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 June 30, 2026

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 August 3, 2026, 39,861,886 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 JUNE 30, 2026

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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)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 205,875	$ 158,545
Short-term available-for-sale investments	45,156	79,879
Accounts receivable, net	132,420	124,069
Inventories, net	134,575	152,863
Assets held for sale	67,337	—
Prepaid expenses and other current assets	29,852	32,618
Total current assets	615,215	547,974
Fixed assets, net	130,277	140,690
Right-of-use assets, net	44,920	41,777
Goodwill	19,642	20,214
Intangible assets, net	285,484	368,100
Deferred tax assets	124,598	123,854
Investments and other assets	23,842	22,308
Total assets	$ 1,243,978	$ 1,264,917
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 17,509	$ 15,150
Accrued expenses	93,499	95,601
Lease liabilities	10,298	9,839
Liabilities held for sale	705	—
Total current liabilities	122,011	120,590
Long-term debt, net	363,124	372,189
Lease liabilities	38,695	36,176
Contingent consideration	17,452	18,066
Deferred tax liabilities	4,070	4,213
Other liabilities	26,650	20,572
Total liabilities	572,002	571,806
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, par value $0.001; 5,000,000 shares authorized; none issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Common stock, par value $0.001; 250,000,000 shares authorized; 48,840,889 shares issued and 39,822,298 shares outstanding at June 30, 2026 and 47,890,777 shares issued and 41,116,739 shares outstanding at December 31, 2025	49	48
Treasury stock, at cost, inclusive of excise tax and broker fees, 9,018,591 and 6,774,038 shares at June 30, 2026 and December 31, 2025, respectively	(227,013)	(176,565)
Additional paid-in capital	1,087,452	1,064,623
Accumulated deficit	(191,753)	(199,322)
Accumulated other comprehensive income	3,241	4,327
Total stockholders' equity	671,976	693,111
Total liabilities and stockholders' equity	$ 1,243,978	$ 1,264,917

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Net product sales	$ 190,493	$ 180,347	$ 367,869	$ 347,941
Royalty revenue	1,906	752	1,906	2,081
Total revenues	192,399	181,099	369,775	350,022
Operating expenses:				
Cost of goods sold (exclusive of amortization of acquired intangible assets)	44,164	40,866	80,577	75,172
Research and development	30,243	28,200	58,315	53,893
Selling, general and administrative	91,809	88,578	185,753	175,354
Amortization of acquired intangible assets	14,322	14,322	28,644	28,644
Other operating expenses, net	7,594	634	5,317	6,470
Total operating expenses	188,132	172,600	358,606	339,533
Income from operations	4,267	8,499	11,169	10,489
Other income (expense):				
Interest income	1,944	5,008	3,874	11,903
Interest expense	(3,622)	(4,695)	(7,321)	(9,275)
Other, net	(34)	(10,739)	(169)	(6,338)
Total other expense, net	(1,712)	(10,426)	(3,616)	(3,710)
Income (loss) before income taxes	2,555	(1,927)	7,553	6,779
Income tax benefit (expense)	2,098	(2,920)	16	(6,814)
Net income (loss)	$ 4,653	$ (4,847)	$ 7,569	$ (35)
Net income (loss) per common share:				
Basic and diluted net income (loss) per common share	$ 0.12	$ (0.11)	$ 0.19	$ (0.00)
Weighted average common shares outstanding:				
Basic	39,462	45,459	39,961	45,867
Diluted	40,300	45,459	40,605	45,867

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss)	$ 4,653	$ (4,847)	$ 7,569	$ (35)
Other comprehensive income (loss):				
Net unrealized gain (loss) on investments, net of tax	15	(45)	(42)	(131)
Foreign currency translation adjustments	(229)	2,756	(1,044)	3,850
Total other comprehensive (loss) income	(214)	2,711	(1,086)	3,719
Comprehensive income (loss)	$ 4,439	$ (2,136)	$ 6,483	$ 3,684

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2026 AND 2025
(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 March 31, 2026	48,328	(9,019)	$ 48	$ (227,013)	$ 1,073,809	$ (196,406)	$ 3,455	$ 653,893
Exercise of stock options	28	—	—	—	457	—	—	457
Vested restricted stock units	559	—	1	—	(1)	—	—	—
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	(157)	—	—	—	(3,493)	—	—	(3,493)
Common stock issued under employee stock purchase plan	83	—	—	—	1,722	—	—	1,722
Stock-based compensation	—	—	—	—	14,958	—	—	14,958
Other comprehensive loss (Note 10)	—	—	—	—	—	—	(214)	(214)
Net income	—	—	—	—	—	4,653	—	4,653
Balance at June 30, 2026	48,841	(9,019)	$ 49	$ (227,013)	$ 1,087,452	$ (191,753)	$ 3,241	$ 671,976

	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 March 31, 2025	47,121	(837)	$ 47	$ (25,121)	$ 1,023,808	$ (201,544)	$ 1,351	$ 798,541
Vested restricted stock units	669	—	1	—	—	—	—	1
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	(200)	—	—	—	(5,286)	—	—	(5,286)
Common stock issued under employee stock purchase plan	101	—	—	—	1,569	—	—	1,569
Stock-based compensation	—	—	—	—	15,472	—	—	15,472
Purchase of treasury stock, inclusive of excise tax and broker fees	—	(1,956)	—	(50,394)	—	—	—	(50,394)
Other comprehensive income (Note 10)	—	—	—	—	—	—	2,711	2,711
Net loss	—	—	—	—	—	(4,847)	—	(4,847)
Balance at June 30, 2025	47,691	(2,793)	$ 48	$ (75,515)	$ 1,035,563	$ (206,391)	$ 4,062	$ 757,767

See accompanying notes to condensed consolidated financial statements.

PACIRA BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(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, 2025	47,891	(6,774)	$ 48	$ (176,565)	$ 1,064,623	$ (199,322)	$ 4,327	$ 693,111
Exercise of stock options	28	—	—	—	459	—	—	459
Vested restricted stock units	1,206	—	1	—	(1)	—	—	—
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	(367)	—	—	—	(7,848)	—	—	(7,848)
Common stock issued under employee stock purchase plan	83	—	—	—	1,722	—	—	1,722
Stock-based compensation	—	—	—	—	28,497	—	—	28,497
Purchase of treasury stock, inclusive of excise tax and broker fees	—	(2,245)	—	(50,448)	—	—	—	(50,448)
Other comprehensive loss (Note 11)	—	—	—	—	—	—	(1,086)	(1,086)
Net income	—	—	—	—	—	7,569	—	7,569
Balance at June 30, 2026	48,841	(9,019)	$ 49	$ (227,013)	$ 1,087,452	$ (191,753)	$ 3,241	$ 671,976

	Number of Shares Outstanding							
	Common Shares	Treasury Shares	Common Stock	Treasury Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2024	47,078	(837)	$ 47	$ (25,121)	$ 1,009,435	$ (206,356)	$ 343	$ 778,348
Vested restricted stock units	722	—	1	—	1	—	—	2
Common stock withheld for employee withholding tax liabilities on vested restricted stock units	(210)	—	—	—	(5,467)	—	—	(5,467)
Common stock issued under employee stock purchase plan	101	—	—	—	1,569	—	—	1,569
Stock-based compensation	—	—	—	—	30,025	—	—	30,025
Purchase of treasury stock, inclusive of excise tax and broker fees	—	(1,956)	—	(50,394)	—	—	—	(50,394)
Other comprehensive income (Note 11)	—	—	—	—	—	—	3,719	3,719
Net loss	—	—	—	—	—	(35)	—	(35)
Balance at June 30, 2025	47,691	(2,793)	$ 48	$ (75,515)	$ 1,035,563	$ (206,391)	$ 4,062	$ 757,767

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2026	**2025**
Operating activities:		
Net income (loss)	$ 7,569	$ (35)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Release of valuation allowance on deferred tax assets	(6,397)	—
Investment impairment	—	11,000
Deferred taxes	5,644	2,149
Depreciation of fixed assets and amortization of intangible assets	42,626	48,490
Amortization of debt issuance costs and debt discount	1,154	1,739
Amortization of cloud computing arrangements	663	186
Stock-based compensation	28,497	30,025
Changes in contingent consideration	(614)	(3,032)
Net accretion of discount on available-for-sale investments	(927)	(3,444)
Other net gains	—	(5,887)
Changes in operating assets and liabilities:		
Accounts receivable, net	(12,074)	(1,046)
Inventories, net	8,451	(22,871)
Prepaid expenses and other assets	378	(15,377)
Accounts payable	2,248	9,344
Accrued expenses	1,563	(14,675)
Other liabilities	4,359	10,905
Net cash provided by operating activities	83,140	47,471
Investing activities:		
Acquisition of GQ Bio Therapeutics GmbH (net of cash acquired)	(335)	(16,702)
Purchases of fixed assets	(4,060)	(11,245)
Purchases of available-for-sale investments	(3,905)	(74,685)
Sales of available-for-sale investments	39,500	140,416
Purchase of convertible notes receivable investment	—	(1,250)
Net cash provided by investing activities	31,200	36,534
Financing activities:		
Proceeds from exercises of stock options	459	—
Proceeds from shares issued under employee stock purchase plan	1,722	1,569
Payment of employee withholding taxes on restricted stock unit vests	(7,848)	(5,466)
Purchase of treasury stock, inclusive of broker fees	(50,045)	(50,039)
Excise taxes paid on treasury stock repurchases	(1,336)	—
Repayment of Term loan A facility	—	(6,563)
Repayment of Revolving Credit Facility	(10,000)	—
Net cash used in financing activities	(67,048)	(60,499)
Effect of exchange rate changes on cash and cash equivalents	38	204
Net increase in cash and cash equivalents	47,330	23,710
Cash and cash equivalents, beginning of period	158,545	276,774
Cash and cash equivalents, end of period	$ 205,875	$ 300,484

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2026	**2025**
Supplemental cash flow information:		
Cash paid for interest	$ 6,171	$ 7,687
Net cash paid for income taxes	$ 910	$ 8,233
Non-cash investing and financing activities:		
Fixed assets included in accounts payable and accrued liabilities	$ 1,506	$ 1,431
Excise tax on treasury stock repurchases included in accrued liabilities	$ 403	$ 354

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 in adults via (i) an interscalene brachial plexus block in adults; (ii) a sciatic nerve block in the popliteal fossa; or (iii) 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. The Company is also advancing two Phase 2 clinical programs—PCRX-201 (enekinragene inzadenovec), a novel, locally administered gene therapy for OA of the knee, and PCRX-2002, a complementary, long-acting formulation of the non-opioid analgesic ropivacaine for postsurgical pain control. 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 that it did not already own 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.

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 two commercialized 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.

The Company divested iovera®°, a handheld cryoanalgesia device that delivers immediate, long-acting, drug-free pain control using precise, controlled doses of cold temperature to a targeted nerve, to Zimmer, Inc., or Zimmer, a subsidiary of Zimmer Biomet Holdings, Inc. on July 31, 2026. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

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, 2025 (the "2025 Annual Report").

The condensed consolidated financial statements at June 30, 2026, and for the three and six-month periods ended June 30, 2026 and 2025, 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, 2025 is derived from the audited consolidated financial statements included in the Company's 2025 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.

Assets and Liabilities Held for Sale

Assets and liabilities available for sale and expected to be sold within one year are classified as either assets or liabilities held for sale on the condensed consolidated balance sheets at the lower of their carrying value or fair value less any costs to sell. Any loss, or gain up until any previously recorded loss, is recognized in the period in which the held for sale criteria are met. The Company will recognize contingent consideration related to the sale of a business as a gain contingency. Under this policy, contingent consideration is excluded from the initial measurement of gain or loss upon the divestiture of a business and is recognized in earnings when the contingency is resolved and the consideration becomes realizable.

In June 2026, the Company agreed to divest its cryoanalgesia business—including iovera°—to Zimmer and reclassified certain of its assets and liabilities to assets and liabilities held for sale. For more information, refer to Note 3, *Assets and Liabilities Held for Sale*.

Stock-Based Compensation

The Company grants performance share units, or PSUs, under its Amended and Restated 2011 Stock Incentive Plan to certain of its employees, including its executive officers. The expense associated with these awards is recognized in the Company's consolidated statements of operations based on their grant date fair values at the closing price of the Company's common stock on the date of grant. The expense is recognized over a four-year service period using graded vesting based on the Company's interim estimates of achievement of a stated performance objective during the one year period subsequent to the grant date. Changes in estimates are recorded on a cumulative catch-up basis. After the one year performance period, the number of shares the employee is entitled to is fixed.

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Largest wholesaler	30%	31%	31%	32%
Second largest wholesaler	25%	26%	25%	26%
Third largest wholesaler	21%	21%	22%	21%
Total	76%	78%	78%	79%

Recent Accounting Pronouncements Not Adopted as of June 30, 2026

In November 2024, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or 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 consolidated financial statements and 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. Early adoption is permitted. 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.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832), Accounting for Government Grants Received by Business Entities*. The ASU provides the recognition requirements for a government grant received, including guidance for grants related to an asset and grants related to income. The amendments introduce two permitted approaches for asset-related grants: a deferred income approach or a cost accumulation approach. The guidance is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. This ASU provides for adoption either on a modified prospective, modified retrospective, or retrospective basis. The Company is currently evaluating the impact of adopting ASU 2025-10 on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. The ASU is intended to update the guidance in Topic 270 by improving navigability of the required interim disclosures and establishing a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The ASU will be effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted at any time prior to the effective date and should be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting ASU 2025-11 on its consolidated financial statements.

NOTE 3—ASSETS AND LIABILITIES HELD FOR SALE

In June 2026, the Company and Pacira CryoTech, Inc.—its wholly-owned subsidiary (the "Subsidiary")—entered into a Stock and Asset Purchase Agreement (the "Purchase Agreement") with Zimmer, a subsidiary of Zimmer Biomet Holdings, Inc. Pursuant to the Purchase Agreement, the Company agreed to divest to Zimmer (i) all of the issued and outstanding capital stock of the Subsidiary and (ii) certain assets and liabilities of the Company and certain of its subsidiaries relating to the Company's handheld cryoanalgesia devices and related products—including iovera° (the "Transaction")—for up to $140.0 million, including an upfront payment of $70.0 million, subject to customary adjustments for cash, accounts receivable, indebtedness, transaction expenses and inventory.

In June 2026, the iovera° assets and liabilities included in the Purchase Agreement were reclassified to assets and liabilities held for sale due to meeting the required held for sale criteria. As of June 30, 2026, assets held for sale of $67.3 million consisted of $53.3 million of intangible assets, $9.8 million of inventory, $3.7 million of accounts receivable and $0.5 million of fixed assets, net of depreciation. As of June 30, 2026, liabilities held for sale of $0.7 million consisted of accrued expenses. The Company determined that the held for sale disposal group was not impaired because its fair value less the cost to sell exceeded its carrying value.

The Purchase Agreement provides for potential contingent consideration of up to an additional $70.0 million in the aggregate, payable upon the achievement of the following revenue-based milestones (in each case, excluding any net revenue previously applied towards the achievement of any other milestone threshold) up to and through the period ending December 31, 2031:

- If net revenue from the sale of the current version of iovera° available for sale to end users as of the closing date of the Transaction (the "Business Products") during any of the five (5) calendar year periods commencing on January 1, 2027 through December 31, 2031 (each an "Applicable Milestone Period") equals or exceeds $50.0 million, the Company will receive $18.5 million.
- If net revenue from the sale of the Business Products during any Applicable Milestone Period equals or exceeds $60.0 million, the Company will receive $23.5 million.
- If net revenue from the sale of the Business Products during any Applicable Milestone Period equals or exceeds $70.0 million, the Company will receive $28.0 million.
- If net revenue from the sale of the Business Products during any single year equals or exceeds the sum of any two or more milestones, then the highest applicable milestone payment shall be paid with respect to such year.

The Company determined that execution of the Purchase Agreement did not qualify as discontinued operations since it did not have a major effect on the Company's operations and financial results.

The Transaction closed on July 31, 2026 in which the Company received cash of $73.6 million, after customary purchase price adjustments. The $70.0 million of additional contingent milestones will be recognized in the period if and when they are each earned. As part of the Transaction, there are $2.2 million of transaction bonuses payable to certain employees of the Company that were hired by Zimmer at close that the Company will record as an expense in the third quarter of 2026. The $2.2 million of transaction bonuses will be paid by Zimmer.

Upon the close of the Transaction on July 31, 2026, the Company entered into a transitional services arrangement, pursuant to which the Company will provide recordkeeping and other services; a development and commercialization agreement, pursuant to which both parties intend to continue the label expansion of iovera° in the field of spasticity through United States Food and Drug Administration, or FDA, approval; and a sublease agreement, all of which are expected to operate through 2028.

NOTE 4—REVENUE

Revenue from Contracts with Customers

The Company's net product sales are primarily within the U.S. and consist of EXPAREL, ZILRETTA, and sales of 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. In June 2026, the Company entered into the Purchase Agreement with Zimmer to divest iovera°. The Transaction closed on July 31, 2026, and as such, the Company will no longer recognize revenue associated with iovera° after this date. For additional information, see Note 3, *Assets and Liabilities Held for Sale*. 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, customer 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 Veterans 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net product sales:				
EXPAREL	$ 147,823	$ 142,917	$ 291,097	$ 279,446
ZILRETTA	32,648	31,334	59,415	54,672
iovera° [(1)]	6,806	5,588	12,982	10,711
Bupivacaine liposome injectable suspension	3,216	508	4,375	3,112
Total net product sales	$ 190,493	$ 180,347	$ 367,869	$ 347,941

(1) In June 2026, the Company entered into the Purchase Agreement with Zimmer to divest iovera°. The Transaction closed on July 31, 2026, after which the Company will no longer recognize revenue associated with iovera°. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

NOTE 5—INVENTORIES

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

	June 30, 2026	December 31, 2025
Raw materials	$ 28,160	$ 43,335
Work-in-process	38,096	28,201
Finished goods	68,319	81,327
Total	$ 134,575	$ 152,863

In June 2026, $9.8 million of inventories related to iovera°, comprised of $5.6 million of raw materials, $1.2 million of work-in-process and $3.0 million of finished goods, were reclassified to assets held for sale in conjunction with entering into the Purchase Agreement with Zimmer. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

NOTE 6—FIXED ASSETS

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

	June 30, 2026	December 31, 2025
Machinery and equipment	$ 162,840	$ 163,144
Leasehold improvements	77,653	77,450
Computer equipment and software	26,979	26,187
Office furniture and equipment	2,101	2,127
Construction in progress	11,584	9,485
Total	281,157	278,393
Less: accumulated depreciation	(150,880)	(137,703)
Fixed assets, net	$ 130,277	$ 140,690

In June 2026, $0.5 million of fixed assets related to iovera°, comprised of $0.5 million of machinery and equipment, net, along with nominal amounts of computer equipment and software, net, and office furniture and equipment, net, were reclassified to assets held for sale in conjunction with entering into the Purchase Agreement with Zimmer. Depreciation on these fixed assets ceased being recorded at the time the assets were classified as held for sale. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

For the three and six months ended June 30, 2026, depreciation expense was $7.0 million and $14.0 million, respectively. For the three and six months ended June 30, 2025, depreciation expense was $13.0 million and $19.8 million, respectively.

The Company recognized $5.5 million of accelerated depreciation expense during the three and six months ended June 30, 2025 as a result of decommissioning its 45-liter EXPAREL batch manufacturing suite located at its Science Center Campus in San Diego, California. The Company continues to operate its 200-liter EXPAREL batch manufacturing suite at the same facility.

As of June 30, 2026 and December 31, 2025, total fixed assets, net, includes manufacturing process equipment and leasehold improvements located outside of the U.S. in the amount of $38.0 million and $41.9 million, respectively.

As of June 30, 2026 and December 31, 2025, the Company had asset retirement obligations of $4.1 million and $3.9 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 and research facilities at its Science Center Campus in San Diego, California. In April 2025, the Company moved its principal executive offices and corporate headquarters to Brisbane, California and in June 2026, the Company entered into a new lease in Brisbane, California to retain this office through 2036. The Company also has two embedded leases with Thermo Fisher Scientific Pharma Services, or Thermo Fisher, for the use of their manufacturing facility in Swindon, U.K. for the production of EXPAREL and ZILRETTA. A portion of the associated monthly base fees have been allocated to the lease components based on a relative fair value basis. As part of the GQ Bio Acquisition in February 2025, the Company assumed GQ Bio's European offices that include a research and development lab and offices in Luckenwalde, Germany.

Between February 2023 and April 2025, the Company had been recognizing sublease income for a portion of office space leased in Burlington, Massachusetts that was assumed as part of the Flexion Acquisition.

In June 2026, the Company entered into the Purchase Agreement with Zimmer to divest iovera°. The Transaction closed on July 31, 2026, upon which the Company also entered into a sublease agreement through 2028. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Fixed lease costs	$ 3,188	$ 3,232	$ 6,323	$ 6,534
Variable lease costs	620	576	1,180	1,115
Sublease income	—	(19)	—	(76)
Total	$ 3,808	$ 3,789	$ 7,503	$ 7,573

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

	Six Months Ended June 30,	
	2026	2025
Cash paid for operating lease liabilities, net of lease incentives	$ 6,466	$ 6,458
Right-of-use assets recorded in exchange for lease obligations	$ 7,962	$ 1,875

The Company has elected to net the reduction 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:

	June 30,	
	2026	2025
Weighted average remaining lease term	4.94 years	4.79 years
Weighted average discount rate	6.98 %	6.91 %

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

Year	Aggregate Minimum Payments Due
2026 (remaining six months)	$ 6,284
2027	13,268
2028	12,239
2029	12,159
2030	6,995
Thereafter	8,020
Total future lease payments	58,965
Less: imputed interest	(9,972)
Total operating lease liabilities	$ 48,993

NOTE 8—GOODWILL AND INTANGIBLE ASSETS

Goodwill

The Company's goodwill arose from the GQ Bio Acquisition in February 2025. As of June 30, 2026 and December 31, 2025, the goodwill balance was $19.6 million and $20.2 million, respectively. The change in the goodwill balance from December 31, 2025 was due to $0.6 million in foreign currency translation adjustments.

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 acquisition of MyoScience, Inc. (the "MyoScience Acquisition") in 2019 and the Flexion Acquisition in 2021. Accumulated goodwill impairment charges through June 30, 2026 were $163.2 million.

