with contingent consideration payments; the anticipated funding or benefits of our share repurchase program; and factors discussed in the "Risk Factors" of our most recent Annual Report on Form 10-K and in other filings that we periodically make with the Securities and Exchange Commission (the "SEC"). In addition, the forward-looking statements included in this press release represent our views as of the date of this press release. Important factors could cause actual results to differ materially from those

indicated or implied by forward-looking statements, and as such we anticipate that subsequent events and developments will cause our views to change. 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 these forward-looking statements as representing our views as of any date subsequent to the date of this press release.

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(Tables to Follow)

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

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 184,052	$ 153,298
Short-term available-for-sale investments	141,838	125,283
Accounts receivable, net	101,639	105,556
Inventories, net	96,782	104,353
Prepaid expenses and other current assets	18,802	21,504
Total current assets	543,113	509,994
Noncurrent available-for-sale investments	—	2,410
Fixed assets, net	171,804	173,927
Right-of-use assets, net	58,626	61,020
Goodwill	163,243	163,243
Intangible assets, net	468,936	483,258
Deferred tax assets	141,057	144,485
Investments and other assets	36,542	36,049
Total assets	$ 1,583,321	$ 1,574,386
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,982	$ 15,698
Accrued expenses	66,818	64,243
Lease liabilities	9,003	8,801
Current portion of convertible senior notes, net	8,641	8,641
Total current liabilities	93,444	97,383
Convertible senior notes, net	399,210	398,594
Long-term debt, net	112,477	115,202
Lease liabilities	52,446	54,806
Contingent consideration	20,892	24,698
Other liabilities	12,690	13,573
Total stockholders' equity	892,162	870,130
Total liabilities and stockholders' equity	$ 1,583,321	$ 1,574,386

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

	Three Months Ended March 31,	
	2024	**2023**
Net product sales:		
EXPAREL	$ 132,430	$ 130,408
ZILRETTA	25,839	24,334
iovera°	5,030	4,001
Bupivacaine liposome injectable suspension	2,525	688
Total net product sales	165,824	159,431
Royalty revenue	1,293	910
Total revenues	167,117	160,341
Operating expenses:		
Cost of goods sold	47,416	49,020
Research and development	18,238	17,140
Selling, general and administrative	72,026	70,843
Amortization of acquired intangible assets	14,322	14,322
Contingent consideration (gains) charges, restructuring charges and other	1,903	12,107
Total operating expenses	153,905	163,432
Income (loss) from operations	13,212	(3,091)
Other income (expense):		
Interest income	3,903	3,142
Interest expense	(3,316)	(9,589)
Loss on early extinguishment of debt	—	(16,926)
Other, net	(159)	(10)
Total other income (expense), net	428	(23,383)
Income (loss) before income taxes	13,640	(26,474)
Income tax (expense) benefit	(4,661)	6,938
Net income (loss)	$ 8,979	$ (19,536)
Net income (loss) per share:		
Basic and diluted net income (loss) per common share	$ 0.19	$ (0.43)
Weighted average common shares outstanding:		
Basic	46,499	45,949
Diluted	52,193	45,949

Pacira BioSciences, Inc.

Reconciliation of GAAP to Non-GAAP Financial Information

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended March 31,	
	2024	2023
GAAP net income (loss)	$ 8,979	$ (19,536)
Non-GAAP adjustments:		
Contingent consideration (gains) charges, restructuring charges and other:		
Changes in the fair value of contingent consideration	(3,806)	11,618
Restructuring charges [1] [2]	3,300	—
Acquisition-related fees [3]	174	489
Step-up of acquired Flexion fixed assets and inventory to fair value and other	—	2,107
Stock-based compensation	13,151	11,990
CEO transition costs [4]	277	—
Loss on early extinguishment of debt	—	16,926
Amortization of debt discount	24	675
Amortization of acquired intangible assets	14,322	14,322
Tax impact of non-GAAP adjustments [5]	(5,346)	(14,289)
Total non-GAAP adjustments	22,096	43,838
Non-GAAP net income	$ 31,075	$ 24,302
GAAP basic and diluted net income (loss) per common share	$ 0.19	$ (0.43)
GAAP net income (loss) used for basic earnings per share	$ 8,979	$ (19,536)
Interest expense on convertible senior notes, net of tax	1,029	—
GAAP net income (loss) used for diluted earnings per share	$ 10,008	$ (19,536)
Non-GAAP basic net income per common share	$ 0.67	$ 0.53
Non-GAAP diluted net income per common share	$ 0.62	$ 0.49
Non-GAAP net income	$ 31,075	$ 24,302
Interest expense on convertible senior notes, net of tax [6]	1,029	1,029
Non-GAAP net income used for diluted earnings per share [6]	$ 32,104	$ 25,331
Weighted average common shares outstanding - basic	46,499	45,949
Weighted average common shares outstanding - diluted	52,193	45,949
Non-GAAP Weighted average common shares outstanding - basic	46,499	45,949
Non-GAAP Weighted average common shares outstanding - diluted [6]	52,193	51,730

Pacira BioSciences, Inc.
Reconciliation of GAAP to Non-GAAP Financial Information (continued)
(in thousands)
(unaudited)

(1) In February 2024, the Company initiated a restructuring plan to ensure it is well positioned for long-term growth. The restructuring plan includes: (i) reshaping the Company's executive team; (ii) reallocating efforts and resources from the Company's ex-U.S. and certain early-stage development programs to its commercial portfolio in the U.S. market; and (iii) reprioritizing investments to focus on commercial readiness for the implementation of separate Medicare reimbursement for EXPAREL at average sales price plus 6 percent in outpatient settings beginning in January 2025 and broader commercial initiatives in key areas, such as strategic national accounts, marketing and market access and reimbursement. The charges related to employee termination benefits, severance, and, to a lesser extent, other employment-related termination costs.