Intangible Assets

Intangible assets, net, consists of in-process research and development, or IPR&D, from the GQ Bio Acquisition and Flexion Acquisition, developed technology from the Flexion Acquisition and MyoScience Acquisition and customer relationships from the MyoScience Acquisition. In June 2026, $53.2 million, net, of developed technologies and a nominal amount of customer relationships related to iovera° from the MyoScience Acquisition were reclassified to assets held for sale in conjunction with entering into the Purchase Agreement with Zimmer. Amortization on these intangible assets ceased being recorded at the time the assets were classified as held for sale. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

Intangible assets, net, as of June 30, 2026 are summarized as follows (dollar amounts in thousands):

June 30, 2026	Gross Carrying Value	Accumulated Amortization	Intangible Assets, Net	Weighted-Average Useful Lives
Developed technologies	$ 480,000	$ (228,085)	$ 251,915	9 years, 9 months
Acquired IPR&D [1]	33,569	—	33,569	
Total intangible assets, net	$ 513,569	$ (228,085)	$ 285,484	

(1) The change in the gross carrying value compared to December 31, 2025 reflects the impact of foreign currency translation adjustments related to the IPR&D acquired from the GQ Bio Acquisition.

December 31, 2025	Gross Carrying Value	Accumulated Amortization	Intangible Assets, Net	Weighted-Average Useful Lives
Developed technologies	$ 590,000	$ (256,213)	$ 333,787	10 years, 5 months
Customer relationships	90	(61)	29	10 years
Total finite-lived intangible assets, net	590,090	(256,274)	333,816	
Acquired IPR&D	34,284	—	34,284	
Total intangible assets, net	$ 624,374	$ (256,274)	$ 368,100	

Amortization expense on intangible assets was $14.3 million for both the three months ended June 30, 2026 and 2025. Amortization expense on intangible assets was $28.6 million for both the six months ended June 30, 2026 and 2025.

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 $24.7 million for the remaining six months of 2026, $49.4 million each year from 2027 to 2030, and $29.5 million in 2031.

NOTE 9—ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Accrued selling, general and administrative expenses	$ 26,080	$ 17,429
Accrued research and development expenses	8,243	6,129
Accrued production costs	10,494	9,002
Other accrued operating expenses	8,235	12,864
Compensation and benefits	26,987	37,841
Accrued interest	778	782
Product returns and wholesaler service fees	12,682	11,554
Total	$ 93,499	$ 95,601

In June 2026, $0.7 million of accrued expenses related to iovera°, comprised of $0.5 million of other accrued operating expenses and $0.2 million of product returns and wholesaler services, were reclassified to liabilities held for sale in conjunction with entering into the Purchase Agreement with Zimmer. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

NOTE 10—DEBT

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

	June 30, 2026	December 31, 2025
2.125% Convertible senior notes due May 2029	$ 282,124	$ 281,189
Revolving Credit Facility	81,000	91,000
Total	$ 363,124	$ 372,189

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 was as follows (in thousands):

	June 30, 2026	December 31, 2025
2.125% convertible senior notes due May 2029	$ 287,500	$ 287,500
Deferred financing costs	(5,376)	(6,311)
Total debt, net of deferred financing costs	$ 282,124	$ 281,189

As of June 30, 2026, the 2029 Notes had a market price of $999 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: (i) 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; (ii) 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; (iii) upon the occurrence of specified corporate events; or (iv) 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. As of June 30, 2026, the conditions for conversion were not met.

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.

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 June 30, 2026 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. During the year ended December 31, 2024, 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.

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 June 30, 2026, the Company was in compliance with all covenants under the Credit Agreement.

During the year ended December 31, 2025, the Company incurred financing fees of approximately $2.1 million which were recorded as a noncurrent other asset on the Company's condensed consolidated balance sheet. The financing fees are 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 $81.0 million is outstanding as of June 30, 2026 after the Company made repayments of $10.0 million during the six months ended June 30, 2026 and $10.0 million during the year ended December 31, 2025.

As of June 30, 2026, borrowings under the Revolving Credit Facility consisted entirely of term SOFR borrowings at an approximate all-in rate of 6.72%.

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.

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 year ended December 31, 2025.

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.), 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. 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.

Interest Expense

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Contractual interest expense	$ 3,045	$ 3,823	$ 6,167	$ 7,685
Amortization of debt issuance costs	521	849	1,042	1,694
Amortization of debt discount	56	23	112	45
Capitalized interest (Note 6)	—	—	—	(149)
Total	$ 3,622	$ 4,695	$ 7,321	$ 9,275
Effective interest rate on total debt	3.72 %	3.09 %	3.75 %	3.10 %

NOTE 11—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 Revolving Credit Facility reprices within a maximum of three months due to its variable interest rate terms. The fair value of the Company's Revolving Credit Facility approximates carrying value (Level 2) due to its repricing feature. The fair value of the Company's convertible senior notes 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 included in investments and other assets on the consolidated balance sheet are recorded at cost minus impairment, if any, plus or minus observable price changes of identical or similar investments.

At June 30, 2026, the carrying values and fair values of the Company's 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	$ 17,452	$ —	$ —	$ 17,452
Financial Liabilities Measured at Amortized Cost:				
2.125% convertible senior notes due 2029 [1]	$ 282,124	$ —	$ 287,322	$ —
Revolving Credit Facility	$ 81,000	$ —	$ 81,000	$ —

(1) The closing price of the Company's common stock as reported on the Nasdaq Global Select Market was $25.37 per share on June 30, 2026, compared to a conversion price of $39.56 per share. At June 30, 2026, as the conversion price was above the stock price, the requirements for conversion have not been met.

Certain assets and liabilities are measured at fair value on a non-recurring basis, including assets and liabilities acquired in a business combination and long-lived assets, which would be recognized at fair value if deemed impaired. The fair value in these instances would be determined using Level 3 inputs.

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. For the equity investments as of June 30, 2026, there have not been any impairments or upward adjustments. 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, 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]	4,189	1,674	5,863
Settled investments [1]	(8,277)	(5,322)	(13,599)
Foreign currency adjustments	(39)	—	(39)
Balance at December 31, 2025	7,750	2,500	10,250
— No activity for the six months ended June 30, 2026 —	—	—	—
Balance at June 30, 2026	$ 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. These gains were included in the condensed consolidated statement of cash flows for the six months ended June 30, 2025 within other net gains.

During the year ended December 31, 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 a contingent consideration liability related to the Flexion Acquisition in the amount of $17.5 million and $18.1 million as of June 30, 2026 and December 31, 2025, 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 June 30, 2026, the Company recognized contingent consideration charges of $1.7 million due to revisions to the latest discount rates. During the six months ended June 30, 2026, the Company recognized contingent consideration gains of $0.6 million due to a reduction in its sales forecast through the milestone expiration date of December 31, 2030, partially offset by revisions to the latest discount rates. During the three and six months ended June 30, 2025, the Company recognized contingent consideration gains of $0.4 million and $3.0 million, respectively, due to revisions to the latest discount rates. These adjustments were recorded within other operating expenses, net in the condensed consolidated statements of operations. At June 30, 2026, the weighted average discount rate was 7.8%.

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

Assumption	Ranges Utilized as of June 30, 2026
Discount rates	7.6% to 8.1%
Probability of payment for remaining regulatory milestones	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, 2024	$ 20,241
Fair value adjustments and accretion	(2,175)
Balance at December 31, 2025	18,066
Fair value adjustments and accretion	(614)
Balance at June 30, 2026	$ 17,452

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 June 30, 2026 and December 31, 2025, all of the Company's short-term investments are classified as available-for-sale investments and are determined to be Level 2 instruments which are measured at fair value using standard industry models with observable inputs, with the exception of U.S. government bonds. 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 available-for-sale investments at June 30, 2026 and December 31, 2025 (in thousands):

June 30, 2026 Investments	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Current:				
Commercial paper	$ 27,158	$ —	$ (24)	$ 27,134
Corporate bonds	18,027	—	(5)	18,022
Total	$ 45,185	$ —	$ (29)	$ 45,156

December 31, 2025 Investments	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Current:				
Commercial paper	$ 54,971	$ 18	$ (13)	$ 54,976
Corporate bonds	24,881	22	—	24,903
Total	$ 79,852	$ 40	$ (13)	$ 79,879

At June 30, 2026, 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 June 30, 2026 and December 31, 2025, the interest receivable from its available-for-sale investments recognized in prepaid expenses and other current assets was $0.2 million and $0.3 million, respectively.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, 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 June 30, 2026, three wholesalers each accounted for over 10% of the Company's accounts receivable, at 32%, 27% and 17%, which excludes the amounts that were reclassified to assets held for sale in conjunction with entering into the Purchase Agreement with Zimmer (for more information, see Note 3, *Assets and Liabilities Held for Sale*). At December 31, 2025, three wholesalers each accounted for over 10% of the Company's accounts receivable, at 32%, 23% and 17%. 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 June 30, 2026, the allowance for credit losses on the Company's accounts receivable was not material. As of December 31, 2025, there were $0.7 million of allowances for credit losses on the Company's accounts receivable.

NOTE 12—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, 2025	$ 97	$ 4,230	$ 4,327
Net unrealized loss on investments, net of tax [1]	(42)	—	(42)
Foreign currency translation adjustments	—	(1,044)	(1,044)
Balance at June 30, 2026	$ 55	$ 3,186	$ 3,241

	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]	(131)	—	(131)
Foreign currency translation adjustments	—	3,850	3,850
Balance at June 30, 2025	$ 59	$ 4,003	$ 4,062

(1) Net of a nominal tax benefit for both the six months ended June 30, 2026 and 2025, respectively.

Share Repurchase Program

On April 17, 2025, the Company announced that its board of directors approved a share repurchase program 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 six months ended June 30, 2026, the Company repurchased 2,244,553 shares of its common stock through open market transactions for $50.4 million which included less than $0.1 million of broker fees and $0.4 million of accrued excise tax. As of June 30, 2026, $100.0 million remains available for future repurchases under this authorization.

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 six months ended June 30, 2026, the Company withheld 366,650 shares of common stock to cover employee tax withholding obligations of $7.8 million for vested restricted stock units. 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 program. Retired shares of common stock are not available for future issuance under the Company's stock incentive plans.

NOTE 13—STOCK PLANS

Stock Incentive Plans

The Pacira BioSciences, Inc. Amended and Restated 2011 Stock Incentive Plan, or 2011 Plan, was originally adopted by the Company's 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 2011 Plan allows for the granting of incentive stock options, non-statutory stock options, restricted stock units, and other stock-based awards—including PSUs.

The Pacira BioSciences, Inc. Amended and Restated 2014 Inducement Plan, or as amended and restated to date, the A&R Inducement Plan, was originally approved and adopted by the Company's board of directors in April 2014, pursuant to which awards could be made to new employees as a material inducement to such persons entering into employment with the Company. The A&R Inducement Plan was amended and restated in December 2023, September 2024, January 2025 and January 2026. The January 2026 amendment and restatement added an additional 750,000 shares of the Company's common stock to bring the total amount of shares reserved for issuance under the A&R Inducement Plan to 3,060,000, of which 703,390 shares remained available for issuance as of June 30, 2026, and extended the term of the A&R Inducement Plan such that it will now expire on January 1, 2036. The A&R Inducement Plan allows for the granting of nonstatutory stock options, restricted stock awards and other stock-based awards.

The A&R Inducement Plan was adopted by the board of directors without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. In accordance with this rule, awards under the A&R 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 or 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 People and Compensation Committee of the board of directors, 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of goods sold	$ 1,809	$ 1,682	$ 3,452	$ 3,398
Research and development	2,605	2,407	4,435	4,648
Selling, general and administrative	10,544	11,383	20,610	21,979
Total	$ 14,958	$ 15,472	$ 28,497	$ 30,025
Stock-based compensation from:				
Stock options	$ 2,941	$ 4,309	$ 5,949	$ 8,749
Restricted stock units	11,159	10,681	21,303	20,287
Performance share units	560	—	696	—
Employee stock purchase plan share options	298	482	549	989
Total	$ 14,958	$ 15,472	$ 28,497	$ 30,025

Equity Awards

The following tables contain information about the Company's stock option, RSU and PSU activity for the six months ended June 30, 2026:

Stock Options	Number of Stock Options	Weighted Average Exercise Price (Per Share)
Outstanding at December 31, 2025	6,374,481	$ 40.65
Granted	300,603	22.56
Exercised	(27,947)	16.44
Forfeited	(90,771)	26.77
Expired	(432,996)	44.61
Outstanding at June 30, 2026	6,123,370	$ 39.79

	Number of		
Stock Awards	Restricted Stock Units	Performance Share Units	Weighted Average Grant Date Fair Value (Per Share)
Unvested at December 31, 2025	4,160,697	—	$ 27.87
Granted	2,245,413	202,112	21.86
Vested	(1,205,978)	—	30.60
Forfeited	(355,041)	—	26.00
Unvested at June 30, 2026	4,845,091	202,112	$ 24.43

The weighted average fair value of stock options granted during the six months ended June 30, 2026 was $12.58 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 Assumptions	Six Months Ended June 30, 2026
Expected dividend yield	None
Risk-free interest rate	4.10%
Expected volatility	56.6%
Expected term of options	5.74 years

Employee Stock Purchase Plan

In June 2026, the Company's stockholders approved an amendment to the Company's Amended and Restated 2014 Employee Stock Purchase Plan, or ESPP. The ESPP was amended to increase the number of shares of common stock that may be sold under the ESPP by an additional 800,000 shares, bringing the total amount of shares reserved for issuance under the ESPP to 1,800,000, of which 869,062 shares remained available for issuance as of June 30, 2026, and extended the term of the ESPP such that it will now expire on June 9, 2036.

The ESPP features two six-month offering periods per year, running from January 1st to June 30th and July 1st to December 31st. 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 six months ended June 30, 2026, 82,837 shares were purchased and issued through the ESPP.

NOTE 14—NET INCOME (LOSS) PER COMMON SHARE

Basic 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 PSUs 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 six months ended June 30, 2026 and 2025 (in thousands, except per common share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net income (loss)	$ 4,653	$ (4,847)	$ 7,569	$ (35)
Denominator:				
Weighted average common shares outstanding—basic	39,462	45,459	39,961	45,867
Computation of diluted securities:				
Dilutive effect of stock options	30	—	21	—
Dilutive effect of RSUs	808	—	623	—
Weighted average common shares outstanding—diluted	40,300	45,459	40,605	45,867
Net income (loss) per common share:				
Basic and diluted net income (loss) per common share	$ 0.12	$ (0.11)	$ 0.19	$ (0.00)

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Weighted average number of stock options	5,956	6,858	6,029	6,921
2025 Notes	—	2,821	—	2,821
Weighted average number of RSUs	2,256	4,703	2,127	4,417
Weighted average ESPP share options	83	101	83	102
Total	8,295	14,483	8,239	14,261

The table above does not include contingent shares associated with the 2029 Notes being convertible at a premium, nor does it include PSUs as their performance targets have not yet been achieved.

NOTE 15—INCOME TAXES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Income (loss) before income taxes:				
Domestic	$ 5,946	$ (4,214)	$ 10,113	$ 6,459
Foreign	(3,391)	2,287	(2,560)	320
Total income (loss) before income taxes	$ 2,555	$ (1,927)	$ 7,553	$ 6,779
Income tax benefit (expense)	$ 2,098	$ (2,920)	$ 16	$ (6,814)
Effective tax rate	(82)%	(152)%	— %	101 %

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 six months ended June 30, 2026 was primarily impacted by the reversal of its U.K. operating subsidiary's valuation allowance, partially offset by costs related to non-deductible stock-based compensation and non-deductible executive compensation.

The Company's effective tax rate for the three and six months ended June 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.

During the second quarter of 2026, the Company recorded a discrete benefit of $6.4 million resulting from a change in judgment regarding future-year realizability of deferred tax assets in its U.K. operations, primarily related to fixed asset temporary differences. The reduction reflects management's conclusion, based on all available positive and negative evidence, that realization of the U.K. deferred tax assets is more likely than not. As a result, the discrete benefit significantly reduced the Company's effective tax rate for the three and six months ending June 30, 2026.

In June 2026, the Company entered into the Purchase Agreement with Zimmer to divest the Company's iovera° business. The Transaction closed on July 31, 2026. The parties agreed to treat the transaction as a deemed asset sale for U.S. federal income tax purposes through an election under Section 338(h)(10) of the Internal Revenue Code. As the Transaction closed subsequent to June 30, 2026, the income tax effects of the transaction, including changes in the valuation allowance for capital-loss carryforwards, were not recognized in the income tax provisions for the three and six months ending June 30, 2026. For more information on the divestiture of iovera°, see Note 3, *Assets and Liabilities Held for Sale*.

As of both June 30, 2026 and December 31, 2025, the Company had an income taxes payable balance of $6.1 million that was included in other liabilities within the condensed consolidated balance sheet, related to unrecognized tax benefits. As of both June 30, 2026 and December 31, 2025, the Company had less than $0.1 million of current income taxes payable that was included in accrued expenses within the condensed consolidated balance sheet.

As of June 30, 2026 and December 31, 2025, the Company had income taxes receivable and prepaid income taxes of $8.4 million and $8.2 million, respectively, which were included in prepaid expenses and other current assets within the condensed consolidated balance sheet. The balances include a $4.6 million tax refund claim for estimated federal taxes made prior to the July 2025 enactment of federal legislation known as the One Big Beautiful Bill Act (the "OBBBA").

U.S. Tax Reform

The OBBBA resulted 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 was 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 had $124.6 million of a gross deferred tax asset attributed to unamortized U.S. capitalized research and development costs as of December 31, 2024, of which $62.3 million will be deductible on both its 2025 and 2026 income tax returns. There are no other material impacts to the Company related to the enactment of the OBBBA.

NOTE 16—OTHER OPERATING EXPENSES, NET

Other operating expenses, net for the six months ended June 30, 2026 and 2025 are summarized below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Divestiture-related expenses	$ 5,931	$ —	$ 5,931	$ —
Contingent consideration charges (gains)	1,663	(357)	(614)	(3,032)
Acquisition-related expenses	—	991	—	2,502
Legal settlement	—	—	—	7,000
Total other operating expenses, net	$ 7,594	$ 634	$ 5,317	$ 6,470

Divestiture-Related Expenses

The Company recognized divestiture-related expenses of $5.9 million during the three and six months ended June 30, 2026, primarily related to third-party services and legal fees associated with divesting iovera° to Zimmer. For more information, see Note 3, *Assets and Liabilities Held for Sale*.

Flexion Acquisition Contingent Consideration

The Company recognized contingent consideration charges of $1.7 million and gains of $0.6 million during the three and six months ended June 30, 2026, respectively. The Company recognized contingent consideration gains of $0.4 million and $3.0 million during the three and six months ended June 30, 2025, respectively. See Note 11, *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.

Acquisition-Related Expenses

The Company recognized acquisition-related expenses of $1.0 million and $2.5 million during the three and six months ended June 30, 2025, respectively, primarily related to third-party services and legal fees associated with the GQ Bio Acquisition.

Legal Settlement

The Company recognized $7.0 million of costs during the six months ended June 30, 2025 related to the patent infringement suits against the eVenus ANDA Filers (as defined below). For more information, see Note 17, *Commitments and Contingencies.*

NOTE 17—COMMITMENTS AND CONTINGENCIES

Legal Proceedings

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

MyoScience Milestone Litigation

In August 2020, the Company and its subsidiary, Pacira CryoTech, Inc. (“Pacira CryoTech”), filed a lawsuit in the Court of Chancery of the State of Delaware against Fortis Advisors LLC (“Fortis”), solely in its capacity as representative for the former securityholders of MyoScience and certain other defendants, seeking declaratory judgment with respect to certain terms of the merger agreement for the MyoScience Acquisition (the “MyoScience Merger Agreement”), specifically related to the achievement of certain milestone payments under the MyoScience Merger Agreement. In October 2020, Fortis filed an answer and counterclaim against the Company and Pacira CryoTech seeking to recover certain milestone payments under the MyoScience Merger Agreement.

A trial was conducted in September 2023. In January 2025, the Court issued its decision, finding that the disputed milestones were not met and therefore granted judgment to the Company in full. In March 2025, the Company filed a motion to recover 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 six months ended June 30, 2025 within the condensed consolidated statement of operations, consistent with 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 other operating expenses, net in the six months ended June 30, 2025 in the Company's condensed consolidated statement of operations.

The WhiteOak Group and Qilu Pharmaceutical Litigations

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.

On November, 26, 2025, the Company filed a patent infringement suit against WhiteOak and Qilu in the U.S. District Court of the District of Delaware (25-cv-1445) asserting infringement of U.S. Patent No. 11,033,495 (the '495 patent), U.S. Patent Nos. 11,819,574 (the '574 patent) U.S. Patent No. 12,144,890 (the '890 patent), U.S. Patent No. 12,151,024 (the '024 Patent), U.S. Patent No. 12,156,940 (the '940 patent), U.S. Patent No. 12,251,468 (the '468 Patent), U.S. Patent No. 12,296,047 (the '047 Patent), U.S. Patent No. 12,318,483 (the '483 Patent), and U.S. Patent No. 12,370,142 (the '142 Patent). On January 23, 2026 and February 5, 2026, Qilu and WhiteOak, respectively, each answered the complaint and asserted affirmative

defenses and counterclaims asserting, inter alia, invalidity, unenforceability and non-infringement. On June 24, 2026, WhiteOak amended their answer to assert counterclaims for inequitable conduct. The Company intends to vigorously defend its intellectual property rights relating to EXPAREL. The Company is unable to predict the outcome of this litigation at this time.

Securities Class Action

On January 13, 2025, Leandro Alvarez filed a putative class action on behalf of Company shareholders between August 2, 2023 and August 8, 2024 against the Company and certain of its officers, in the District Court of New Jersey (25-cv-322). The complaint alleged that the Company made materially false and misleading statements and/or concealed material adverse facts concerning EXPAREL patents. The Company filed a motion to dismiss the complaint, and in February 2026, the suit was dismissed with prejudice. An appeal was filed in March 2026 which was voluntarily dismissed with prejudice in May 2026.

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 of the Company's 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 suit was voluntarily dismissed without prejudice in May 2026.

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 U.S. Patent No. 9,585,838. Because of the disagreement over the interpretation of the agreement, in December 2021, the Company filed a declaratory judgment lawsuit in the U.S. District Court for the District of Nevada (21-cv-02241). The lawsuit sought a declaration from the court that the Company owed no royalties to RDF with respect to its EXPAREL product after December 24, 2021.

In August 2023, the U.S. District Court, District of Nevada granted the Company's motion for partial summary judgment in respect to the Company's claim for a declaration that it no longer owes royalties for EXPAREL made under its 45-liter 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 other operating expenses, net and $5.2 million was recorded within interest income in the three 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. A consolidated appeal is pending.

Other Commitments, Contingencies and Commercial Partners

LG Chem

In January 2026, the Company and LG Chem, Ltd., or LG Chem, entered into a partnership agreement to expand access to EXPAREL in select Asia–Pacific markets. Under the terms of the partnership, LG Chem has the exclusive rights to commercialize EXPAREL in the region. The Company received a $2.0 million upfront payment that it will recognize over the license term upon commercialization and will receive a contractually stated price and tiered royalties on future commercial sales by LG Chem in its licensed territories. The Company will manufacture EXPAREL and LG Chem will be responsible for securing regulatory approvals in the licensed territories. LG Chem has filed for marketing authorization in South Korea and plans to do so in Thailand in the second half of 2026.

Johnson & Johnson MedTech

In July 2025, the Company entered into a co-promotion agreement, with Johnson & Johnson MedTech, or J&J MedTech, (the "J&J Agreement"), 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 European Union, or 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 products Regulatory Agency (MHRA) to finalize the regulatory pathways for its remaining pediatric commitments.

The Company has successfully completed Part 1 of a Phase 1 pharmacokinetic pediatric study in children aged two to less than six years of age and has completed 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 11, *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 product candidate that boosts cellular production of the anti-inflammatory protein interleukin-1 receptor antagonist (IL-1Ra) for treating OA pain in the knee. PCRX-201 was added to the Company's portfolio as part of the Flexion Acquisition in November 2021. In February 2024, the FDA granted a Regenerative Medicine Advanced Therapy designation to PCRX-201.

Prior to the Flexion Acquisition, in 2017, Flexion entered into an agreement with GQ Bio to acquire the global rights to PCRX-201, a gene therapy product candidate. As part of the agreement, up to an aggregate of $56.0 million of payments could have become due upon the achievement of certain development and regulatory milestones, including up to $4.5 million through initiation of a Phase 2 clinical trial and up to an additional $51.5 million in development and global regulatory approval milestone payments. In February 2025, Pacira Therapeutics, Inc., a wholly-owned subsidiary of the Company, completed the GQ Bio Acquisition and acquired the remaining 81% of GQ Bio that was not already owned by the Company. As of the date hereof, GQ Bio is a wholly-owned subsidiary of the Company.

Also 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.

NOTE 18—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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 192,399	$ 181,099	$ 369,775	$ 350,022
Less:				
Adjusted cost of goods sold [1]	42,355	32,663	77,125	65,253
Adjusted research and development [1]	27,053	24,686	52,415	47,787
Adjusted selling and marketing [1]	52,117	50,964	110,283	106,535
Adjusted general and administrative [1]	29,148	26,231	54,860	46,840
Stock-based compensation [1]	14,958	15,472	28,497	30,025
Amortization of acquired intangible assets	14,322	14,322	28,644	28,644
Divestiture and acquisition-related expenses [2]	6,516	2,098	7,396	3,960
Changes in the fair value of contingent consideration	1,663	(357)	(614)	(3,032)
Legal settlement	—	—	—	7,000
Decommissioning of manufacturing suite	—	6,521	—	6,521
Total operating expenses	188,132	172,600	358,606	339,533
Total other expense, net	(1,712)	(10,426)	(3,616)	(3,710)
Income (loss) before income taxes	2,555	(1,927)	7,553	6,779
Income tax benefit (expense)	2,098	(2,920)	16	(6,814)
Net income (loss)	$ 4,653	$ (4,847)	$ 7,569	$ (35)

(1) The adjustments are primarily related to stock-based compensation being noted separately as a line item.
(2) During the three and six months ended June 30, 2026, the Company recognized $5.9 million of divestiture-related expenses, primarily related to third-party services and legal fees, which were recorded to other operating expenses, net in the condensed consolidated statement of operations.
In February 2025, the Company acquired the remaining 81% of GQ Bio that it did not already own. During the three and six months ended June 30, 2025, the Company incurred acquisition-related expenses of $1.0 million and $2.5 million, respectively, mainly related to third-party services and legal fees associated with the acquisition of GQ Bio, which were recorded to other operating expenses, net in the condensed consolidated statement of operations. As part of the purchase agreement, $7.8 million of expense will be recognized and paid over three years pursuant to a key employee holdback agreement in increments of 50%, 30% and 20%, respectively. This resulted in $0.6 million and $1.5 million recognized within research and development in the condensed consolidated statement of operations for the three and six months ended June 30, 2026, respectively, and $1.1 million and $1.5 million for the three and six months ended June 30, 2025, respectively.

The measure of segment assets is reported on the Company's consolidated balance sheet as total assets. Substantially all of the Company's assets are used to support its mission in delivering innovative, non-opioid pain therapies to transform the lives of patients. As of June 30, 2026 and December 31, 2025, the Company's long-lived assets were primarily located in the U.S. (81% and 83%, respectively), and, to a lesser extent, Germany (10% and 9%) and the U.K. (9% and 8%). For information on the Company's fixed assets, refer to Note 6, *Fixed Assets*.

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

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

This Quarterly Report on Form 10-Q and certain other communications made by us contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, including, without limitation, statements related to: the ability to realize the anticipated benefits of the divestiture of iovera®°; the ability of Zimmer, Inc., or Zimmer (a subsidiary of Zimmer Biomet Holdings, Inc.), to unlock the full potential of iovera°; '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 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: risks associated with acquisitions, such as the risk that the acquired businesses and/or assets 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; risks associated with divestitures; 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) and ZILRETTA® (triamcinolone acetonide extended-release injectable suspension); the rate and degree of market acceptance of EXPAREL and ZILRETTA; the size and growth of the potential markets for EXPAREL and ZILRETTA and our ability to serve those markets; our plans to expand the use of EXPAREL and ZILRETTA to additional indications and opportunities, and the timing and success of any related clinical trials for EXPAREL, ZILRETTA, and any of our other product candidates, including, but not limited to, PCRX-201 (enekinragene inzadenovec) and PCRX-2002; the commercial success of EXPAREL and ZILRETTA; 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 high-capacity adenovirus ("HCAd") vector platform; the approval of the commercialization of our products in other jurisdictions (by either us or our partners); clinical trials in support of an existing or potential HCAd-based product candidate; 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.

The forward-looking statements included in this Quarterly Report on Form 10-Q represent our views as of the filing date of this Quarterly Report on Form 10-Q. 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, 2025 (the "2025 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. We are focused in two therapeutic areas as defined by the indications within our approved commercial portfolio and the indications we are pursuing within our clinical development pipeline. One area is postsurgical pain control and the second is early intervention osteoarthritis, or OA, pain management. EXPAREL is our long-acting, non-opioid analgesic for postsurgical pain control. 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 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. ZILRETTA is our extended-release corticosteroid approved to manage OA knee pain. With a single injection, ZILRETTA can significantly reduce knee pain for three months of relief. ZILRETTA is a potential alternative to hyaluronic acid, or HA, platelet rich plasma injections or other early intervention treatments. EXPAREL and ZILRETTA are highly complementary products as long-acting, non-opioid therapies that alleviate pain. We are also advancing two Phase 2 clinical programs—PCRX-201 (enekinragene inzadenovec), a novel, locally administered gene therapy for the treatment of OA of the knee, and PCRX-2002, a complementary, long-acting formulation of the non-opioid analgesic ropivacaine for postsurgical pain control. 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.

We expect to continue to invest in commercial resources to expand the utilization of EXPAREL and ZILRETTA; advance regulatory activities for EXPAREL and ZILRETTA, and progress our clinical-stage product candidates—including PCRX-201 and PCRX-2002; expand and enhance our commercial manufacturing efficiencies; invest in new products, businesses and technologies through business development; and support legal matters.

In July 2026, we completed the divestiture of iovera°, a handheld cryoanalgesia device that delivers immediate, long-acting, drug-free pain control using precise, controlled doses of cold temperature to a targeted nerve, to Zimmer, Inc., a subsidiary of Zimmer Biomet Holdings, Inc. ("Zimmer"). For more information, see Note 3, *Assets and Liabilities Held for Sale*, to our condensed consolidated financial statements included herein.

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, the imposition of tariffs or increases in the prices of commodities, such as fuel, 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 negative impacts on gross margins, longer lead-times or the inability to procure a sufficient supply of materials.

While we have not experienced a material impact from tariffs to date, the current macroeconomic environment remains dynamic and subject to rapid and potentially material change. Our business may be adversely impacted by ongoing risks associated with global macroeconomic conditions, including international relations and trade disputes. In particular, EXPAREL and ZILRETTA are manufactured into finished dosage by a contract development and manufacturing organization in the United Kingdom, or U.K., and the active pharmaceutical ingredients, or API, for both products are sourced primarily from the European Union, or E.U., or Switzerland. On April 2, 2026, the President of the U.S. issued a proclamation under Section 232 of the Trade Expansion Act of 1962, imposing tariffs on certain pharmaceutical products imported to the U.S. This order (the "Presidential Order") applies to patented pharmaceutical products, associated APIs and other products classified under Harmonized Tariff Schedule (HTS) U.S. codes listed in Annex I. The Presidential Order imposes country-specific tariffs, including 15% tariffs on certain products imported from the E.U., Japan, South Korea, Switzerland and Liechtenstein; and a 10% tariff on products imported from the U.K. with a potential reduction to 0%, subject to a future U.S. and U.K. pharmaceutical pricing agreement. Patented pharmaceutical products imported from certain other countries may be subject to tariffs of up to 100%. As a result, we expect tariffs will impact our products and/or their ingredients imported into the U.S. However, tariff rates can change quickly and unexpectedly. We will continue to monitor developments and assess any potential impacts and related trade measures on our business and supply chain.

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 previous imposition of tariffs and 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.

We currently expect that tariffs will have a negative impact on gross margins. We are currently evaluating the magnitude of this impact but are unable to quantify the expected impact with specificity at this time due to the rapidly changing political policy environment. 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. 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.

Recent Highlights

- In June 2026, we entered into a Stock and Asset Purchase Agreement with Zimmer to divest iovera° for up to $140.0 million, including an upfront payment of $70.0 million and potential contingent consideration of up to an additional $70.0 million in the aggregate, payable upon the achievement of revenue-based milestones up to and through the period ending December 31, 2031 (the "Transaction"). The Transaction closed on July 31, 2026, in which we received cash of $73.6 million, after customary purchase price adjustments. Going forward, we will collaborate with Zimmer on advancing the iovera° spasticity program with an opportunity for us to receive incremental compensation assuming successful completion of a registrational study and subsequent regulatory approval. We also entered into a customary transition services agreement with Zimmer in connection with the closing.

  We believe this transaction advances our transition into an innovative biopharmaceutical company and aligns with our 5x30 strategy and that Zimmer's global scale, established expertise commercializing medical devices and commitment to significantly expanding access can unlock the full potential of iovera° to benefit more patients and providers globally.

  For more information, see Note 3, *Assets and Liabilities Held for Sale*, to our condensed consolidated financial statements included herein.
- In June 2026, Thomas Wiggans was elected by stockholders to our board of directors. Mr. Wiggans brings with him more than 40 years of leadership experience across commercial operations, corporate strategy and executive management within the global life sciences industry, as well as significant experience leading biopharmaceutical companies through successful acquisitions. Mr. Wiggans has served as chief executive officer of four biopharmaceutical companies with successful exits through acquisition or strategic transactions, and most notably co-founded Dermira, Inc. in 2010 and was its chief executive officer and chairman until its acquisition by Eli Lilly in 2020. Mr. Wiggans was concurrently appointed to the People and Compensation Committee and Nominating, Governance and Sustainability Committee of our board of directors.
- In July 2026, we announced that UnitedHealthcare—the largest health insurer in the U.S. with approximately 40 million covered lives—now provides separate reimbursement for EXPAREL across outpatient settings, including hospital outpatient departments and ambulatory surgery centers. This update enables EXPAREL to be reimbursed outside of the surgical bundle for eligible UnitedHealthcare members, representing an additional step in expanding access to non-opioid postsurgical pain management options. With this addition, UnitedHealthcare joins a growing list of national payers, including Aetna, Cigna, TRICARE and Humana, as well as numerous regional plans that provide separate reimbursement for EXPAREL. In total, approximately 150 million covered lives in the U.S. now have access to separate reimbursement for EXPAREL, representing roughly half of all medically insured lives nationwide. This ensures patients have greater access to safe, effective pain management options during and after surgery without the burden of financial barriers.
- In July 2026, we announced that we have successfully transitioned PCRX-201 (enekinragene inzadenovec), our investigational locally administered gene therapy for OA of the knee, to a U.S.-based scalable commercial manufacturing process intended to support future registrational development and commercialization. With drug product from the new manufacturing process now available, we are currently screening subjects for Part B of our Phase 2 ASCEND study. Enrollment in Part A of ASCEND concluded in June 2026, with topline data expected by the end of this year.

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 across 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 completed 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 and concluded patient enrollment in April 2026. If the study is successful, we plan to seek approval to expand the ZILRETTA label to include OA pain of the shoulder, which could make ZILRETTA the first product with such an on-label indication.

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.

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 total knee arthroplasty, or 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 ZILRETTA and EXPAREL, along with iovera° and comparator treatments. In addition, the IGOR registry is tracking outcomes for OA and TKA related to our product candidates PCRX-201 and PCRX-2002.

The Osteoarthritis Market

OA is the most common form of arthritis. It is also called degenerative joint disease and occurs most frequently in the knees, hips, hands and spine. 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 ZILRETTA based on patient factors and preference, physician training, site of care and reimbursement considerations.

The Unmet Need in Osteoarthritis of the Knee

OA knee pain has a significant impact on patients' health and quality of life. Patients report being unable to engage in basic everyday tasks, such as climbing stairs, getting in and out of a car or participating in social activities. The pain associated with OA of the knee can impact individuals' ability to sleep, work and exercise, resulting in serious impacts on overall patient health and quality of life.

The patient journey for OA knee pain often spans decades, and requires ongoing management across multiple stages of disease progression. Current treatments target symptoms through lifestyle modifications, physical therapy and pharmacological treatments, such as over-the-counter or prescription nonsteroidal anti-inflammatory drugs (NSAIDS) and intraarticular corticosteroids or HA. Ultimately, late-stage disease often leads to surgical intervention, such as TKA.

The lack of available safe and novel disease modifying treatments for OA of the knee highlights the high unmet need. As the U.S. population ages, the number of OA patients is increasing, and trends in recent years towards younger onset of disease mean that in the absence of a disease modifying therapy for OA, more patients will likely progress to disability and TKA. This would become an increasing burden not only for these patients, but for the healthcare system as well.

On the basis of the high prevalence of OA, its associated morbidity and excess mortality and the lack of therapies that can reverse, slow or stop the degenerative processes of OA, in 2018 the FDA recognized OA as a serious disease with significant unmet medical need.

ZILRETTA has demonstrated significant, durable relief of OA knee pain out to three months and, as such, is addressing an important unmet need among patients, physicians and healthcare payers. In addition, we are advancing a Phase 2 clinical study of our lead clinical asset, PCRX-201 (enekinragene inzadenovec), in moderate to severe knee OA as discussed below.

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;
- Genetic medicines based on the HCAd platform can be administered locally and have the potential for redosing at therapeutically appropriate intervals; and

- 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 will 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 Outcome 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).

We have completed patient enrollment in Part A of the study with a total of 49 patients randomized. We are currently screening subjects for Part B of the Phase 2 ASCEND study. 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 expect to report topline twelve-month data results from Part A of the ASCEND study before the end of 2026.

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

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.

We also recently received an important validation of our PCRX-201 program with the acceptance of a Phase 1 manuscript for publication. The publication will appear in the *Annals of the Rheumatic Diseases*, a world-leading peer-reviewed rheumatology journal. The paper highlights the encouraging results from the 72-patient Phase 1 study supporting further development of PCRX-201.

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 are also advancing a preclinical program for PCRX-1001 in canine OA, recently completed a pilot safety study and our pilot efficacy study is now initiating. We believe this indication offers significant out-licensing potential.

PCRX-2002

In November 2025, we announced an exclusive worldwide license agreement with AmacaThera, Inc., or AmacaThera, a clinical-stage biotechnology company specializing in drug delivery, for the development and commercialization of PCRX-2002 (previously known by AmacaThera as AMT-143). PCRX-2002 is a long-acting formulation of the non-opioid analgesic ropivacaine for postsurgical pain. It is a slow-release, non-opioid local analgesic providing long-acting post-operative pain relief. PCRX-2002 is administered via instillation at the time of the surgery and utilizes 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, PCRX-2002 demonstrated sustained release of ropivacaine through 14 days. We expect to initiate a Phase 2 program in bunionectomy later this year in Canada.

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

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Global Expansion

In January 2026, we and LG Chem, Ltd., or LG Chem, entered into a partnership agreement to expand access to EXPAREL in select Asian–Pacific markets. Under the terms of the partnership, LG Chem has the exclusive rights to commercialize EXPAREL in the region. We will receive a contractually stated price and tiered royalties on future commercial sales by LG Chem in its licensed territories. We will manufacture EXPAREL and LG Chem will be responsible for securing regulatory approvals in the licensed territories. LG Chem has filed for marketing authorization in South Korea and plans to do so in Thailand in the second half of 2026. We currently expect that revenue under this partnership will begin in 2027 and extend into the mid-2040s.

Results of Operations

Comparison of the Three and Six Months Ended June 30, 2026 and 2025

Revenues

Our net product sales are primarily within the U.S. and consist of EXPAREL, ZILRETTA and sales of bupivacaine liposome injectable suspension for veterinary use. Royalty revenues are related to the sale of bupivacaine liposome injectable suspension for veterinary use. In June 2026, we entered into a Stock and Asset Purchase Agreement with Zimmer to divest iovera°. Net product sales of iovera° will be recognized through the completion of the Transaction on July 31, 2026, after which we will no longer recognize revenue associated with iovera°.

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

	Three Months Ended June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Net product sales:						
EXPAREL	$ 147,823	$ 142,917	3%	$ 291,097	$ 279,446	4%
ZILRETTA	32,648	31,334	4%	59,415	54,672	9%
iovera°	6,806	5,588	22%	12,982	10,711	21%
Bupivacaine liposome injectable suspension	3,216	508	100+%	4,375	3,112	41%
Total net product sales	190,493	180,347	6%	367,869	347,941	6%
Royalty revenue	1,906	752	100+%	1,906	2,081	(8)%
Total revenues	$ 192,399	$ 181,099	6%	$ 369,775	$ 350,022	6%

EXPAREL revenue increased 3% and 4% in the three and six months ended June 30, 2026 versus 2025, respectively. Components of the increase included a 4% and 6% increase in gross vial volume in the three and six months ended June 30, 2026 versus 2025, respectively, partially offset by a shift in product mix, and a less than 1% lower net selling price in both periods, as group purchasing organization contracting discounts more than offset a price increase.

ZILRETTA revenue increased 4% and 9% in the three and six months ended June 30, 2026 versus 2025, respectively, due to respective 2% and 6% increases in kit volume and 2% and 3% increases in net selling price primarily due to price increases, partially offset by higher customer discounting.

Net product sales of iovera° increased 22% and 21% in the three and six months ended June 30, 2026 versus 2025, respectively, driven by increases in Smart Tip volume of 19% and 23%, partially offset by decreases in Smart Tip net selling price of 2% and 3%. In June 2026, we entered into a Stock and Asset Purchase Agreement with Zimmer to divest iovera° for up to $140.0 million, including an upfront payment of $70.0 million. In July 2026, we received an upfront payment of $73.6 million from the closing of the Transaction that divested iovera° to Zimmer, consisting of an upfront payment of $70.0 million and $3.6 million of adjustments for cash, accounts receivable, indebtedness, transaction expenses and inventory. The Transaction closed on July 31, 2026, after which we will no longer recognize revenue associated with iovera°. For more information, see Note 3, *Assets and Liabilities Held for Sale*, to our condensed consolidated financial statements included herein.

Bupivacaine liposome injectable suspension revenue increased by more than 100% and 41% in the three and six months ended June 30, 2026 versus 2025, respectively, due to supply price increases and the timing of orders placed by our commercial partner for veterinary use. The related royalties also increased by more than 100% and decreased 8% in the three and six months ended June 30, 2026 versus 2025, 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 six months ended June 30, 2026 and 2025 (in thousands):

June 30, 2026	Returns Allowances	Prompt Payment Discounts	Service Fees	Customer Rebates and Chargebacks	Government Rebates	Total
Balance at December 31, 2025	$ 2,159	$ 1,574	$ 5,021	$ 6,394	$ 1,719	$ 16,867
Provision	1,530	7,607	14,225	99,027	1,724	124,113
Payments	(1,524)	(7,441)	(13,075)	(97,778)	(1,329)	(121,147)
Balance at June 30, 2026	$ 2,165	$ 1,740	$ 6,171	$ 7,643	$ 2,114	$ 19,833

June 30, 2025	Returns Allowances	Prompt Payment Discounts	Service Fees	Customer Rebates and Chargebacks	Government Rebates	Total
Balance at December 31, 2024	$ 1,600	$ 1,308	$ 4,875	$ 4,863	$ 1,707	$ 14,353
Provision	702	6,918	11,189	76,044	1,813	96,666
Payments	(267)	(6,838)	(11,320)	(76,113)	(1,815)	(96,353)
Balance at June 30, 2025	$ 2,035	$ 1,388	$ 4,744	$ 4,794	$ 1,705	$ 14,666

Total reductions of gross product sales from sales-related allowances and accruals were $124.1 million and $96.7 million, or 25.2% and 21.7% of gross product sales, for the six months ended June 30, 2026 and 2025, respectively. The overall 3.5% 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 and increased product returns due to weather-related disruptions in the first quarter of 2026.

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 June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Cost of goods sold (exclusive of amortization of acquired intangible assets)	$ 44,164	$ 40,866	8%	$ 80,577	$ 75,172	7%
Gross margin	77 %	77 %		78 %	79 %	

Gross margin was flat and decreased one percentage point in the three and six months ended June 30, 2026 versus 2025, respectively, due to higher EXPAREL product costs resulting from lower production volumes. Production volumes were higher in the prior year in order to achieve higher inventory levels to meet increased demand. This was substantially offset by fewer inventory reserves and less downtime in the current year.

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 PCRX-2002 and stock-based compensation expense. Clinical and preclinical development expenses include costs for clinical personnel, clinical trials performed by third-parties, materials and supplies, database management and other third-party fees. Product development expenses include development costs for our products, which include personnel, research equipment, materials and contractor costs for process development and product candidates, 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 performance share units, or PSUs, and our employee stock purchase plan, or ESPP. Additionally, as part of the acquisition of GQ Bio Therapeutics GmbH, or GQ Bio, in February 2025 (the "GQ Bio Acquisition"), expenses related to a key employee holdback are also included in product development.