(2) Approximately $2.2 million of restructuring charges were excluded from this line item as they are included in the stock-based compensation line item.

(3) For the three months ended March 31, 2024 and 2023, acquisition-related fees related to vacant and underutilized leases assumed from the acquisition of Flexion Therapeutics, Inc. ("Flexion").

(4) The Company appointed a new chief executive officer ("CEO") effective January 2, 2024. CEO transition costs include compensation costs related to the transition of the former CEO who remains employed by the Company in an advisory role.

(5) The tax impact of non-GAAP adjustments is computed by: (i) applying the statutory tax rate to the income or expense adjusted items; (ii) applying a zero-tax rate to adjusted items where a valuation allowance exists; and (iii) excluding discrete tax benefits and expenses primarily associated with tax deductible and non-deductible stock-based compensation. For the three months ended March 31, 2024, the GAAP effective income tax rate was approximately 34% and the non-GAAP effective income tax rate was approximately 24%, with the difference from GAAP primarily due to the impact of excluding both discrete tax expenses associated with non-deductible stock-based compensation and tax expenses related to executive compensation. For the three months ended March 31, 2023, the GAAP effective income tax rate was approximately 26% and the non-GAAP effective income tax rate was approximately 23%, with the difference from GAAP primarily due to the impact of excluding tax expenses related to non-U.S. valuation allowances and non-deductible executive compensation.

(6) For the three months ended March 31, 2024, there were no non-GAAP adjustments when calculating the diluted weighted average common shares outstanding or the interest expense add back under the "if-converted" method.

For the three months ended March 31, 2023, the $402.5 million aggregate principal 0.75% convertible senior notes due 2025, or 2025 Notes, were excluded on a GAAP basis as the impact to diluted net loss per common share would have been antidilutive. These potential securities resulted in a dilutive impact on diluted net income per common share reported on a non-GAAP basis.

For the three months ended March 31, 2023, non-GAAP adjustments to diluted weighted average shares outstanding included the impact of the 2025 Notes as if they converted on the first day of the period presented, which resulted in an additional 5.6 million common shares upon an assumed conversion and added back $1.0 million of interest expense, net of tax, to non-GAAP net income. The Company has the option to settle its 2025 Notes in cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock.

Prior year amounts were reclassified to conform to the current year presentation.

Pacira BioSciences, Inc.
Reconciliation of GAAP to Non-GAAP Financial Information (continued)
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Cost of goods sold reconciliation:		
GAAP cost of goods sold	$ 47,416	$ 49,020
Step-up of acquired Flexion fixed assets and inventory to fair value and other	—	(2,107)
Stock-based compensation	(1,128)	(1,724)
Non-GAAP cost of goods sold	$ 46,288	$ 45,189
Research and development reconciliation:		
GAAP research and development	$ 18,238	$ 17,140
Stock-based compensation	(1,803)	(1,875)
Non-GAAP research and development	$ 16,435	$ 15,265
Selling, general and administrative reconciliation:		
GAAP selling, general and administrative	$ 72,026	$ 70,843
CEO transition costs	(277)	—
Stock-based compensation	(7,985)	(8,391)
Non-GAAP selling, general and administrative	$ 63,764	$ 62,452
Weighted average shares outstanding - diluted reconciliation:		
GAAP weighted average common shares outstanding - diluted	52,193	45,949
Dilutive common shares associated with the 2025 Notes [(1)]	—	5,608
Dilutive common shares associated with stock options and restricted stock units	—	173
Non-GAAP weighted average common shares outstanding - diluted	52,193	51,730

(1) For the three months ended March 31, 2023, potential common shares of the 2025 Notes were excluded from diluted net loss per common share on a GAAP basis because they would have been antidilutive. These potential securities resulted in a dilutive impact on diluted net income per common share reported on a non-GAAP basis.

Pacira BioSciences, Inc.

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

(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2024	**2023**
GAAP net income (loss)	$ 8,979	$ (19,536)
Interest income	(3,903)	(3,142)
Interest expense [1]	3,316	9,589
Income tax expense (benefit)	4,661	(6,938)
Depreciation expense	4,104	5,280
Amortization of acquired intangible assets	14,322	14,322
EBITDA	31,479	(425)
Other adjustments:		
Contingent consideration (gains) charges, restructuring charges and other:		
Changes in the fair value of contingent consideration	(3,806)	11,618
Restructuring charges [2]	3,300	—
Acquisition-related fees	174	489
Step-up of acquired Flexion inventory to fair value and other	—	1,305
Stock-based compensation	13,151	11,990
CEO transition costs	277	—
Loss on early extinguishment of debt	—	16,926
Adjusted EBITDA	$ 44,575	$ 41,903

(1) Includes amortization of debt discount and debt issuance costs.
(2) Approximately $2.2 million of restructuring charges were excluded from this line item as they are included in the stock-based compensation line item.

Pacira BioSciences, Inc.

Reconciliation of GAAP to Non-GAAP 2024 Financial Guidance

(dollars in millions)

GAAP to Non-GAAP Guidance	GAAP	Impact of GAAP to Non-GAAP Adjustments [1]	Non-GAAP
Total revenues	$680 to $705	—	$680 to $705
Gross margin	73% to 75%	Approximately 1%	74% to 76%
Research and development expense	$78 to $90	$8 to $10	$70 to $80
Selling, general and administrative expense	$280 to $310	$35 to $45	$245 to $265
Stock-based compensation	$50 to $55	—	—

(1) The full-year impact of GAAP to Non-GAAP adjustments primarily relates to stock-based compensation.