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 June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Clinical and preclinical development	$ 10,794	$ 14,119	(24)%	$ 23,664	$ 26,726	(11)%
Product development	13,390	9,028	48%	23,715	17,457	36%
Regulatory and other	3,454	2,646	31%	6,501	5,062	28%
Stock-based compensation	2,605	2,407	8%	4,435	4,648	(5)%
Total research and development expense	$ 30,243	$ 28,200	7%	$ 58,315	$ 53,893	8%
% of total revenues	16 %	16 %		16 %	15 %	

Total R&D expense increased 7% and 8% in the three and six months ended June 30, 2026 versus 2025, respectively.

Clinical and preclinical development expense decreased 24% and 11% in the three and six months ended June 30, 2026 versus 2025, respectively, primarily due to the completion of patient enrollment in Part A of our PCRX-201 Phase 2 ASCEND trial for knee OA, the ZILRETTA Shoulder OA trial, the iovera° Spasticity trial, as well as completion of an EXPAREL Phase 1 trial for intrathecal administration. Additional reductions were driven by fewer Investigator Initiated Trial (IIT) milestones achieved. In the three months ended June 30, 2026 versus 2025, these decreases were partially offset by start-up expenses related to the PCRX-2002 Phase 2 bunionectomy trial. For the six months ended June 30, 2026 versus 2025, these decreases were also partially offset by ongoing enrollment in cohort 2 of our EXPAREL pediatric trial.

Product development expense increased 48% and 36% in the three and six months ended June 30, 2026 versus 2025, respectively, due to continued investment in our HCAd platform, primarily for the PCRX-201 program. In addition, we recorded $0.6 million and $1.5 million in the three and six months ended June 30, 2026, respectively, related to a key employee holdback from the GQ Bio Acquisition.

Regulatory and other expense increased 31% and 28% in the three and six months ended June 30, 2026 versus 2025, respectively, due to increased headcount within the function, as well as additional subjects enrolled in the IGOR registry study.

Stock-based compensation expense increased 8% in the three months ended June 30, 2026 versus 2025 primarily due to the acceleration of stock-based compensation awards related to a terminated employee. Stock-based compensation decreased 5% in the six months ended June 30, 2026 versus 2025 primarily due to the forfeiture of equity awards in the current periods.

Selling, General and Administrative Expenses

Sales and marketing expenses primarily consist of compensation and benefits for our sales force and personnel that support our commercial, sales, marketing, medical and scientific affairs operations, and insights and analytics. They also include expenses related to the commercialization of our products —including marketing, 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, awards of RSUs, PSUs 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 June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Sales and marketing	$ 52,117	$ 50,964	2%	$ 110,283	$ 106,535	4%
General and administrative	29,148	26,231	11%	54,860	46,840	17%
Stock-based compensation	10,544	11,383	(7)%	20,610	21,979	(6)%
Total selling, general and administrative expense	$ 91,809	$ 88,578	4%	$ 185,753	$ 175,354	6%
% of total revenues	48 %	49 %		50 %	50 %	

Total selling, general and administrative expense increased 4% and 6% in the three and six months ended June 30, 2026 versus 2025, respectively.

Sales and marketing expense increased 2% and 4% in the three and six months ended June 30, 2026 versus 2025, respectively. The increase in the six months ended June 30, 2026 was driven by expanding our market access and reimbursement teams to strengthen our key commercial capabilities and execute on commercial payer separate reimbursement for EXPAREL.

General and administrative expense increased 11% and 17% in the three and six months ended June 30, 2026 versus 2025, respectively, primarily driven by a 2025 recovery of $5.2 million in legal expenses related to litigation pertaining to the acquisition of MyoScience, Inc., third party investor relations advisory services, as well as increased headcount in our business development, procurement and legal departments. The three months ended June 30, 2026 included additional costs related to the solicitation of proxies in connection with a contested election of directors at our 2026 annual meeting of stockholders that we would not typically have incurred in the absence of a contested election.

Stock-based compensation expense decreased 7% and 6% for the three and six months ended June 30, 2026 versus 2025, respectively, primarily due to the prior year equity compensation related to our former Chief Executive Officer whose post-employment consulting services ceased in August 2025.

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 Abbreviated New Drug Application (ANDA) to the FDA seeking authorization from the FDA to manufacture, use or sell a generic version of EXPAREL in the U.S. In November 2025, we filed a patent infringement suit against WhiteOak and Qilu. As a result, we have incurred and expect to continue to incur additional legal costs to defend our intellectual property, although we cannot predict the extent of costs or the outcome of this matter at this time. For more information, see Note 17, *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 June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Amortization of acquired intangible assets	$ 14,322	$ 14,322	—%	$ 28,644	$ 28,644	—%

As part of the acquisitions of Flexion Therapeutics, Inc., or Flexion, (in 2021) and MyoScience, Inc. (in 2019), we acquired intangible assets consisting of developed technology intangible assets and customer relationships. In June 2026, $53.2 million, net, of developed technologies and a nominal amount of customer relationships related to iovera° from the acquisition of MyoScience, Inc. were reclassified to assets held for sale in conjunction with entering into the Purchase Agreement with Zimmer. Amortization on these intangible assets ceased being recorded at the time the assets were classified as held for sale. As such, the amount of amortization of acquired intangible assets will decrease during the second half of 2026,

assuming no changes in the gross carrying value of our remaining intangible assets. For more information, see Note 8, *Goodwill and Intangible Assets*, to our condensed consolidated financial statements included herein.

Other Operating Expenses (Gains), Net

The following table provides a summary of the costs related to the other operating expenses, net during the periods indicated, including percent changes (dollar amounts in thousands):

	Three Months Ended June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Divestiture-related expenses	$ 5,931	$ —	N/A	$ 5,931	$ —	N/A
Contingent consideration charges (gains)	1,663	(357)	N/A	(614)	(3,032)	(80)%
Acquisition-related expenses	—	991	(100)%	—	2,502	(100)%
Legal settlement	—	—	N/A	—	7,000	(100)%
Total other operating expenses, net	$ 7,594	$ 634	100+%	$ 5,317	$ 6,470	(18)%

Total other operating expenses, net significantly increased in the three months ended June 30, 2026 versus 2025. Total other operating expenses, net decreased 18% in the six months ended June 30, 2026 versus 2025.

During the three and six months ended June 30, 2026, we recognized divestiture-related expenses of $5.9 million, primarily related to third-party services and legal fees associated with divesting iovera°. For more information, see Note 3, *Assets and Liabilities Held for Sale,* to our condensed consolidated financial statements included herein.

During the three months ended June 30, 2026, we recognized contingent consideration charges of $1.7 million due to revisions to the latest discount rates. During the six months ended June 30, 2026, we recognized contingent consideration gains of $0.6 million due to a reduction in our sales forecast through the milestone expiration date of December 31, 2030, partially offset by revisions to the latest discount rates. During the three and six months ended June 30, 2025, we recognized contingent consideration gains of $0.4 million and $3.0 million, respectively, primarily due to revisions to the latest discount rates.

During the three and six months ended June 30, 2025, we recognized acquisition-related expenses of $1.0 million and $2.5 million, respectively, primarily related to third-party services and legal fees associated with the GQ Bio Acquisition.

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

For more information on these events, see Note 11, *Financial Instruments,* Note 16, *Other Operating Expenses (Gains), Net* and Note 17, *Commitments and Contingencies,* to our condensed consolidated financial statements included herein.

Other Expense, Net

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

	Three Months Ended June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Interest income	$ 1,944	$ 5,008	(61)%	$ 3,874	$ 11,903	(67)%
Interest expense	(3,622)	(4,695)	(23)%	(7,321)	(9,275)	(21)%
Other, net	(34)	(10,739)	(100)%	(169)	(6,338)	(97)%
Total other expense, net	$ (1,712)	$ (10,426)	(84)%	$ (3,616)	$ (3,710)	(3)%

During the three and six months ended June 30, 2026, total other expense, net was $1.7 million and $3.6 million, respectively. During the three and six months ended June 30, 2025, total other expense, net was $10.4 million and $3.7 million, respectively.

Interest income decreased 61% and 67% in the three and six months ended June 30, 2026 versus 2025, respectively, due to interest realized in the prior year on a GQ Bio note receivable investment we had made prior to the GQ Bio Acquisition as well as lower overall investment balances and interest rates.

Interest expense decreased 23% and 21% in the three and six months ended June 30, 2026 versus 2025, respectively, primarily due to lower outstanding debt principal driven by the repayment of the 2025 Notes (as defined herein) in the third quarter of 2025. For more information, see Note 10, *Debt*, to our condensed consolidated financial statements included herein.

The $10.7 million and $6.3 million other net loss during the three and six months ended June 30, 2025, respectively, was primarily driven by an impairment of an equity investment and convertible note receivable totaling $11.0 million. For the six months ended June 30, 2025, the other net loss was 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 11, *Financial Instruments*, to our condensed consolidated financial statements included herein.

Income Tax Benefit (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 June 30,		% Increase / (Decrease)	Six Months Ended June 30,		% Increase / (Decrease)
	2026	2025		2026	2025	
Income (loss) before income taxes	$ 2,555	$ (1,927)	N/A	$ 7,553	$ 6,779	11%
Income tax benefit (expense)	$ 2,098	$ (2,920)	N/A	$ 16	$ (6,814)	(100)%
Effective tax rate	(82)%	(152)%		0 %	101 %	

We recorded income tax benefits of $2.1 million and less than $0.1 million for the three and six months ended June 30, 2026, respectively. We recorded income tax expense of $2.9 million and $6.8 million for the three and six months ended June 30, 2025, respectively.

The effective tax rates of (82)% and 0% for the three and six months ended June 30, 2026, respectively, differed from the U.S. statutory rate of 21% primarily due to the reversal of our U.K. operating subsidiary's valuation allowance, partially offset by costs related to non-deductible executive compensation and non-deductible stock-based compensation.

The effective tax rates of (152)% and 101% for the three and six months ended June 30, 2025, respectively, differed from the U.S. statutory rate of 21% primarily due to costs related to non-deductible stock-based compensation, non-deductible executive compensation and a non-U.S. valuation allowance.

During the second quarter of 2026, a discrete benefit of $6.4 million was recorded resulting from a change in judgment regarding future-year realizability of deferred tax assets in our U.K. operations, primarily related to fixed asset temporary differences. The reduction reflects our conclusion, based on all available positive and negative evidence, that realization of the U.K. deferred tax assets is more likely than not. The discrete benefit significantly reduced our effective tax rate for the three and six months ended June 30, 2026.

In June 2026, we entered into a Stock and Asset Purchase Agreement with Zimmer to divest our iovera° business. The Transaction closed on July 31, 2026. Both parties agreed to treat the transaction as a deemed asset sale for U.S. federal income tax purposes through an election under Section 338(h)(10) of the Internal Revenue Code. As the Transaction closed subsequent to June 30, 2026, the income tax effects of the transaction, including changes in the valuation allowance for capital-loss carryforwards, were not recognized in the income tax provisions for the three and six months ended June 30, 2026. For more information, see Note 3, *Assets and Liabilities Held for Sale*, to our condensed consolidated financial statements included herein.

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 acquisition of Flexion Therapeutics, Inc. in November 2021 and GQ Bio in February 2025 to further develop PCRX-201 and establish our HCAd platform, as well as completing other strategic acquisitions of companies, products and product candidates. 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 and product sales. As of June 30, 2026, we had an accumulated deficit of $191.8 million, cash and cash equivalents and available-for-sale investments of $251.0 million and working capital of $493.2 million.

In July 2026, we received an upfront payment of $73.6 million from the closing of the Transaction that divested iovera° to Zimmer, consisting of an upfront payment of $70.0 million and $3.6 million of adjustments for cash, accounts receivable, indebtedness, transaction expenses and inventory.

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):

	Six Months Ended June 30,	
Condensed Consolidated Statements of Cash Flows Data:	**2026**	**2025**
Net cash provided by (used in):		
Operating activities	$ 83,140	$ 47,471
Investing activities	31,200	36,534
Financing activities	(67,048)	(60,499)
Effect of exchange rate changes on cash and cash equivalents	38	204
Net increase in cash and cash equivalents	$ 47,330	$ 23,710

Operating Activities

During the six months ended June 30, 2026, net cash provided by operating activities was $83.1 million, compared to $47.5 million during the six months ended June 30, 2025. The increase of $35.7 million was primarily attributable to an initiative to increase inventory days on hand in 2025 and was partially offset by fewer receipts on our accounts receivable due to the extension of payment terms in 2026 and the recovery of $5.2 million in legal expenses received in 2025.

Investing Activities

During the six months ended June 30, 2026, net cash provided by investing activities was $31.2 million, which reflected $35.6 million of inflows from available-for-sale investment sales (net of purchases), partially offset by $4.1 million of capital expenditures.

During the six months ended June 30, 2025, net cash provided by investing activities was $36.5 million, which reflected $65.7 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 $11.2 million of capital expenditures for manufacturing product fill lines and the build-out of our new corporate headquarters in Brisbane, California.

Financing Activities

During the six months ended June 30, 2026, net cash used in financing activities was $67.0 million, which primarily consisted of $50.0 million in repurchases of common stock under a $300.0 million share repurchase program; $10.0 million in repayments of the Revolving Credit Facility (as defined herein); $7.8 million to withhold shares of common stock to cover employee tax withholding obligations on restricted stock unit vests, as well as $1.3 million of excise taxes paid on repurchases of our common stock. Partially offsetting these uses were proceeds of $1.7 million from the issuance of common stock through our ESPP and $0.5 million from the exercise of stock options.

During the six months ended June 30, 2025, net cash used in financing activities was $60.5 million, which primarily consisted of $50.0 million in purchases of treasury stock under the then-new $300.0 million share repurchase program authorized by our board of directors in April 2025, $6.6 million of voluntary prepayments associated with the TLA Term Loan, 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.

See Note 10, *Debt*, to our condensed consolidated financial statements included herein for further discussion of the TLA Term Loan and the Revolving Credit Facility. For more information on our share repurchase program, see Note 12, *Stockholders' Equity*, to our condensed consolidated financial statements included herein.

Debt

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 June 30, 2026, all $287.5 million of principal was outstanding on the 2029 Notes. See Note 10, *Debt*, to our condensed consolidated financial statements included herein for further discussion.

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 June 30, 2026, 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 $81.0 million is outstanding as of June 30, 2026. We made repayments of $10.0 million during the six months ended June 30, 2026.

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 from the date of this filing. 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 11, *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. Per the terms of the 2029 Notes, we will settle the principal in cash. For any excess conversion value, holders may receive cash, shares of our common stock or a combination of cash and shares of our common stock, at our option;
- the costs and our ability to successfully continue to expand the commercialization of EXPAREL and ZILRETTA;
- 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, PCRX-2002 and other clinical-stage product candidates;
- 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 2025 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, 2025.

Contractual Obligations

In June 2026, we entered into a new lease obligation in Brisbane, California of approximately $8.0 million to retain our principal executive offices and corporate headquarters through 2036.

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 2025 Annual Report. For more information on our contractual obligations and commercial commitments, see Part II, Item 7 in our 2025 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 June 30, 2026 by approximately $0.1 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 June 30, 2026, the estimated fair value of the 2029 Notes was $999 per $1,000 principal amount. See Note 10, *Debt*, to our condensed consolidated financial statements included herein for further discussion of our 2029 Notes, which bear interest at a fixed rate. At June 30, 2026, $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 $81.0 million is outstanding as of June 30, 2026. As of June 30, 2026, borrowings under the Revolving Credit Facility consisted entirely of term SOFR borrowings at an approximate all-in rate of 6.72%. A hypothetical 100 basis point increase in interest rates would increase interest expense over the next 12 months by approximately $0.8 million based on the balance outstanding for these borrowings as of June 30, 2026.

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 June 30, 2026.

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 June 30, 2026 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 17, *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 2025 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 2025 Annual Report. The risks described in our 2025 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.

We may not realize the anticipated benefits of the divestiture of iovera°.

We may continue to incur costs or liabilities related to the divestiture of iovera°, including, among other things, obligations under a transition services agreement, indemnification provisions or other contractual commitments. The divestiture of iovera° also may divert management attention, result in higher-than-anticipated costs or disrupt our ongoing operations. Further, the divestiture may not achieve our anticipated strategic, operational or financial objectives, including allowing us to focus resources on our core business, improving our operating results and financial condition.

If we fail to realize the expected benefits of the divestiture of iovera°, do not receive any or all of the $70.0 million of potential revenue-based milestone payments or incur greater-than-expected costs or liabilities in connection with the divestiture, our business, financial condition, results of operations and cash flows could be materially adversely affected.

We may not receive some or all of the potential revenue-based milestone payments associated with the divestiture of iovera°.

There can be no assurance that any or all of the $70.0 million of potential revenue-based milestone payments (as outlined below) will ever be achieved or become payable to us. The achievement of the applicable milestones depends on numerous factors outside of our control, including, among other things, Zimmer's commitment of financial and operational resources, clinical and regulatory outcomes, manufacturing capabilities, commercialization efforts, market acceptance, competitive dynamics, strategic decisions and other business priorities, among other things.

The potential revenue-based milestone payments associated with the divestiture of iovera° to Zimmer consist of:

- If net revenue from the sale of the current version of iovera° available for sale to end users as of the closing date of the iovera° divestiture transaction (the "Business Products") during any of the five (5) calendar year periods commencing on January 1, 2027 through December 31, 2031 (each an "Applicable Milestone Period") equals or exceeds $50.0 million, we will receive $18.5 million.
- If net revenue from the sale of the Business Products during any Applicable Milestone Period equals or exceeds $60.0 million, we will receive $23.5 million.
- If net revenue from the sale of the Business Products during any Applicable Milestone Period equals or exceeds $70.0 million, we will receive $28.0 million.
- If net revenue from the sale of the Business Products during any single year equals or exceeds the sum of any two or more milestones, then the highest applicable milestone payment shall be paid with respect to such year.

As a result, actions taken or not taken by Zimmer may delay, reduce or eliminate our ability to receive some or all of the potential revenue-based milestone payments, which expire on December 31, 2031 if not met.

For more information on the divestiture of iovera° to Zimmer, see Note 3, *Assets and Liabilities Held for Sale*, to our condensed consolidated financial statements included herein.

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

None.

Item 3. *DEFAULTS UPON SENIOR SECURITIES*

None.

Item 4. *MINE SAFETY DISCLOSURES*

Not applicable.

Item 5. ***OTHER INFORMATION***

Rule 10b5-1 Trading Plans

During the quarter ended June 30, 2026, no director or executive officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. ***EXHIBITS***

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

Exhibit Number	Description
2.1	Stock and Asset Purchase Agreement by and between Pacira BioSciences, Inc., Pacira CryoTech, Inc. and Zimmer, Inc.* #
10.1	Executive Employment Agreement, dated January 21, 2025, by and between Pacira Pharmaceuticals, Inc. and Brendan Teehan.* †
10.2	Amended and Restated 2014 Employee Stock Purchase Plan.(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 June 30, 2026, 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.

\# Certain schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K under the Securities Exchange Act of 1934, as amended. The Registrant hereby undertakes to supplementally furnish copies of any omitted schedules to the Securities and Exchange Commission upon request.

(1) Incorporated by reference to the Registrant's Current Report on Form 8-K, filed on June 11, 2026.

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:	August 4, 2026	By:	/s/ FRANK D. LEE
			Frank D. Lee
			Chief Executive Officer and Director
			(Principal Executive Officer)
Date:	August 4, 2026	By:	/s/ SHAWN M. CROSS
			Shawn M. Cross
			Chief Financial Officer
			(Principal Financial Officer)

Exhibit 2.1

EXECUTION VERSION

STOCK AND ASSET PURCHASE AGREEMENT DATED AS OF JUNE 28, 2026

AMONG ZIMMER, INC.,

PACIRA BIOSCIENCES, INC.,

AND

PACIRA CRYOTECH, INC.

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Schedule 7.8 — Spasticity Collaboration Terms

STOCK AND ASSET PURCHASE AGREEMENT

This STOCK AND ASSET PURCHASE AGREEMENT (this "Agreement") is made as of June 28, 2026 among (i) Zimmer, Inc., a Delaware corporation ("Purchaser"), (ii) Pacira BioSciences, Inc., a Delaware corporation ("Seller"), and (iii) Pacira CryoTech, Inc., a Delaware corporation (the "Company"). Purchaser, Seller, and the Company are referred to collectively as the "Parties." Capitalized terms used but not otherwise defined in this Agreement have the meanings ascribed to those terms in Article I.

RECITALS

WHEREAS, Seller owns all of the issued and outstanding capital stock of the Company (the "Shares");

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, all of the Shares;

WHEREAS, Pacira Pharmaceuticals, Inc. ("PPI") and Pacira Ireland Limited ("Pacira Ireland" and, collectively with PPI and Seller, the "Asset Sellers") collectively own all of the Purchased Assets and hold all of the Assumed Liabilities (each as defined herein);

WHEREAS, Purchaser desires to purchase and assume from the Asset Sellers and Seller desires to sell and transfer to Purchaser (or cause the other Asset Sellers to sell and transfer to Purchaser), the Purchased Assets and the Assumed Liabilities; and

WHEREAS, simultaneously herewith Purchaser, the Company and each Seller Group Entity party thereto are entering into the Assignment and Assumption Agreement whereby all of the Purchased Assets will be purchased by and assigned to Purchaser.

AGREEMENT

In consideration of the terms set forth in this Agreement, and for other good and valid consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Defined Terms. The following terms, as used herein, have the following meanings:

"Accounting Expert" is defined in Section 2.6(b).

"Accounting Principles" means the accounting principles, policies, methodologies, procedures set forth on Schedule 1.1

"Accounts Receivable" means all gross amount of accounts receivable related exclusively to the Business as of the Measurement Time, in accordance with the Accounting Principles but without regard to any reserves or allowances. For the avoidance of doubt, any pre-closing sales Taxes of the Business Products will not be part of the Purchased Assets.

"Accounts Receivable Target" means $4,300,000.

"Acquired Entity" is defined in Section 6.5(b)(i).

"Acquisition Proposal" means any written, *bona fide* offer, proposal or indication of interest from a third party with respect to (a) the acquisition of (i) a majority of the Shares, (ii) a majority of the Purchased Assets, or (iii) a majority of the assets of the Business, taken as a whole, or (b) any merger, consolidation, recapitalization, reorganization or business combination involving the Company.

"Additional Consideration" is defined in Section 2.7(a).

"Additional Consideration Cap" is defined in Section 2.7(a).

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly Controls, is Controlled by, or is under common Control with such Person.

"Agreement" is defined in the Preamble.

"Antitrust Laws" means the United States Sherman Antitrust Act of 1890, the United States Clayton Act of 1914, the HSR Act, the United States Federal Trade Commission Act of 1914, and all other Laws, including foreign Laws designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition.

"Anti-Corruption Laws" means the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010, and other applicable Laws concerning or relating to bribery or corruption, as applicable.

"Asset Purchase Price" means $34,850,000.

"Asset Seller" is defined in the Preamble.

"Assignment and Assumption Agreement" means an Assignment and Assumption Agreement in substantially the form attached hereto as Exhibit B to be entered into on the Closing Date by and among Purchaser and each Asset Seller party thereto.

"Associated Rights" is defined in Section 13.18(b).

"Assumed Liabilities" means the following Liabilities of the Asset Sellers, in each case, to the extent arising out of or relating to the Business: (a) all Liabilities with respect to Transferred Employees related to their service relationship with Purchaser (or one of its Affiliates) from and after the Closing,
(b) all product warranty obligations and product return Liabilities related to the Business (in each case, whether arising before, on, or after the Closing Date, and including all accrued warranty and reserve obligations as of the Measurement Time), (c) all Liabilities to the extent arising out of or relating to the monitoring, investigation, reporting, management, or remediation of adverse events, product complaints, or other safety issues with respect to the Business, initially arising as of and following the Closing, (d) all Liabilities related to future payment or performance under the Transferred Contracts which: (i) initially accrue or arise on or after the Closing Date, (ii) are not the result of or caused by any breach or default of any Asset Seller thereunder prior to the Closing Date or any event, circumstance or condition occurring or existing prior to the Closing Date that, with notice or lapse of time, would constitute or result in a breach or default thereof, and (iii) do not arise from actions taken (or omitted from being taken) by any Asset Seller prior to the Closing Date, including the provision of any products or services prior to the Closing Date, and (e) all other Liabilities to the extent arising from or related to the conduct or operation of the Business or the ownership of the Purchased Assets or Assumed Liabilities, in each case, from and after the Closing.

"Benefit Plan" means any employee benefit plan, program or arrangement (including but not limited to any "employee benefit plan" as defined in Section 3(3) of ERISA) sponsored or contributed to or required to be contributed to by the Company for the benefit of any current or former employee, officer or director of the Company or any current or former Business Employee or with respect to which the Company has any liability; provided that the term "Benefit Plan" does not include any employee benefit plan, program or arrangement that is mandated, maintained or administered by any Governmental Authority or required to be contributed to by the Company pursuant to applicable Law and is not sponsored, maintained, or administered by the Company or an Affiliate of the Company.

"Bill of Sale" means the Bill of Sale by and between the Asset Sellers and Purchaser (or it's appliable Affiliate), in a form and substance reasonably acceptable to Seller and Purchaser.

"Business" means the business of developing, commercializing and selling handheld cryoanalgesia devices and related products under the "iovera" name, including employees primarily involved in the foregoing.

"Business Employee" has the meaning set forth in Section 7.5(a).

"Business Day" means a day on which banks are open for business in New York City, New York, but does not include any day that is a Saturday, Sunday or a statutory holiday in the State of New York.

"Business Independent Contractor" means each individual (or sole proprietor acting through an entity) independent contractor engaged by the Company and each independent contractor engaged by a Seller Group Entity to provide services relating to the Business, each as of the date hereof.

"Business Product" means the current version of the handheld cryoanalgesia devices and related products that are available for sale to end users under the "iovera" name as of the Closing Date.

"Business Transfer" is defined in Section 2.7(g).

"Cash" means an aggregate amount, determined on a consolidated basis, as of the Measurement Time equal to, without duplication, (a) all cash and cash equivalents on hand in the bank and lock box accounts of the Company (including (i) in any money market accounts and (ii) cash resulting from the clearance of any checks, wire transfers, drafts or other deposits in transit deposited by the Company before, whether or not such clearance occurs before, the Measurement Time), *plus* (b) all marketable securities owned by the Company including accrued interest thereto, *plus* (c) all cash and similar deposits, escrows and sureties held by third parties for the benefit of or as security for any obligation of the Company as of such time, including all lease and tenant improvement deposits and escrows.

"Claimant" is defined in Section 12.3.

"Closing" is defined in Section 2.3(a).

"Closing Consideration Amount" means an aggregate amount equal to (i) the Purchase Price, determined without regard to any Additional Consideration or Assumed Liabilities, minus (ii) the Adjustment Escrow Amount.

"Closing Date" is defined in Section 2.3(a).

"Closing Statement" is defined in Section 2.5.

"Code" means the United States Internal Revenue Code of 1986, as amended.
"Company" is defined in the Preamble.

"Company's Knowledge" and words of similar import mean the actual knowledge of Brendan Teehan, [Omitted: Non-Executive Employee], Krys Corbett, [Omitted: Non-Executive Employee], [Omitted: Non-Executive Employee] and [Omitted: Non-Executive Employee], after reasonable due inquiry.

"Confidential Information" means the Intellectual Property Assets and other information regarding the Company, the Business and the other business operations of the Company that is treated as confidential or proprietary by the Company, including the Company's Trade Secrets, customer and supplier lists and pricing information.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of February 23, 2026, by and between Seller and Zimmer Biomet Holdings, Inc.

"Consolidated Tax Return" means all Tax Returns of a Tax Group that actually include the Company on the one hand and a Seller Group Entity on the other hand.

"Contract" means any agreement, contract, lease, sublease, license, sublicense, note, mortgage, debenture, indenture, letter of credit or instrument, in each case, that creates a legally binding obligation, and, in each case, whether written or oral (to the extent legally binding).

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of Equity Securities, by contract or otherwise.

"Controlled Affiliates" means, with respect to Seller, any Person directly or indirectly controlled by Seller (within the meaning of "Affiliate" as defined herein, but excluding any Person that controls, or is under common control with, Seller).

"Covered Person" means each Person who is as of the date of this Agreement, has been at any time prior to the date of this Agreement or who becomes prior to the Closing Date a director, manager, officer, employee and agent of the Company.

"Data Breach" means: (i) "personal data breach," "security incident," and similar terms as defined by Privacy Laws; or (ii) any loss, damage or unauthorized or illegal use, disclosure, modification, possession, interception, or other processing of or access to, or other misuse of, any of the Personal Information or other data or information in any of the Company databases.

"Data Security Requirements" means, collectively, all of the following to the extent relating to the access, collection, use, import, export, processing, storage, sharing, distribution, transfer, disclosure, security, destruction, or disposal of any Personal Information or sensitive or confidential information or data (whether in electronic or any other form or medium) or otherwise relating to personal information data protection, privacy, security, or security breach notification requirements and applicable to the Company, to the conduct of the Business, or to any of the Information Systems or any Company Data: (a) the Company's own rules, policies, and procedures; (b) all Laws, including HIPAA Part 2, and state medical privacy laws; (c) industry standards applicable to the industry in which the Business operates; (d)

Contracts into which the Company has entered or by which the Company is otherwise bound; and (e) any public commitments or statements.

"Disagreement Notice" is defined in Section 12.4.

"Disclosure Schedule" is defined in Section 13.1.

"Dispute" is defined in Section 2.6(a).

"Dispute Notice" is defined in Section 2.6(a).

"Dispute Period" is defined in Section 2.6(a).

"Disputed Elements" is defined in Section 2.6(b).

"Election Notice" is defined in Section 12.5(a).

"Enforceability Exceptions" is defined in Section 3.3.

"Environmental Laws" means all Laws and Orders that, in each case, pertain to protection of the environment (including ambient air, surface water, groundwater and surface or subsurface strata), natural resources, or worker health and safety including but not limited to: the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq., the Toxic Substances and Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Federal Food, Drug and Cosmetic Act, 21 U.S.C. § 301 et seq., and the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., as well as their applicable State and local counterparts, and all amendments and regulations adopted thereto.

"Environmental Permits" means all Permits related to or issued under Environmental Laws.

"Equity Securities" means (a) equity securities, (b) securities convertible into or exchangeable for equity securities, (c) options, warrants, call rights or other equity-based awards exercisable or exchangeable for or convertible into or other rights to acquire any equity securities or securities convertible into or exchangeable for equity securities, (d) equity appreciation rights, phantom stock units, performance units, profit participation or similar equity based-rights and (e) bonds, indentures, notes or other indebtedness, providing for the right to vote (or convertible into securities that have the right to vote) on any matters on which equity holders may vote.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" means U.S. Bank National Association, a national banking association.

"Escrow Agreement" means an Escrow Agreement in substantially the form attached hereto as Exhibit A to be entered into at the Closing by and among Purchaser, Seller and the Escrow Agent.

"Estimated Closing Consideration Amount" is defined in Section 2.3(b).

"Estimated Closing Statement" is defined in Section 2.3(b).

"Exception Claims" is defined in Section 12.5(b).

"Excess Amount" is defined in Section 2.4(b).

"Excluded Assets" is defined on Schedule B attached hereto.

"Excluded Liabilities" means all Liabilities of the Asset Sellers that are not Assumed Liabilities, and without limitation to the generality of the foregoing, Excluded Liabilities shall include the following:
(a) all Indebtedness; (b) any Liability of the Asset Sellers for products liability claims to the extent arising out of or related to products or services manufactured, produced, provided or sold by the Asset Sellers prior to the Closing Date (provided, for the avoidance of doubt, that this clause (b) shall not apply to any product warranty obligations or product return Liabilities that constitute Assumed Liabilities pursuant to clause (ii) of the definition of Assumed Liabilities, regardless of whether such obligations or Liabilities could also be characterized as products liability claims); (c) any Liability under any Transferred Contract to the extent arising out of or relating to any breach by the relevant Asset Seller that occurred prior to the Closing Date; (d) any Liability for Taxes of Seller or the Asset Sellers, including: (i) any Taxes measured by or with respect to income, net worth, or capital of Seller or the Asset Sellers, (ii) any Taxes arising as a result of the operation of the Business or ownership of the Purchased Assets prior to the Closing Date, (iii) any Taxes that will arise as a result of the sale of the Purchased Assets pursuant to this Agreement (other than Transfer Taxes which shall be governed by Section 10.5), and (iv) any deferred Taxes of any nature of the Seller or the Asset Sellers; (e) any Liability to the extent resulting from, arising out of relating to, in the nature of, or caused by any breach of Contract, breach of warranty, tort, or infringement of an Asset Seller prior to the Closing; (f) any Liability resulting from a violation by any Asset Seller of any Environmental Laws relating to the operation of the Business or any Seller Group Entity's ownership, leasing or operation of any real property prior to the Closing Date; (g) any Liability of any Seller Group Entity under or with respect to any Benefit Plan or relating to payroll, incentive pay, vacation, sick leave, retirement benefits, employee equity-based or profit-sharing plans, health or welfare plans or benefits or any other Benefit Plan or benefits of any kind relating to periods of employment or service with any Seller Group Entity; (h) any and all liabilities in existence prior to or as of the Closing, or that arise at or after the Closing and are based on events, acts, omissions, conditions or any other state of facts first occurring prior to or otherwise existing as of the Closing associated with the Business Employees or Business Independent Contractors, which shall include all liabilities with respect to such employees or contractors for all wages, salary, bonuses (whether accrued or otherwise but excluding the Transaction Bonus Amounts), other compensation, accrued vacation and sick days, employee benefits, supplemental employee benefits, payroll Taxes, worker's compensation and other claims, and all other liabilities attributable to or related to such employees' employment or contractors' services with Seller Group Entities through and including the Closing Date; (i) any Liability to any Personnel, equity holder or Affiliate of Seller, provided that any Liabilities with respect to Transferred Employees related to their service relationship with Purchaser (or one of its Affiliates) from and after the Closing shall be the responsibility of Purchaser; (j) any Liability to indemnify, reimburse or advance amounts to any Personnel, equity holder or Representative (other than such Liabilities arising as of or following Closing with respect to Transferred Employees in connection with such Transferred Employees' employment with Purchaser or an Affiliate of Purchaser); (k) any Liability of an Asset Seller arising out of any Proceeding pending as of the Closing Date or any Proceeding commenced after the Closing Date and arising out of, or relating to, any occurrence or event happening prior to the Closing Date, in each case whether or not set forth in the Disclosure Schedules; (l) any Liability arising out of or resulting from any Asset Seller's non-compliance with any Law; (m) any Liability of any Asset Seller under this Agreement or the

Purchase Agreement; (n) any Liability arising from or relating to any COBRA obligation of an Asset Seller arising from any qualifying event as defined under Code Section 4980B(f)(3) and ERISA Section 603 occurring before the Closing Date with respect to any Person that does not become an employee of Purchaser following the Closing; (o) any Liability of Seller based upon the acts or omissions of Seller occurring following the Closing Date; (p) any Liability of any Asset Seller resulting from, arising out of, relating to, in the nature of, or caused by any infringement, misappropriation, unauthorized use of, or any other claim related to the intellectual property of any other Person, or any noncompliance or breach of any licensed third party intellectual property, that occurs or relates to any period prior to the Closing Date, whether or not set forth in the Disclosure Schedules; (q) all accounts payable outstanding as of the Closing Date; and (r) any other Liabilities of Seller of any kind or character whatsoever incurred, whether existing as of the Closing or incurred thereafter. Notwithstanding the foregoing, no Liability of any Asset Seller shall be deemed to be an Excluded Liability to the extent such Liability is expressly required to be assumed or performed by Purchaser pursuant to the terms of the Transition Services Agreement.

"Export Control Laws" means the Arms Export Control Act, International Traffic in Arms Regulations, Export Administration Regulations and Laws administered and implemented by the
U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), Foreign Trade Regulations, and any other U.S. or foreign Law related to the exportation or importation of supplies or services, including any export or import declaration filing and payment of customs duties.

"Extra-Contractual Statement" is defined in Section 5.9.

"FDA" means the United States Food and Drug Administration.

"Files and Records" is defined on Schedule A attached hereto.

"Financial Statements" is defined in Section 3.6(a).

"First Milestone Payment" means $18,500,000.

"First Milestone Threshold" means $50,000,000.

"FLSA" is defined in Section 3.18(a).

"Fraud" means actual and intentional fraud of a Party with respect to the making of any representation or warranty by such Party set forth in this Agreement, which constitutes common law fraud under the laws of the State of Delaware.

"Fundamental Representations" means (a) those representations and warranties of the Company set forth in Section 3.1 (Organization; Existence), Section 3.2 (Power and Authority), Section 3.3 (Enforceability), Section 3.4 (Consents; Non-Contravention), Section 3.5(a) (Capitalization), the first sentence of Section 3.7 (Title to Assets) and Section 3.27 (Brokers) and (b) those representations and warranties of Seller set forth in Section 4.1 (Organization, Existence and Good Standing), Section 4.2 (Power and Authority), Section 4.3 (Enforceability), Section 4.4 (Consents; Non-Contravention), Section 4.5 (Title to Shares) and Section 4.6 (Brokers).

"GAAP" means generally accepted accounting principles as in effect in the United States of America from time to time.

"Governing Documents" means the articles of incorporation, certificate of incorporation, charter, bylaws, articles of formation, certificate of formation, operating agreement, limited liability company agreement, certificate of limited partnership, partnership agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of a Person.

"Governmental Authority" means any nation, any state, any province or any municipal or other political subdivision thereof, and any agency, commission, department, board, bureau, official, minister, tribunal or court, whether national, state, provincial, local, foreign or multinational, exercising executive, legislative, judicial, taxing, regulatory or administrative functions of a nation, state, province or any municipal or other political subdivision of any of the foregoing, or any Notified Body.

"Hazardous Materials" means any substance, material, waste, chemical, pollutant, contaminant or toxic substance that is regulated, defined or designated under any Environmental Law as hazardous, toxic, radioactive, dangerous or a pollutant or contaminant, or for which liability or standards of care are imposed pursuant to any Environmental Law, including petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, per- and polyfluoroalkyl substances (PFAS), mold, urea formaldehyde foam insulation, lead and lead-based paint, silica dust, radon, radioactive materials, hazardous wastes, solid wastes, toxic substances and ozone-depleting substances.

"Inactive Employee" means a Business Employee who is on a leave of absence, short-term or long-term disability leave, medical leave, military leave or any similar leave.

"Incidental License" means any (a) nondisclosure agreement or Contract permitting the use of confidential information; (b) Contract pursuant to which current or former employees or contractors of the Company assign or license Intellectual Property rights to (or waive such rights for the benefit of) the Company; (c) Contract under which Intellectual Property is licensed to a contractor or vendor of the Company for the benefit of the Company or that permits the contractor or vendor to identify the Company as a customer of such contractor or vendor; (d) Contract by which the Company grants an Intellectual Property license in the ordinary course of business or to a customer; (e) Contract containing a non-exclusive license of Intellectual Property that is merely incidental to the transaction contemplated in such Contract, the commercial purpose of which is primarily for something other than such license, such as (i) a sales or marketing agreement that includes a license to use trademarks or other rights for the purposes of advertising or providing products or services during the term of and in accordance with such agreement, or (ii) a Contract for the purchase or lease of a photocopier, computer, network equipment, mobile phone or other equipment that also contains a license of Intellectual Property; (f) non-exclusive shrink wrap, click-wrap, or browse-wrap Contract; (g) non-exclusive license or terms of use that permits the use of generally available software, data or content; or (h) non-exclusive licenses implied by law to end-user customers for use of products or services.

"Indebtedness" means, without duplication, all obligations of the Company as of immediately prior to the Closing for (a) the principal amount of, and accrued interest with respect to, all indebtedness for borrowed money and other indebtedness evidenced by notes, bonds, debentures or other debt securities (including any prepayment and breakage premiums and penalties, expenses, costs and fees payable as a result of the consummation of the transactions contemplated by this Agreement), (b) in respect of letters of credit or banker's acceptances, in each case, to the extent drawn, (c) indebtedness for the deferred purchase price of property or services with respect to which the Company is liable, other than ordinary course trade payables, (d) any earn out obligations, (e) any severance payments or benefits due or that may become due to any former Personnel of the Company or any current Personnel of the

Company with an effective date of termination that is prior to the Closing, including the amount of the employer portion of any payroll, social security, unemployment or similar Taxes related thereto, (f) any payroll Taxes with respect to the Pre-Closing Tax Period deferred to a period that is not a Pre-Closing Tax Period under Section 2302 of the CARES Act, or any similar election under state or local Law, (g) any and all other Unpaid Taxes (whether or not such Taxes are due and payable as of the Closing Date) and (h) obligations of the Company in respect of leases which are, or otherwise should be, characterized as finance leases (formerly capital leases) in accordance with GAAP. Notwithstanding the foregoing, "Indebtedness" will not include any amounts included as Transaction Expenses.

"Indemnification Basket" is defined in Section 12.7(a).

"Indemnification Cap" is defined in Section 12.7(b).

"Indemnification Notice" is defined in Section 12.3.

"Indemnified Taxes" means any of the following Taxes, in each case, regardless of whether any such Taxes are reflected or shown as due or payable on any Tax Return, and regardless of whether any such Taxes are assessed, payable, or due prior to, on, or after the Closing Date: (a) any and all Taxes imposed on or payable by Seller or any of its Affiliates (excluding the Company but including the Asset Sellers), regardless of the Tax period to which such Taxes relate; (b) any and all Taxes imposed on or payable by the Company, or for which the Company (or any assets or properties thereof) may be liable or subject, to the extent such Taxes are payable with respect to any Pre-Closing Tax Period (including the pre-closing portion of any Straddle Period); (c) any and all Taxes attributable to a Post-Inclusion Item, (d) any employer Taxes required with respect to any payments under or contemplated by this Agreement (other than any payments for services performed after the Closing Date); (e) any and all Taxes of any member of an affiliated, consolidated, combined, or unitary group of which the Company (or any member or predecessor thereof) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation Section 1.1502-6 or any analogous or similar state, local, or foreign Law; (f) any and all Taxes of any Person imposed on or payable by the Company (or for which the Company has an obligation to pay, fund or reimburse), as a transferee or successor, by Contract or pursuant to any Law, which Taxes relate to an event or transaction occurring on or prior to the Closing Date; and (g) fifty percent (50%) of any Transfer Taxes.

"Indemnifying Party" is defined in Section 12.3.

"Indemnity Loss" means any damages, losses, Liabilities, Liens, penalties, costs, expenses, deficiencies, demands, Proceedings, assessments and Taxes (including costs of investigation and defense and reasonable attorneys' fees and expenses); provided, however, that "Indemnity Loss" shall not include
(a) incidental or special damages, (b) punitive damages, in each case of clauses (a) and (b), except to the extent actually awarded and paid to a third party in connection with a Third-Party Claim, or
(c) consequential damages, except to the extent reasonably foreseeable.

"Information Systems" means all computer systems, networks, hardware, Software, databases (including all data and information owned or licensed or subscribed by Company), websites (and all content and materials thereon), and equipment used to process, store, maintain and operate data, information and functions used in connection with the business of the Company as presently conducted, in each case whether owned, used, operated, leased or licensed by the Company or by a third party on behalf of Company.

"Intellectual Property" means all: (a) patents, utility models and industrial design registrations and applications (including any continuations, divisionals, continuations-in-part, provisionals, renewals, reissues, re-examinations and applications for any of the foregoing); (b) trademarks, or service marks, in each case, together with all goodwill, registrations and applications for registration related to any of the foregoing; (c) copyrights and works of authorship (including any registration and applications for any of the foregoing); (d) trade secrets; and (e) all claims, causes of action and rights to sue for past, present and future infringement or misappropriation of the foregoing, and all proceeds, rights of recovery and revenues arising from or pertaining to the foregoing.

"Intellectual Property Assets" means all intellectual property owned, in whole or in part, by the Company, whether arising or protected under the laws of the United States or any other jurisdiction or treaty, including but not limited to: (a) the Company's name, all assumed fictional business names, trade names, registered and unregistered trademarks and service marks, trade dress and similar rights and applications for registration of any of the foregoing, together with the goodwill of the business associated therewith or symbolized thereby, and any and all common law rights and other applications and registrations therefor owned by the Company together with the goodwill of the business associated therewith or symbolized thereby; (b) all patents (including certificates of invention, industrial rights and other patent equivalents), provisional, non-provisional, divisional, continuation, continuation in-part and reissue applications and patents issuing therefrom, and any revivals, renewals, extensions thereof; (c) all registered and unregistered copyrights in both published works and unpublished works and applications for registration, all transferrable moral rights and all rights to register and obtain renewals and extensions of registrations; (d) all know-how, trade secrets, concepts, processes, customer lists, technical information and other confidential or proprietary information (collectively, "Trade Secrets"); (e) all user guides, manuals, instructions, forms, data, software, architecture designs, layouts, programmer notes or logs, source code annotations, designs, plans, drawings, process technology, plans, blue prints, documentation or materials that relate solely to the Intellectual Property Assets identified in clauses (a)-(d) and (f)-(h) herein, in tangible or electronic or other intangible form; (f) all rights in internet web sites and FTP sites, internet domain names and social media accounts of the Company; (g) all Software (including software programs, applications, objects, modules, routines, interfaces, algorithms and code, in source code, object code and executable form); and (h) all rights in mask works and similar rights protecting circuits and chip topographies and layouts.

"Intellectual Property License" means any agreement between the Company, on the one hand, and any other Person, on the other hand, granting any right to use or practice any rights under any of the Intellectual Property owned either by the Company or by any other Person, including licenses and leases of Software, other than any Incidental License.

"Interim Operating Carveouts" is defined in Section 6.2.

"International Trade Laws" means all applicable Laws concerning importation, exportation, or economic sanctions.

"Inventory" means all inventory used or intended for use exclusively in the Business, including finished goods, work in progress, raw materials and samples, in each case, calculated net of reserves and warranty provisions as of the Measurement Time and in accordance with the Accounting Principles; provided that the calculation of Inventory shall include the quality reserve relating to a tip issues reversed by Seller prior to the date of this Agreement, which shall be deemed to be reinstated for purposes of such calculation.

"Inventory Target" means $5,684,000.

"Invoice Price" means, the actual invoice price set forth on the applicable invoice related to the specific sale of such Business Product.

"IRS" means the United States Internal Revenue Service.

"IT System(s)" means all computer systems (including those for electronic data processing, telecommunications, or record keeping), networks, hardware, software (including proprietary software), databases, websites, interfaces, peripherals, platforms, servers and other equipment used to Process, store, maintain and operate data, information and functions, including any outsourced systems or equipment, that are owned, held by, or used in connection with or for the benefit of the Business.

"Law" means any law, statute, ordinance, regulation, rule, code, treaty or administrative interpretation or principle of common law or other requirement having the force of law of any Governmental Authority, applicable, as the context requires, to the business or operations of the Company or to any Party.

"Leased Real Property" is defined in Section 3.15. "Leases" is defined in Section 3.15.

"Liability" with respect to any Person, means any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Liens" means all legally binding options, proxies, voting trusts, voting agreements, judgments, pledges, charges, escrows, rights of first refusal, first offer or negotiation, liens, claims, hypothecations, attachments, rights of way, encroachments, easements, servitudes, conditional sale agreements or other title retention agreements, restrictions on transfer, charges, mortgages, deeds of trust, security interests, indentures and other similar encumbrances.

"Litigation Notice" is defined in Section 12.3.

"Loss" means any and all judgments, losses, liabilities, amounts paid in settlement, damages, fines, Taxes, penalties, interest, awards, charges, deficiencies and expenses, including reasonable costs of investigation and defense (including reasonable fees of attorneys).

"Material Adverse Effect" means any event, effect, circumstance, change, occurrence, fact or development that, individually or in the aggregate with other events, effects, circumstances, changes, occurrences, facts or developments, has had or would reasonably be expected to have a material adverse effect on the business, operations or financial condition of the Company, taken as a whole, or the consummation of the transactions contemplated by this Agreement, in each case taken as a whole; provided that any such event, effect, circumstance, change, occurrence, fact or development resulting from or relating to any of the following will not be considered when determining whether a Material Adverse Effect has occurred: (a) general business or economic conditions or changes generally affecting the industries, markets or geographical areas in which the Company conducts its business, (b) national or international political or social conditions, including (i) the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, (ii) the occurrence of any military or terrorist attack upon the United States or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, or (iii) the

escalation or worsening of any of the foregoing, (c) any epidemic or pandemic and any rules, regulations or other restrictions issued by any Governmental Authority arising from or relating thereto, (d) natural disasters, weather conditions, or force majeure events or acts of God, (e) financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (f) changes in interest rates or inflation, (g) disruptions or changes in international trade conditions, including the imposition or modification of tariffs, duties, quotas, embargoes, sanctions, or other trade restrictions; (h) supply chain disruptions, (i) changes in GAAP or interpretations thereof, (j) changes in Law or interpretations thereof, (k) the negotiation or execution of this Agreement or any of the other Transaction Documents, the identity or business plans of Purchaser or any of its Affiliates, or the announcement, pendency or consummation of any of the transactions contemplated hereby or thereby, including any impact thereof on relationships, contractual or otherwise, with patients, customers, payors, suppliers, distributors, partners, physicians or employees, (it being understood and agreed that this clause (k) will not apply with respect to the representations and warranties set forth in Section 3.4), (l) the taking of, or the failure to take, any action contemplated by this Agreement or any of the other Transaction Documents, (m) any failure by the Company to meet any internal or published projections or forecasts or revenue or earnings predictions for any period (provided that the underlying causes of such failures, subject to the other provisions of this definition, will not be excluded), or (n) any adverse event, effect, circumstance, change, occurrence, fact or development regarding the business, operations or financial condition of the Company that was, in all material respects, cured or otherwise mitigated before the earlier to occur of (i) the Closing or (ii) the date on which this Agreement is terminated under Article XI.

"Material Contract" is defined in Section 3.11.

"Measurement Time" means 11:59:59 p.m. (Eastern Time) on the date immediately preceding the Closing Date.

"Milestone Dispute Notice" is defined in Section 2.7.

"Milestone Payment" means any or all of the First Milestone Payment, the Second Milestone Payment or the Third Milestone Payment, as context requires.

"Milestone Period" means the period commencing on January 1, 2027 and ending on December 31, 2031.

"Milestone Statement" is defined in Section 2.7(b).

"Milestone Threshold" means any or all of the First Milestone Threshold, the Second Milestone Threshold or the Third Milestone Threshold, as context requires.

"Milestone Year" means any of the first five (5) calendar years beginning on January 1, 2027.

"Most Recent Balance Sheet" is defined in Section 3.6(a).

"Most Recent Balance Sheet Date" means December 31, 2025.

"Net Revenue" means (a) the cumulative gross Invoice Price at which the Business Products are sold to end users during any measurement period by the Company, Purchaser or any of their respective Affiliates, less the following deductions directly, consistently, and proportionately applied to the Business Products (i) trade, cash, and quantity discounts, (ii) returns, rebates, chargebacks, refunds and credits granted to managed health care organizations, (iii) taxes or fees levied on, determined or imposed by Governmental

Authorities, including import taxes, export taxes, excise taxes, sales taxes, value-added taxes, consumption taxes, tariffs and duties (for the avoidance of doubt, tariffs and duties deducted pursuant to this clause (iii) shall include only tariffs and duties imposed directly on the sale or export of Business Products to end users to the extent included on the invoice, and shall not include any tariffs or duties on imported raw materials, components, or manufacturing inputs or income taxes), in each case on account of such sales of Business Products; plus (b) the amount of any royalties or license fees received by the Company, Purchaser or any of their respective Affiliates from a license to a third party for use outside the Business; provided that, to the extent any of the Business Products are sold in combination or as part of a bundle or kit with any products that are not Business Products, the Net Revenue attributable to the Business Product from any such combination, bundle or kit will be determined by multiplying the actual Net Revenue of such combination, bundle or kit by the fraction A / (A+B), where A is the cumulative gross Invoice Price of the Business Products sold as part of such combination, bundle or kit, if sold separately, and B is the Invoice Price of all other products included, or sold as part of, the combination, bundle or kit, if sold separately. With respect to a combination where a component product is not sold separately (i.e., one of the products within the combination does not have its own separate SKU), then the Net Revenue attributable to the Business Product from any such combination will be determined by multiplying the actual Net Revenue of such combination by the fraction C / (C+D), where C is the standard cost of manufacturing of the single Business Product and D is the standard cost of manufacturing of all other products included or sold as part of the combination. If, on a country-by-country basis, the other products in the combination, bundle or kit are not sold separately in that country, Net Revenue shall be calculated by multiplying actual Net Revenue of such combination, bundle or kit by the fraction A / E, where A is the cumulative gross Invoice Price of the Business Product if sold separately, and E is the cumulative gross Invoice Price for the combination, bundle or kit. If, on a country-by-country basis, neither the Business Product nor the other product(s) contained in the combination, bundle or kit is/are sold separately in any such country, Net Revenue shall be determined by the Parties in good faith. All components of Net Revenue shall be determined from the books and records of Purchaser and its Affiliates (including the Company) in accordance with GAAP using its then-current standard procedures and methodology for applying GAAP and for converting foreign currencies to United States dollars. If Purchaser or its Affiliates change accounting policies that would materially affect the calculation of Net Revenue, Purchaser shall provide Seller written notice within thirty (30) days of the implementation of such change, together with a quantification of the estimated impact on Net Revenue.

"Nonassignable Assets" is defined in Section 8.5(b).

"Non-Solicit Business Relations" is defined in Section 6.5(c)(i)

"Notified Body" means an organization accredited, designated, licensed, authorized or approved by a member state of the European Union or the United Kingdom to carry out certain tasks in connection with conformity assessment procedures relating to medical devices that are required in the European Union or in the United Kingdom.

"Order" means any applicable order, judgment, ruling, award, writ, injunction or decree of any Governmental Authority.

"Owned Intellectual Property" means any Intellectual Property and Intellectual Property Assets owned or purported to be owned by the Company.

"Parties" is defined in the Preamble.

"Payoff Letters" means the payoff letters, each in form and substance reasonably satisfactory to Purchaser, from each holder of Indebtedness for borrowed money indicating the amount required to discharge in full such Indebtedness at the Closing and, if such Indebtedness is secured, an undertaking by such holder to discharge in connection with the Closing any Liens securing such Indebtedness.

"PC" is defined in Section 13.18(a).

"Permits" means all licenses, permits, registrations, authorizations, consents, orders, certifications, clearance and approvals issued or granted by any Governmental Authority.

"Permitted Liens" means, collectively: (a) Liens set forth in the Disclosure Schedule or referenced in the Financial Statements, each of which will be released at or before the Closing; (b) Liens for Taxes, assessments, and other governmental charges that are not yet due and payable, that may thereafter be paid without penalty, or the validity of which is being contested in good faith; (c) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties; (d) easements, covenants, conditions, and restrictions of record; (e) easements, covenants, conditions, and restrictions not of record as to which no material violation or encroachment exists or, if such violation or encroachment exists, as to which the cure of such violation or encroachment would not materially interfere with the conduct of the business of the Company; (f) zoning or other governmentally established restrictions or encumbrances; (g) pledges or deposits to secure obligations under workers or unemployment compensation Laws or similar Laws or to secure public or statutory obligations; (h) mechanic's, materialman's, supplier's, vendor's or similar Liens arising or incurred in the ordinary course of business securing amounts that are not overdue for a period of more than ninety (90) days or the validity of which is being contested in good faith; (i) other imperfections of title, licenses, or encumbrances, if any, that do not materially impair the continued use and operation of the assets to which they relate; (j) in respect of the Shares, any restrictions (whether on the transferability thereof or otherwise) imposed under securities Laws; (k) performance bonds, letters of credit or similar arrangements securing the Company's performance of contractual obligations; and (l) any right, restriction or covenant associated with any license of Intellectual Property.

"Person" means any natural individual, corporation, partnership, limited liability company, joint venture, association, bank, trust company, trust or other entity, whether or not a legal entity, or any Governmental Authority.

"Personal Information" means "personal information," "personal data," "individually identifiable health information," "protected health information," "personal information" or "sensitive personal information" and similar terms as defined by Privacy Laws.

"Personnel" means any director, manager, officer, employee, consultant, agent or other personnel of such Person.

"Post-Closing Straddle Period" is defined in Section 10.2.

"Post-Closing Tax Period" means (a) any Tax period that begins after the Closing Date, and (b) with respect to a Straddle Period, the portion of such Straddle Period after the Closing Date.

"PPACA" is defined in Section 3.17(i).

"PPI" is defined in the recitals.

"Pre-Closing Period" is defined in Section 6.1.

"Pre-Closing Straddle Period" is defined in Section 10.2.

"Pre-Closing Tax Period" means (a) any Tax period that ends on or before the Closing Date, and (b) with respect to a Straddle Period, the portion of such Straddle Period that ends on and includes the Closing Date.

"Privacy Laws" means: (i) Laws applicable to the Company governing the collection, use, disclosure or protection of Personal Information, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (collectively, "HIPAA"); the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020; the Utah Consumer Privacy Act, the Colorado Privacy Act, and the Virginia Consumer Data Protection Act (in each case, once effective); and any other applicable standard, rule, requirement, code, principle or policy of any self-regulatory organization; (ii) all applicable industry standards relating to privacy, data protection, or data security applicable to the Business or the personal data Processed by the Company; (iii) all obligations relating to privacy, data protection, or data security under any Contracts to which the Company is a party or by which it is bound; and (iv) all representations, obligations, and commitments set forth in any Company Privacy Policy.

"Proceeding" means any audit, litigation (in law or in equity), arbitration, mediation, action, lawsuit, proceeding, charge, claim, demand, hearing, inquiry, investigation or similar matter before or by any Governmental Authority, whether administrative, judicial or arbitral in nature.

"Process" means the access, creation, collection, use, storage, maintenance, processing, recording, sharing, distribution, transfer, transmission, receipt, import, export, protection, safeguarding, access, disposal or disclosure or other activity regarding data (whether electronically or in any other form or medium).

"Protected Communication" is defined in Section 13.18(b).

"Protected Data" means Personal Information, confidential, proprietary information of the Company, and all data and information for which the Company is required by law, rules, regulation, agreement, or privacy policy to safeguard and/or keep confidential or private.

"Purchase Price" is defined in Section 2.2.

"Purchased Assets" is defined on Schedule A attached hereto.

"Purchaser" is defined in the Preamble.

"Purchaser Designee" means one or more Affiliates of Purchaser identified to Seller in writing prior to the Closing Date.

"Purchaser Group" is defined in Section 13.18(b).

"Purchaser Indemnified Parties" is defined in Section 12.1.

"Purchaser Plan" is defined in Section 7.5(b)(ii).

"Registered IP" is defined in Section 3.19(a).

"Related Party" means any of the current officers, directors or managers of the Company.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, dumping, disposing, depositing, emanating or other release or threatened release of any Hazardous Materials into or upon the indoor or outdoor environment, including the ambient air, surface water, groundwater, land surface or subsurface strata, sewer systems, publicly owned treatment works, septic systems or any building or structure, in each case as defined under or regulated by Environmental Laws.

"Replacement Contract" is defined in Section 8.5(f).

"Representatives" means a Person's directors, managers, general partner, officers, trustees, fiduciaries, employees, attorneys, accountants and advisors.

"Restricted Area" means the area (i) within one hundred (100) miles of Seller's offices in Brisbane, California, (ii) in the State of California, (iii) in any state with a mutual border with the State of California, (iv) in the United States of America, and (v) in any county or parish in which the Business Products were sold or services related to Business Products were provided (through the internet or otherwise and, in the case of the internet, in any county or parish where the purchaser or user of the Business Products or such services were located or provided or where the Business was conducted) during the twelve (12) month period ending on the Closing Date.

"Restricted Business" means the business of developing, manufacturing, commercializing and selling cryoanalgesia devices or radiofrequency ablation devices; provided, however, that "Restricted Business" shall not include (a) any pharmaceutical products, services or business lines (other than the Business), including any pharmaceutical products or services that utilizes or incorporates, or is delivered through, a device, (b) any pharmaceutical non-cryoneurolysis pain management therapies, (c) any of the activities contemplated by Sections 7.7 or 7.8 hereof or (d) for avoidance of doubt, any business lines or activities of an acquirer, co-promoter, successor or other counterparty to any acquisition, merger, consolidation, sale of equity or assets, change of control or other business combination involving Seller or any of its controlled Affiliates (so long as such business lines and activities are not conducted by Seller or its controlled Affiliates).

"Restricted Party" means Seller and each of its Controlled Affiliates.

"Review Period" is defined in Section 2.7(c).

"Second Milestone Payment" means $23,500,000.

"Second Milestone Threshold" means $60,000,000.

"Securities Act" is defined in Section 5.6.

"Seller" is defined in the Preamble.

"Seller Account" means, with respect to Seller, one or more bank accounts from time to time designated by Seller by written notice to Purchaser.

"Seller Group" is defined in Section 13.18(b).

"Seller Group Entity" is defined in Section 13.18(b).

"Seller Indemnified Parties" is defined in Section 12.2.

"Seller Marks" is defined in Section 7.9.

"Share Purchase Price" means the Purchase Price, minus the Asset Purchase Price.

"Shared Contract" means each Contract that is not a Transferred Contract whereby the goods or services thereunder are provided for the benefit of both the Business and the business of the Seller or its Subsidiaries other than the Business.

"Shares" is defined in the Recitals.

"Shortfall Amount" is defined in Section 2.4(c).

"Software" means all computer programs (including any and all software implementation of algorithms, models and methodologies whether in source code or object code), databases and computations (including any data and collections of data), documentation (including user manuals and training materials) relating to any of the foregoing and the content and information contained in any web sites.

"Spasticity Collaborative Adjustment Amount" means an amount in cash equal to $1,000,000. "Straddle Period" means any Tax period that begins before the Closing Date and ends after (and includes) the Closing Date.

"Sublease Agreement" means a Sublease Agreement in substantially the form attached hereto as Exhibit C to be entered into at the Closing by and among Seller (or its applicable Subsidiary) as the sublessor, and Purchaser, as the sublessee.

"Subsidiary" means, with respect to any Person (other than a natural Person), (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or Controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the membership, partnership or other similar equity interests thereof is at the time held or Controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes of clause (b) above, a Person or Persons will be deemed to hold a majority equity interest in a business entity (other than a corporation) if such Person or Persons (i) is allocated a majority of such business entity's gains or losses or (ii) is the managing director or general partner of such business entity. The term "Subsidiary" includes all Subsidiaries of such Subsidiary.

"Supporting Detail" is defined in Section 2.7(b).

"Tax Group" means any "affiliated group" of corporations within the meaning of Section 1504 of the Code (or any similar affiliated, combined, consolidated, or unitary group or arrangement for group relief for state, local, or foreign Tax purposes).

"Tax Incentive" is defined in Section 3.9(n).

"Tax Returns" means, collectively, all returns, declarations, reports, statements, elections, estimates, claims for refund, information returns and other documents (including any related or

supporting schedules, statements or information, any amendment to the foregoing, and any sales and use and resale certificates), in each case, that are maintained or required to be maintained, or filed or required to be filed with a Governmental Authority, by the Company in respect of any Taxes, including any amendments thereto.

"Taxes" means, collectively, all federal, state, local, and non-U.S. income, corporation, capital gains, excise, gross receipts, *ad valorem*, sales, goods and services, harmonized sales, use, employment, franchise, profits, gains, property, transfer, payroll, social security contributions, intangibles and other tax or governmental charge in the nature of a tax (whether payable directly or by withholding), whether disputed or not, together with any interest, penalties, fees, charges, levies, assessments, duties, tariffs, imposts or additions to tax or additional amounts imposed by any Governmental Authority with respect thereto and any liability in respect of such amounts arising as a result of being a member of any Tax Group, as a successor to or transferee of another person or by Contract.

"Third Milestone Payment" means $28,000,000.

"Third Milestone Threshold" means $70,000,000.

"Third-Party Claim" is defined in Section 12.3.

"Transaction Bonus Amount" is defined in Section 7.5(b)(iv).

"Transaction Documents" means this Agreement, the Escrow Agreement, the Assignment and Assumption Agreement, the Sublease Agreement, the Transition Services Agreement and all the other agreements, certificates, instruments and other documents to be executed or delivered by one or more of the Parties in connection with the transactions contemplated by this Agreement.
"Transaction Expenses" means, without duplication, all of the Company's expenses, fees and charges incurred as of immediately prior to the Closing to the extent not paid as of the Closing, in connection with the preparation, negotiation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, including (a) all attorneys', accountants', consultants', professionals', investment bankers' and other advisors' fees and expenses payable by the Company in connection with the transactions contemplated by this Agreement (in each case, that have not been paid in full as of the Closing), and (b) all fees, expenses or payments that have not been paid in full as of the Closing related to any "sale" and "transaction" bonuses and similar incentive compensation payments (including the employer portion of payroll Taxes) payable to current or former Business Employees other than any such arrangements implemented by Purchaser (including any "retention" or "stay" bonus payable after the Closing). Notwithstanding the foregoing, "Transaction Expenses" shall not include the Transaction Bonus Amount or any amounts included as Indebtedness.

"Transaction Tax Deductions" means any Tax deductions arising from the Transaction Expenses or the payment of any Indebtedness, or from any other payment made in connection with the transactions contemplated in this Agreement that are economically borne by the Seller, in each case which are deductible at a "more likely than not" or greater level of comfort for applicable income Tax purposes. For purposes of this Agreement, with respect to any applicable success-based fees (as defined in Treasury Regulation Section 1.263(a)-5(f)), 70% of such fees will be treated as deductible in accordance with IRS Revenue Procedure 2011-29, 2011-1 C.B. 746.

"Transfer Taxes" is defined in Section 10.5.

"Transferred Contract" is defined on Schedule A attached hereto. "Transferred Domains" is defined on Schedule A attached hereto. "Transferred Employee" is defined in Section 7.5(a).

"Transition Services Agreement" means a Transition Services Agreement in substantially the form attached hereto as Exhibit D to be entered into at the Closing by and among Purchaser and each Seller Group Entity party thereto.

"Treasury Regulations" means the U.S. Department of Treasury Regulations promulgated under the Code.

"Unpaid Taxes" means the amount (which shall not be less than zero in the aggregate, with respect to any Tax paying entity or in any jurisdiction) equal to the sum of all unpaid Taxes of the Company attributable or payable with respect to any Pre-Closing Tax Period (including the pre-Closing portion of any Straddle Period, ignoring for this purpose any Tax payments on the Closing Date prior to the Closing, to the extent such payments were taken into account as Cash) and for which the applicable Tax Return for such period has not been filed as of the Closing Date and is not required to have been filed as of the Closing Date, taking into account extensions validly obtained, which shall (a) exclude any deferred Tax liabilities or assets, (b) be determined by including in taxable income any adjustment pursuant to Section 481 of the Code (or any corresponding or similar provision of other Law) and prepaid amounts and deferred revenue that, in each case, would not otherwise be included in taxable income on or prior to the Closing Date, (c) be calculated on an entity-by-entity basis (such that deductions and losses of one entity may not be used to offset income and gain of another entity unless such offset actually reduces the Taxes of such other entity), (d) in the case of any Straddle Period, be determined applying the conventions set forth in Section 10.2, (e) by excluding any effects or reductions with respect to Tax Refunds or overpayments, (f) be calculated in accordance with the past practices of the Company, to the extent such practices are permitted under applicable Law, (g) be calculated by taking into account any Transaction Tax Deductions, to the extent deductible in such period at a "more likely than not" or greater comfort level, and (h) by excluding any Taxes imposed with respect to a period covered by a Consolidated Tax Return.

"WARN Act" means the Worker Adjustment and Retraining Notification Act and any similar state or local Law.

"Withholding Agents" is defined in Section 2.9.

Section 1.2 Rules of Construction. Any reference in this Agreement to a Law refers to such Law as amended and as in effect on the date of this Agreement or, if the context so requires, the applicable date or time period in question. Any reference to a contract, instrument or other document as of a given date means the contract, instrument or other document as amended, supplemented and modified from time to time through such date. All preamble, recital, article, section, exhibit and schedule references are to the preamble, recitals, articles, sections, exhibits and schedules of this Agreement unless otherwise specified. The provision of a Table of Contents and the division of this Agreement into Articles, Sections and other subdivisions are for convenience of reference only and will not affect or be utilized in construing or interpreting this Agreement. All references herein to "dollars" or "$" are to United States dollars. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement or the Disclosure Schedule or any other Schedules or Exhibits attached to this Agreement will not be deemed to establish a threshold for materiality or to establish the standard for whether a particular act or agreement is within or outside the ordinary course of business for purposes of this Agreement. All references herein to any period of days will mean the number of calendar days unless

otherwise specified. When calculating the period of time before which, within which or following which, any act is to be done or step taken under this Agreement, the date that is the reference date in calculating such period will be excluded. If the last day of any such period is a non-Business Day, the period in question will end on the next succeeding Business Day. Words in the singular will include the plural and vice versa. Words of one gender will be held to include the other genders as the context requires. References herein to any Person will include such Person's heirs, executors, personal representatives, administrators, successors and assigns; provided that nothing contained in this Section 1.2. is intended to authorize any assignment or transfer not otherwise permitted by this Agreement. The terms "hereof," "hereby," "herein," "hereunder," "hereto" and "herewith" and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. The phrase "ordinary course of business" will mean the ordinary course of business of the Business taking into account any changes, modifications or adaptions required or reasonably believed to be required as a result of any pandemic or similar force majeure event or the escalation or worsening of the foregoing. The word "including" and words of similar import when used in this Agreement will mean "including, without limitation," unless otherwise specified. The word "or" will not be exclusive. All references to "will" or "shall" will be construed as creating a mandatory obligation. The phrase "to the extent" will mean the degree to which a subject or other matter extends, and such phrase will not simply mean "if". Any accounting term used in this Agreement will have, unless otherwise specifically provided herein, the meaning customarily given such term in accordance with GAAP; provided that if there is any conflict between GAAP and the Accounting Principles, if applicable, the Accounting Principles will control.

ARTICLE II
PURCHASE AND SALE OF SHARES; CLOSING

Section 2.1 Agreement to Purchase and Sell. At the Closing, (a) Seller will sell, transfer, convey and assign to Purchaser, and Purchaser will purchase, acquire and accept from Seller, the Shares and, (b) Seller will (or will cause the relevant Asset Sellers to) sell, transfer, convey, and assign to Purchaser, and Purchaser will purchase, acquire, accept and assume from the Asset Sellers, subject to Section 8.5 with respect to any Nonassignable Assets, the Purchased Assets and the Assumed Liabilities.

Section 2.2 Purchase Price. The aggregate purchase price for the Shares and the Purchased Assets (the "Purchase Price") is equal to the following amount, plus the assumption of the Assumed Liabilities:

(a) $70,000,000;

(b) *plus* the Spasticity Collaborative Adjustment Amount;

(c) *plus* an amount equal to all Cash (if any);

(d) (i) *plus* the amount, if any, by which the Inventory exceeds the Inventory Target or (ii) *minus* the amount, if any, by which the Inventory Target exceeds the Inventory;

(e) (i) *plus* the amount, if any, by which the amount of Accounts Receivable exceeds the Accounts Receivable Target or (ii) *minus* the amount, if any, by which the Accounts Receivable Target exceeds the amount of Accounts Receivable;

(f) *minus* an amount equal to all Indebtedness;

(g) *minus* an amount equal to all Transaction Expenses; and

(h) *plus* the Additional Consideration, if any.

The portion of the Purchase Price to be paid for the Purchased Assets shall be equal to the Asset Purchase Price. The portion of the Purchase Price to be paid for the Shares shall be equal to the Share Purchase Price.

Section 2.3 Closing and Closing Payments.

(a) Date and Time of Closing. The transactions contemplated by this Agreement will be consummated (the "Closing") remotely by electronic exchange of documents and signatures as soon as reasonably practicable, but in no event later than five (5) Business Days following the satisfaction or waiver of the conditions to the Closing set forth in Article IX (other than those conditions that pursuant to their terms or by their nature are to be satisfied at the Closing but subject to the satisfaction or waiver of those conditions at such time), or on any other date, or at any other time or place, that may be mutually agreed upon by Seller and Purchaser. The date on which the Closing occurs in accordance with the preceding sentence is referred to in this Agreement as the "Closing Date." Regardless of when the Closing actually occurs, the Closing will be deemed effective as of 12:00:00 a.m. (Eastern Time) (*i.e.*, the beginning of the day) on the Closing Date. All Proceedings to be taken and all documents to be executed and delivered by all Parties at the Closing will be deemed to have been taken and executed simultaneously, and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

(b) Estimated Closing Statement. At least five (5) Business Days prior to the Closing Date, Seller will prepare and deliver, or cause the Company to prepare and deliver, to Purchaser a statement (the "Estimated Closing Statement"), containing its good faith estimate of the Closing Consideration Amount (the "Estimated Closing Consideration Amount"), including its good faith estimate of Cash, Accounts Receivable, Inventory, Indebtedness, and Transaction Expenses, prepared in accordance with the Accounting Principles.

(c) Closing Payments. At the Closing, Purchaser will pay, or will cause the following payments to be paid or deposited, as applicable, by wire transfer of immediately available funds:

to Seller, the Estimated Closing Consideration Amount to the Seller Account;

(i) to the recipients of the Transaction Expenses, the Transaction Expenses in accordance with the wire transfer instructions designated by such recipients;

(ii) to the holders of outstanding Indebtedness (if any), the amount due and owing to such holders as set forth in the Payoff Letters in accordance with the wire transfer instructions designated by such holders; and

(iii) to the Escrow Agent, $1,000,000 (the "Adjustment Escrow Amount" and together with any interest or earnings thereon, the "Adjustment Escrow Fund"), to be held pursuant to and in accordance with the Escrow Agreement.

(d) Assumption of Assumed Liabilities. At the Closing, Purchaser shall assume and agree to discharge in accordance with their respective terms the Assumed Liabilities pursuant to the Assignment and Assumption Agreement.

Section 2.4 Purchase Price Adjustment.

(a) Following the Closing, the Closing Consideration Amount will be finally determined in accordance with the adjustments and procedures set forth in this Section 2.4, Section 2.5 and Section 2.6.

(b) If the Closing Consideration Amount, as finally determined, is greater than the Estimated Closing Consideration Amount (such excess, the "Excess Amount"), then within five (5) Business Days following the final determination of the Closing Consideration Amount, (i) Purchaser will pay to Seller, the Excess Amount by wire transfer of immediately available funds to the Seller Account and (ii) Purchaser and Seller will jointly instruct the Escrow Agent to release the Adjustment Escrow Fund to Seller pursuant to the Escrow Agreement.

(c) If the Closing Consideration Amount, as finally determined, is less than the Estimated Closing Consideration Amount (such shortfall, the "Shortfall Amount"), then within five (5) Business Days following the final determination of the Closing Consideration Amount, Purchaser and Seller will jointly instruct the Escrow Agent to disburse an amount equal to the Shortfall Amount from the Adjustment Escrow Fund to Purchaser, and if the Shortfall Amount is less than the Adjustment Escrow Fund, the remaining balance of the Adjustment Escrow Fund, if any, to Seller. Recovery from the Adjustment Escrow Fund will be the sole and exclusive remedy available to Purchaser for any Shortfall Amount and Seller will have no liability or obligation for any portion of the Shortfall Amount in excess of the amount of the Adjustment Escrow Amount.

(d) If the Closing Consideration Amount, as finally determined, is equal to the Estimated Closing Consideration Amount, then within five (5) Business Days following the final determination of the Closing Consideration Amount, Purchaser and Seller will jointly instruct the Escrow Agent to release the Adjustment Escrow Fund to Seller pursuant to the Escrow Agreement.

(e) The Parties agree that any payment made pursuant to this Section 2.4 will be treated as an adjustment to the Purchase Price for Tax purposes, except to the extent otherwise required by applicable Law.

Section 2.5 Preparation of the Closing Statement. As soon as practicable, but no later than ninety (90) days after the Closing Date, Purchaser will prepare and deliver to Seller a statement (the "Closing Statement") setting forth (a) Purchaser's calculation of the amount of Cash, Accounts Receivable, Inventory, Indebtedness, the Spasticity Collaborative Adjustment Amount and Transaction Expenses, (b) the calculation of the Closing Consideration Amount therefrom, (c) a balance sheet of the Company as of the Closing and (d) reasonable supporting detail with respect to the calculation of each of the components of the Closing Consideration Amount. The Closing Statement will be prepared by Purchaser in accordance with the Accounting Principles. The Parties agree that the purpose of preparing the Closing Statement and determining Cash, Accounts Receivable, Inventory, Indebtedness, the Spasticity Collaborative Adjustment Amount, Transaction Expenses, and the final Closing Consideration Amount under this Section 2.5 is to adjust for inaccuracies in the estimates in the amounts of Cash, Accounts Receivable, Inventory, Indebtedness, and Transaction Expenses and to determine the final Closing Consideration Amount, and such processes are not intended to permit the introduction of different judgments, accounting methods, policies, principles, practices, procedures, classifications or estimation methodologies for the purpose of preparing the Closing Statement or determining the amounts of Cash, Accounts Receivable, Inventory, Indebtedness, Transaction Expenses or the final Closing Consideration Amount. Notwithstanding any adjustment to the foregoing items under this Section 2.5, the Closing Statement will be deemed issued as of the Closing Date for purposes of the Accounting Principles and for purposes of determining the impact of any subsequent events on the Closing Statement. In

preparing the Closing Statement, no effect will be given to (i) the financing of the transactions contemplated by this Agreement or other changes arising from or resulting as a consequence of the financing of transactions contemplated hereby or (ii) any purchase accounting or other similar adjustments resulting from the consummation of such transactions. For the avoidance of doubt, the Spasticity Collaborative Adjustment Amount shall not be adjusted in connection with the foregoing adjustments to the Purchase Price.

Section 2.6 Disputes Regarding Closing Statement.

(a) During the sixty (60) day period following receipt of the Closing Statement (such period, the "Dispute Period"), Purchaser will provide to Seller such documents, books, records and work papers as Seller may reasonably request to review the Closing Statement. On or prior to the last day of the Dispute Period, Seller may provide written notice to Purchaser disputing the calculation of all or a part of the Closing Consideration Amount set forth in the Closing Statement (the "Dispute"), setting forth in reasonable detail the elements and amounts set forth in the Closing Statement with which Seller disagrees (the "Dispute Notice"). If Seller does not deliver to Purchaser the Dispute Notice within the Dispute Period, then the Closing Statement will be deemed to have been accepted and agreed to by Seller in the form in which it was delivered and will be final and binding on the Parties. If Seller delivers the Dispute Notice to Purchaser within the Dispute Period, then Purchaser and Seller will use commercially reasonable efforts to resolve the Dispute within thirty (30) days following receipt of the Dispute Notice, provided that all such discussions will be governed by Rule 408 of the Federal Rules of Evidence and the corresponding provisions of state, local or foreign Law. If Purchaser agrees with Seller's calculation of the Closing Consideration Amount set forth in the Closing Statement, then Seller's calculation of the Closing Consideration Amount set forth in the Dispute Notice will be final and binding upon the Parties.

(b) If Purchaser and Seller cannot reach agreement to resolve every element of the Dispute within such thirty (30) day period, then Purchaser and Seller will jointly engage an accounting expert to resolve the Dispute (the Person appointed pursuant to this Section 2.6(b), the "Accounting Expert"). The Accounting Expert will be (i) one or more independent members (having no conflict of interest) of the dispute resolution group of KPMG LLP, or (ii) if such Person refuses or is unable to accept such appointment, another nationally recognized certified public accounting firm mutually agreed between Seller and Purchaser, or (iii) if following such Person's refusal or unacceptance, Purchaser and Seller are unable to agree on such accounting firm, then either Purchaser or Seller may request that the CPR International Institute for Conflict Prevention and Resolution appoint a certified public accountant (having no conflict of interest) who at the time is, or for at least five (5) years formerly was, a partner (or in a position of equivalent stature) in an independent accounting firm of recognized national or regional standing, to serve as the Accounting Expert. Each of Seller and Purchaser will cooperate with the other Party and the Accounting Expert and use its reasonable efforts to complete the engagement of the Accounting Expert as promptly as possible.

(c) The Accounting Expert's sole function will be to resolve each element of the Dispute as set forth in the Dispute Notice not resolved by Purchaser and Seller (the "Disputed Elements") as an accounting expert and not as an arbitrator, by determining in accordance with this Agreement and with the Accounting Principles, whether and to what extent, if any, the calculation of the Closing Consideration Amount set forth in the Closing Statement delivered by Purchaser pursuant to Section 2.5 requires adjustment with respect to such Disputed Elements and, if so, the amount of any such adjustment or adjustments.

(d) In resolving the Dispute, the Accounting Expert will limit its consideration to

(i) reviewing the Closing Statement and the Dispute Notice, as supplemented by written submissions of Seller and Purchaser, which may explain their respective positions, and (ii) conducting a conference at which each of Seller and Purchaser may present additional documents, materials, testimony and other information, and have present their respective advisors, counsel and accountants at the conference; provided that Purchaser and Seller will be limited by their positions set forth in the Closing Statement and Dispute Notice, respectively, and the written submissions or other materials submitted by Purchaser and Seller or presented at the conference may not raise any element that is not a Disputed Element. Any such conference may be held, in the discretion of the Accounting Expert, by telephone conference, videoconference or in person. The Accounting Expert may not conduct any independent investigation or review concerning the Disputed Elements or any other matter. Each of Seller and Purchaser will provide to the other Party and the Accounting Expert any documents, books, records and work papers as such Party or the Accounting Expert may reasonably request to review the Closing Statement and to resolve the Dispute.

(e) Purchaser and Seller will direct the Accounting Expert to as promptly as possible, and in any event within thirty (30) days after the date of its engagement, render its decision on each Disputed Element in a writing to Purchaser and Seller setting forth a written statement of findings and conclusions, including a written explanation of its reasoning, a revised Closing Statement reflecting its decision and a revised calculation of the Closing Consideration Amount based on the information in the revised Closing Statement.

(f) The Accounting Expert will be bound by this Agreement and may not revise any element of the Closing Statement that is not disputed by the Parties or assign a value to any Disputed Element of the Closing Statement greater than the greatest value for such item claimed by either Party or less than the smallest value for such item claimed by either Party. The process set forth in this Section 2.6 will be the exclusive remedy of the Parties for any Dispute. Each of the Accounting Expert's decisions, the revised Closing Statement, and the revised calculation of the Closing Consideration Amount, absent fraud or manifest error, will be final and binding upon the Parties, and judgment may be entered on the award. The Accounting Expert may not and will not have authority or jurisdiction to resolve or decide any matter or dispute other than, as provided in and in accordance with this Section 2.6, resolving the Dispute by determining whether and to what extent, if any, the Closing Statement and resulting calculation of the Closing Consideration Amount should be revised with respect to any elements or amounts of the Closing Statement subject to the Dispute. Any other dispute or matter arising under or with respect to this Agreement (including any dispute over whether any claim, issue, element or amount is within the authority of the Accounting Expert to determine) will be reserved for and determined by a court specified in Section 13.15.

(g) Seller and Purchaser will share the fees and expenses of the Accounting Expert in inverse proportion to the relative amounts subject to the Dispute determined in favor of such Party, in accordance with the following formulas: (i) Purchaser will pay a portion of such fees and expenses equal to the total fees, costs and expenses multiplied by a fraction, the numerator of which is the dollar amount subject to the Dispute resolved in favor of Seller and the denominator of which is the total dollar amount subject to the Dispute, and (ii) Seller will pay a portion of such fees, costs and expenses equal to the total fees and expenses multiplied by a fraction, the numerator of which is the dollar amount subject to the Dispute resolved in favor of Purchaser and the denominator of which is the total dollar amount subject to the Dispute. Notwithstanding the foregoing, each of Purchaser and Seller will pay the fees, costs and expenses of their respective attorneys, accountants and other representatives in connection with the Dispute.

Section 2.7 Additional Consideration.

(a) Subject to the terms and conditions of this Section 2.7, Seller may be entitled to additional consideration (the "Additional Consideration") for the Shares, not to exceed $70,000,000 in the aggregate (the "Additional Consideration Cap") upon the achievement of one or more of the Milestone Thresholds during the Milestone Period. For the avoidance of doubt, the Additional Consideration Cap shall only apply to the Additional Consideration, if any, payable in accordance this Section 2.7, and shall not limit the amount of any other payments that may become due or payable to Seller or its Affiliates pursuant to this Agreement (including, without limitation, Section 7.7) or any other Transaction Document. The Additional Consideration, if any, will be calculated as follows:

(i) If Net Revenue from the sale of Business Products during any Milestone Year equals or exceeds the First Milestone Threshold (but does not equal or exceed any higher Milestone Threshold), then, subject to Section 2.7(a)(iv), Seller shall be entitled to receive the First Milestone Payment with respect to such Milestone Year.

(ii) If Net Revenue from the sale of Business Products during any Milestone Year equals or exceeds the Second Milestone Threshold (but does not equal or exceed any higher Milestone Threshold), then, subject to Section 2.7(a)(iv), Seller shall be entitled to receive an amount equal to the Second Milestone Payment with respect to such Milestone Year.

(iii) If Net Revenue from the sale of Business Products during any Milestone Year equals or exceeds the Third Milestone Threshold, then, subject to Section 2.7(a)(iv), Seller shall be entitled to receive an amount equal to the Third Milestone Payment with respect to such Milestone Year.

(iv) If Net Revenue from the sale of Business Products during any single Milestone Year equals or exceeds the sum of any two or more Milestone Thresholds (to the extent a corresponding Milestone Payment has not already been earned), then the highest applicable Milestone Payment shall be paid with respect to such Milestone Year in accordance with this Section 2.7; provided that (x) each Milestone Payment may be earned only once (whether or not multiple Milestone Payments are earned in any single Milestone Year), and (y) in no event will the Milestone Payments, in the aggregate, exceed
$70,000,000.

(v) By way of example only, if Net Revenue from the sale of Business Products during the 2027 calendar year is equal to $75,000,000 and Net Revenue from the sale of Business Products during the 2028 calendar year is equal to $49,000,000, then Purchaser would pay Seller the Third Milestone Payment with respect to calendar year 2027 and no Milestone Payment would be payable with respect to calendar year 2028.

(vi) By way of another example, if Net Revenue from the sale of Business Products during the 2027 calendar year is equal to $65,000,000, Net Revenue from the sale of Business Products during the 2028 calendar year is equal to $55,000,000, and Net Revenue from the sale of Business Products during the 2029 calendar year is equal to $70,000,000, then Purchaser would pay Seller: the Second Milestone Payment with

respect to calendar year 2027; the First Milestone Payment with respect to calendar year 2028; and the Third Milestone Payment with respect to calendar year 2029.

(vii) By way of another example, if Net Revenue from the sale of Business Products during the 2027 calendar year is equal to $65,000,000, Net Revenue from the sale of Business Products during the 2028 calendar year is equal to $75,000,000, Net Revenue from the sale of Business Products during the 2029 calendar year is equal to $45,000,000 and Net Revenue from the sale of Business Products during the 2030 calendar year is equal to $55,000,000, then Purchaser would pay Seller: the Second Milestone Payment with respect to calendar year 2027; the Third Milestone Payment with respect to calendar year 2028; and the First Milestone Payment with respect to calendar year 2030. No Milestone Payment would be payable with respect to calendar year 2029.

(viii) In no event may more than one Milestone Payment be earned in any single Milestone Year.

(b) Within forty five (45) days after the end of each Milestone Year during the Milestone Period, Purchaser shall deliver to Seller a written statement (a "Milestone Statement") prepared in accordance with this Section 2.7, setting forth Purchaser's calculation of the Net Revenue for such period and the resulting Milestone Payment due, if any, under this Section 2.7, together with a reconciliation of any Milestone Payments previously paid to Seller during such Milestone Year, and delivered with reasonable supporting detail with respect to the calculation of each of the components of Net Revenue (including, without limitation, Net Revenue by quarter, sales by SKU, a gross-to-Net Revenue reconciliation of total revenues, Net Revenue by region, and volumes by SKU and region but excluding country-level sales data and customer-level information (the "Supporting Detail")). Net Revenue shall be determined from Purchaser's and its Affiliate's (including the Company's) books and records in accordance with Purchaser's revenue recognition policies. In addition, within fifteen (15) days after the end of each of (i) the third quarter of each Milestone Year and (ii) the fourth quarter of each Milestone Year, Purchaser shall deliver a written statement setting forth the aggregate amount of year-to-date Net Revenue for such Milestone Year, delivered with reasonable supporting detail (each a "Flash Report"). The Parties acknowledge and agree that the Flash Reports will be delivered for informational purposes only and that the information in the Flash Report delivered for any fourth quarter of a Milestone Year will be superseded by the Milestone Statement, when issued; provided, for clarity, that nothing in this sentence shall limit, modify or impair Seller's rights with respect to the review, dispute or final determination of any Milestone Statement.

(c) As promptly as practicable, but in no event later than sixty (60) calendar days following delivery by Purchaser of a Milestone Statement (the "Review Period"), Seller shall notify Purchaser in writing whether Seller accepts or disputes the accuracy of the items contained in such Milestone Statement. In the event Seller disputes the accuracy of any items contained in the Milestone Statement, Seller shall, no later than the end of the Review Period, deliver written notice to Purchaser of any such good faith disagreement that Seller has with respect to the contents of the Milestone Statement (each, a "Milestone Dispute Notice"). The Milestone Dispute Notice shall explain, in reasonable detail, the basis for such disagreement. During the Review Period, (i) Purchaser shall provide Seller with reasonable access, during normal business hours and upon reasonable prior notice, to the relevant books and records of the Business for the purpose of Seller's review of the Milestone Statement and (ii) upon Seller's reasonable request, Purchaser shall make available personnel responsible for preparing, or qualified and knowledgeable regarding, the calculations set forth in any Milestone Statement or Flash Report to meet with Seller or its representatives and discuss such calculations and the supporting detail

delivered in connection therewith. If Seller does not deliver a Milestone Dispute Notice within the Review Period, such Milestone Statement shall be deemed final, conclusive, and binding on the Parties.

(d) If Seller delivers a Milestone Dispute Notice within the Review Period, then Purchaser and Seller shall negotiate in good faith to resolve any disagreement. If Purchaser and Seller, notwithstanding such good faith effort, fail to resolve a disagreement within thirty (30) days after Seller's delivery of a Milestone Dispute Notice, then the dispute shall be submitted for resolution to the Accounting Expert in accordance with the procedures set forth in Section 2.6, *mutatis mutandis*. The Milestone Statement (as modified by the Accounting Expert) shall be final, binding, and conclusive upon the Parties hereto.

(e) The Milestone Payments subject to a Milestone Dispute Notice will be made in cash by wire transfer of immediately available funds to the Seller within five (5) Business Days after the determination of such Milestone Payment becomes final and binding upon the Parties as provided in this Section 2.7.

(f) During the Milestone Period, Purchaser will, and will cause each of its Affiliates to, (i) not act or fail to act with the primary purpose of undermining the achievement of the Milestone Payments contemplated hereby, including by reducing the Net Revenue or Milestone Payments, and (ii) use commercially reasonable efforts to continue the Medical Device Regulation (MDR) process in Europe for the Business Products, including pursuing CE marking certification for such products; provided, that, other than with respect to the obligations of the Purchaser set forth in this Agreement or any Transaction Document, Purchaser shall have sole and full discretion with regard to all matters relating to the operation of the Business following the Closing.

(g) In the event Purchaser or any of its Affiliates sells, transfers, or otherwise disposes of all or substantially all of the Business or the assets of the Business (whether by merger, sale of stock, sale of assets, or otherwise) to any third party (a "Business Transfer") prior to the payment in full of all Milestone Payments that have been earned or may be earned hereunder, then (i) Purchaser shall require, as a condition to the consummation of such Business Transfer, that the acquiror or transferee expressly assume in writing all of Purchaser's obligations under this Section 2.7 with respect to any unpaid Milestone Payments (whether or not yet earned), on terms no less favorable to Seller than those set forth herein, and (ii) in the event such acquiror or transferee does not assume such obligations in full, all Milestone Payments that have not yet been earned shall be deemed earned and shall become immediately due and payable to Seller upon the closing of such Business Transfer.

(h) Once per Milestone Year, the Seller (or its designated representative) shall have the right, upon reasonable prior written notice, to inspect Purchaser's (or an applicable Affiliate's) books and records relating to the calculation of Net Revenue and each component thereof (including, without limitation, the Supporting Detail), with such inspection to be conducted during normal business hours and at the Seller's expense. Any inspection permitted under this Section 2.7(h) is strictly limited to reviewing only the documents necessary to verify the accuracy of the calculation of Net Revenue and each component thereof. Such inspection rights do not include, and shall not be construed to include, any right to evaluate, assess, opine upon, or determine Purchaser's business judgment, commercial decisions, pricing strategy, sales practices, customer relationships, operation or management of the business, or any matter other than the calculation of Net Revenue and the resulting Milestone Payment, if any.

(i) Purchaser has neither furnished nor provided, whether written or oral, any assurances or commitments regarding the achievability of the Milestone Payments or the likelihood thereof and

Seller acknowledges that there is no assurance that Seller will earn any portion of the Milestone Payments and the Parties solely intend the express provisions of this Agreement to govern their contractual relationship. Purchaser shall not be liable to Seller for any incidental, consequential or punitive damages arising out of the failure to satisfy conditions to the payment of any part of the Milestone Payments, whether liability is asserted in tort or contract, or otherwise. Seller acknowledges that Purchaser and its Affiliates shall have the right to operate the Business in accordance with their own commercially reasonable discretion and Purchaser is under no obligation to provide any specific level of investment or financial assistance to the Business. Seller further acknowledges that the payment of any Milestone Payments is speculative and subject to, among other things, the future performance of the Business, which cannot be predicted with accuracy. Accordingly, Purchaser makes no representations, warranties, covenants or guaranties as to the future performance of the Company or the likelihood of any Milestone Payments.

(j) Seller understands and agrees that: (i) the contingent right to receive any portion of the Milestone Payments shall not be represented or memorialized by any form, certificate or other instrument and does not constitute an equity or ownership interest in the Company, Purchaser, or any of their respective Affiliates, is not transferrable, except by operation of Law or pursuant to a merger, consolidation, reorganization, liquidation, dissolution, or similar transaction, and any other attempted transfer shall be null and void; and (ii) Seller shall have no rights as a security holder in the Company, Purchaser or any of their respective Affiliates solely as a result of Seller's contingent right to receive any Milestone Payment hereunder.

(k) Any Additional Consideration paid hereunder shall be treated for all purposes as part of the Share Purchase Price.

Section 2.8 Closing Deliveries. At or before the Closing, the Parties will deliver the documents and instruments that are set forth in this Section 2.8.

(a) Subject to the delivery of the items set forth in Section 2.8(b), at or before the Closing, Purchaser will execute or deliver (or cause to be executed and delivered) to the Company the following:

(i) evidence that, concurrently with the consummation of the transactions contemplated by this Agreement, Purchaser has initiated the payments required under Section 2.3(c);

(ii) a counterpart to the Escrow Agreement, duly executed by Purchaser and the Escrow Agent;

(iii) a counterpart to the Assignment and Assumption Agreement, duly executed by Purchaser;

(iv) a counterpart to the Bill of Sale, duly executed by Purchaser;

(v) a counterpart to the Transition Services Agreement, duly executed by Purchaser;

(vi) a counterpart to the Sublease Agreement, duly executed by the Company;

(vii) a properly completed original IRS Form 8023 for the Section 338(h)(10)

Election, duly executed by Purchaser;

(viii) and a certificate executed by an officer of Purchaser to the effect that the conditions set forth in Section 9.1(a) and Section 9.1(b) have been satisfied.

(b) Subject to the delivery of the payments set forth in Section 2.3(c) and the items set forth in Section 2.8(a), at the Closing, Seller or the Company, as applicable, will execute or deliver to Purchaser (or any other Person that is indicated below) all of the following:

(i) a counterpart to the Escrow Agreement, duly executed by Seller;

(ii) a counterpart to the Assignment and Assumption Agreement, duly executed by each Asset Seller to be party thereto;

(iii) a counterpart to the Bill of Sale, duly executed by each Asset Seller to be party thereto;

(iv) a counterpart to the Transition Services Agreement, duly executed by each Seller Group Entity to be a party thereto;

(v) a counterpart to the Sublease Agreement, duly executed by Seller (or its applicable Subsidiary);

(vi) evidence satisfactory to Purchaser that TPSC VI LLC, as landlord, has provided its consent to the Sublease Agreement;

(vii) evidence satisfactory to Purchaser that the lien on the Shares and the Purchased Assets in favor of Wells Fargo Bank has been released;

(viii) the consents of third parties identified on Section 3.4(a) of the Disclosure Schedule;

(ix) a properly completed IRS Form W-9, duly executed by each of Seller and the Asset Sellers;

(x) a counterpart IRS Form 8023 for the Section 338(h)(10) Election, duly executed by Seller; and

(xi) a certificate executed by an officer of the Company to the effect that the conditions set forth in Section 9.2(a) and Section 9.2(b) have been satisfied with respect to the Company.

Section 2.9 Withholding Rights. The Company, Seller, Purchaser and the Escrow Agent (collectively, the "Withholding Agents") may deduct and withhold from any consideration payable pursuant to this Agreement to any Person such amounts as such Withholding Agent is required to deduct and withhold with respect to the making of such payment under the Code or any other Tax Law; provided that, with respect to any consideration payable pursuant to this Agreement after the Closing Date that is not treated as compensation for U.S. federal income Tax purposes, each applicable Withholding Agent will use commercially reasonable efforts to notify Seller of any amounts subject to deduction or withholding at least five (5) Business Days prior to the payment thereof; provided further, however, that no failure of a

Withholding Agent in providing such notice to Seller shall reduce or otherwise affect the obligations or liabilities of Seller pursuant to this Agreement, except to the extent Seller is actually and materially prejudiced thereby. And Purchaser and the applicable Withholding Agent will reasonably cooperate with Seller and the affected payee to minimize or eliminate any such deduction or withholding to the extent permissible pursuant to applicable Law. To the extent that such amounts are so deducted or withheld by a Withholding Agent and properly and timely paid over to the appropriate Governmental Authority, such deducted or withheld amounts will be treated for the purposes of this Agreement as having been paid to such Person in respect of whom such deduction or withholding was made. Purchaser will promptly furnish to Seller and the applicable payee evidence of the payment to the applicable Governmental Authority of any amount deducted or withheld pursuant to this Section 2.9.

Section 2.10 Allocation of Asset Purchase Price and Share Purchase Price. Seller and Purchaser agree to allocate the Asset Purchase Price and, in the event the Section 338(h)(10) Election is made, the Share Purchase Price (and, in each case, other relevant items of consideration paid to Seller) among the Purchased Assets and, if applicable, the assets of the Company, for all tax purposes in accordance with the methodology for allocation provided on Schedule 2.10 attached hereto (the "Allocation Methodology"). Within ninety (90) days after determination of the Closing Consideration Amount pursuant to Section 2.4, Section 2.5 and Section 2.6, Purchaser shall deliver to Sellers a statement allocating the Purchase Price (including those Assumed Liabilities that are Liabilities for Tax purposes) among the Purchased Assets and, if applicable, the assets of the Company, in accordance with the Allocation Methodology (the "Allocation"). The Parties agree that the Allocation shall be modified to reflect any adjustments made pursuant to this Agreement or the payment of any indemnification claims pursuant to Article XII as mutually agreed upon by Purchaser and Sellers in good faith (and, if applicable, consistent with the prior allocation of similar items). If Seller disagrees with any items reflected in the Allocation, Seller shall notify Purchaser within thirty (30) days of receiving the Allocation of such disagreement and its reasons for so disagreeing, in which case the Parties shall negotiate in good faith and use their commercially reasonable best efforts to resolve any disputed items prior to the finalization of the Allocation. In the event the Seller and the Purchaser cannot agree on the Allocation, Seller and Purchaser shall each determine their own allocation of the Asset Purchase Price (and other relevant items) for applicable Tax purposes and shall not be bound by the Allocation. To the extent that the Parties agree on the Allocation, (a) the Parties shall file all Tax Returns (including IRS Forms 8594 and 8883, if acceptable, amended returns and claims for refunds) in a manner consistent with the Allocation, including any adjustments to such Allocation made pursuant to this Section 2.10, and shall use their commercially reasonable efforts to sustain such Allocation in any subsequent Tax audit or dispute, and (b) no party (and none of their respective Affiliates) will take any Tax position inconsistent with the Allocation on any Tax Return or otherwise, except as otherwise required by a "determination" within the meaning of Section 1313(a)(1) of the Code or any similar provision of any state, local or non-U.S. Law.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER REGARDING THE COMPANY AND THE PURCHASED ASSETS

Seller makes the representations and warranties regarding the Company and the Purchased Assets set forth in this Article III on the date hereof and on the Closing Date.

Section 3.1 Organization, Existence and Good Standing. The Company is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has full corporate power and authority to own all of its properties and assets and to carry on its business as

presently conducted and is qualified as a foreign corporation and is in good standing (where applicable) in all jurisdictions where the nature of its business or the nature and location of its assets or Personnel requires such qualification and where the failure to so qualify would have a Material Adverse Effect.

Section 3.2 Power and Authority, Authorization and Execution. The Company has all requisite corporate power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents to which it is, or at the Closing will be, a party. The execution and delivery of, and the performance of its obligations under, this Agreement and the other Transaction Documents to which it is, or at the Closing will be, a party by the Company and the consummation by the Company of the transactions contemplated by this Agreement and the other Transaction Documents have been, or prior to the Closing will have been, duly and validly approved by the board of directors of the Company. No other approvals or actions are necessary on the part of the Company to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is, or at the Closing will be, a party or the consummation of the transactions contemplated herein or therein. This Agreement has been duly executed and delivered by a duly authorized officer of the Company.

Section 3.3 Enforceability. This Agreement constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms (assuming that this Agreement has been duly and validly authorized, executed and delivered by the other Persons party thereto), except to the extent enforcement may be affected by Laws relating to bankruptcy, reorganization, insolvency and creditors' rights and by the availability of injunctive relief, specific performance and other equitable remedies (collectively, "Enforceability Exceptions"). At the Closing, the Transaction Documents to be executed and delivered by the Company at the Closing will constitute valid and binding obligations of the Company, enforceable in accordance with their terms (assuming that the Transaction Documents to which the Company is a party will be duly and validly authorized, executed and delivered by the other Persons party thereto), except to the extent enforcement may be affected by Enforceability Exceptions.

Section 3.4 Consents; Non-Contravention.

(a) Except as set forth on Section 3.4(a) of the Disclosure Schedule, neither Seller, nor the Company is required to give any notice to, make any filing with, or obtain any authorization, consent, Order or approval of any Governmental Authority in connection with the execution and delivery by the Company of this Agreement and the other Transaction Documents to which the Company is, or at the Closing will be, a party or the consummation of the transactions contemplated herein or therein, except for any such notice, filing, authorization, consent, Order or approval as would not have a Material Adverse Effect.

(b) Assuming that all notices, filings, authorizations, consents, Orders and approvals contemplated by Section 3.4(a) of the Disclosure Schedule have been duly made or obtained, neither the execution, delivery and performance of this Agreement and the other Transaction Documents to which the Company or Seller is, or at the Closing will be, a party, nor the consummation of the transactions contemplated herein and therein: (a) will violate any provision of the Governing Documents of the Company; (b) will conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification, or cancellation, or a loss of rights under, any Material Contract;
(c) will violate any material Law or material Order to which the Company, Seller or any of the Company's or Seller's assets are subject or otherwise bound; or (d) will result in the creation or imposition of any Lien (other than a Permitted Lien) upon the Company or Seller, or any of the Company's or Seller's assets, except, in the case of clauses (b), (c) and (d) above, for any such conflict, breach, default, event, loss, violation, creation or imposition as would not have a Material Adverse Effect.

For the avoidance of doubt, given that the certificates allowing the CE marking of the Business Products are Excluded Assets, in order to operate the Business, Purchaser will need to independently obtain its own certificates (declarations of conformity and certificates issued by a competent Notified Body, all as applicable) relating to the CE marking of products aimed at the European Union market or other markets that recognize the authority of the CE marking.

Notwithstanding anything to the contrary in this Section 3.4, Seller makes no representation or warranty with respect to any notices, filings, authorizations, consents, Orders, approvals, Permits, registrations, certifications, designations or appointments that may be required in connection with Purchaser's or its Affiliates' operation of the Business following the Closing, including any such requirements relating to European regulatory matters (including the Medical Device Regulation (MDR) process or CE marking certification for the Business Products), all of which are expressly disclaimed.

Section 3.5 Capitalization.

(a) The ownership of the Company is represented by the Shares and all of the Shares are held by Seller. Other than the Shares, there are no Equity Securities of the Company authorized, issued, or outstanding. All of the Shares have been validly issued and there are no unsatisfied capital commitments in respect thereof. Except for its Governing Documents, the Company is not a party to any agreements with respect to the voting, ownership or transfer of any Shares. Upon the Closing, the Shares will be delivered to Purchaser, free and clear of all Liens (other than any Liens which may result from any actions taken by Purchaser or arising under any applicable securities Laws or the Governing Documents of the Company).

(b) The Company does not directly or indirectly hold or beneficially own any Equity Securities in any Person.

(c) The Company has furnished to Purchaser complete, current and accurate copies of all Governing Documents of the Company as in effect as of the date of this Agreement. The Governing Documents of the Company are in full force and effect, and no other Governing Documents are applicable to or binding upon the Company. The Company is not in violation of its Governing Documents in any material respect.

Section 3.6 Financial Statements; Undisclosed Liabilities

(a) Section 3.6(a) of the Disclosure Schedule sets forth (i) the unaudited statements of selected assets and liabilities and selected revenue and costs of the Business for the year ending December 31, 2024 and (ii) the unaudited statements of selected assets and liabilities and selected revenue and costs of the Business for the year ending December 31, 2025 (the "Most Recent Balance Sheet") (collectively, the "Financial Statements"). The Financial Statements have been derived from the consolidated financial statements and accounting records of Seller and its applicable Subsidiaries and present fairly, in all material respects, the selected assets, liabilities, revenues and expenses of the Business; provided, however, that (i) the Company has not operated as a separate or standalone entity, but rather has historically been reported within the consolidated financial statements of the Seller and (ii) standalone financial statements have not historically been prepared for the Company.

(b) Except as set forth on Section 3.6(b) of the Disclosure Schedule, there are no liabilities or obligations of the Company or, to the extent relating to the Business, a Seller Group Entity,

of any nature, whether absolute, accrued, contingent or otherwise and whether due or to become due, which would be required to be presented on the face of a balance sheet of the Business prepared in accordance with GAAP except (i) as disclosed in the Most Recent Balance Sheet, (ii) incurred in the ordinary course of business since the Most Recent Balance Sheet Date, (iii) incurred in accordance with obligations of a Seller Group Entity or the Company under this Agreement, (iv) arising under any Contract to which the Company or a Seller Group Entity is a party, (other than any liabilities or obligations arising from any breach of such Contract by the Company or such Seller Group Entity, as the case may be) or (v) any liabilities or obligations that would not reasonably be expected, individually or in the aggregate, to be materially adverse to the Business, taken as a whole.

Section 3.7 Title to Assets and Related Matters. Except as set forth on Section 3.7 of the Disclosure Schedule, and except for the goods and services to be provided pursuant to Transition Services Agreement and any assets that constitute Excluded Assets, as of immediately prior to the Closing, (a) the Company has good and valid title to, or a valid leasehold or licensed interest in, all of the tangible assets and properties used by the Company in the conduct of the Business, in each case free and clear of all Liens other than Permitted Liens, and (b) the Seller Group Entities have good and valid title to, or a valid leasehold or licensed interest in, all of the tangible Purchased Assets, in each case free and clear of all Liens other than Permitted Liens. The material tangible assets of the Company, as well as the material tangible assets included in the Purchased Assets, are in suitable operating condition and repair in all material respects, normal wear and tear excepted and are in conformity in all material respects with all applicable Laws and other applicable requirements.

Section 3.8 Insurance. Section 3.8 of the Disclosure Schedule lists each current insurance policy maintained by the Company. All such insurance policies are in full force and effect, the Company and/or the Business are not in default with respect to its payment obligations under any such insurance policies and as of the date of this Agreement, no written notice of cancellation or termination has been received by the Company or any Seller Group Entity with respect to any such insurance policy. There are no claims pending under any such insurance policy with respect to the Business or the Purchased Assets.

Section 3.9 Taxes.

(a) In the past five (5) years all income and other material Tax Returns for the Business that were required to be filed have been duly and timely filed, and all material Taxes (whether or not shown on any Tax Return) for the Business have been timely paid in full. All such Tax Returns are true, correct and complete in all material respects.

(b) Except as set forth on Section 3.9(b) of the Disclosure Schedule, the Company has not been the subject of any audits, examinations, claims, litigations, investigations or other Proceedings by any Governmental Authority with respect to Taxes or Tax Returns for which the statute of limitations has not expired and which has not been fully settled or resolved. No audits, examinations, claims, litigation, investigations or other proceedings are currently being conducted, pending or have been threatened in writing with respect to Tax Returns or Taxes of the Company. The Company has not received from any Governmental Authority (including jurisdictions where the Company has not filed Tax Returns) (i) any written notice indicating an intent to open an action, audit, examination, claim litigation or other proceeding related to Taxes or Tax Returns, (ii) any request for information related to Tax matters or (iii) any notice of deficiency or proposed adjustment for any amount of Tax by any Governmental Authority against the Company. No waivers of statutes of limitation with respect to the Taxes or Tax Returns of the Company that are currently in effect have been given by or requested in writing from the Company (except, for the avoidance of doubt, for automatic extensions of time to file

Tax Returns). No written claim has been received in the past five (5) years by the Company from any Governmental Authority in a jurisdiction where the Company does not file a particular type of Tax Return, or pay a particular type of Tax, that it is or may be subject to taxation by that jurisdiction or required to file Tax returns in that jurisdiction.

(c) There are no Liens for Taxes upon the Shares, the Purchased Assets or any of the Company's assets, other than Permitted Liens. All Taxes required to be withheld by Seller or the Company in connection with amounts paid or owing to any employee, independent contractor, creditor or other Person with respect to the Business have been withheld, and have been timely paid to the proper Governmental Authorities or, in circumstances where such Taxes have not yet become due and payable, have been set aside in segregated accounts to be paid to the proper Governmental Authority. Each of Seller and the Company has timely and accurately complied in all respects with all reporting and record keeping requirements related thereto with respect to the Business, including filing of Forms W-2 and 1099 (or other applicable forms). All Persons who have provided services to Seller or the Company with respect to the Business that have been classified by Seller or the Company as independent contractors for purposes of Tax withholding laws were properly classified, and Seller or the Company has fully and accurately reported their compensation on Forms 1099 when required to do so.

(d) The Company is not party to or bound by any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or any similar Contract for the sharing of Tax liabilities or benefits (excluding Contracts not primarily related to Taxes, such as commercial agreements with lenders, vendors, customers and landlords and similar commercial agreements, and any Contracts solely among the Company, on the one hand, and one or more of its Affiliates, on the other hand, or among the Company's Affiliates).

(e) The Company (i) has not been a member of a Tax Group (other than a Tax Group the common parent of which is or was Seller or one of its Affiliates or a group including Purchaser or any of its Affiliates or a Tax Group that the Company will join upon or after the Closing) or (ii) has not had any liability for the Taxes of any Person (other than with respect to a Tax Group the common parent of which is or was the Company, Seller or one of its Affiliates) under Treasury Regulation Section 1.1502-6 (or any similar provision of applicable Law), as a transferee or successor, or by Contract (other than any Contracts not primarily related to Taxes, such as commercial agreements with lenders, vendors, customers and landlords and similar commercial agreements, or any Contracts solely among the Company, on the one hand, and one or more of its Affiliates, on the other hand, or among the Company's Affiliates).

(f) The Company has not participated in any "listed transaction" as defined in Treasury Regulation Section 1.6011-4(b)(2). The Company has not participated or engaged in any transaction that has required the filing of an IRS Schedule UTP and has not participated or engaged in any other transaction that is subject to disclosure requirements pursuant to a corresponding or similar provision of state, local or foreign Tax Law.

(g) The Company has not distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code in the two (2) years before the date of this Agreement.

(h) The Company has not entered into any agreement with any Governmental Authority relating to any Tax (including a "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax Law) or any "gain recognition

agreement" under Section 367 of the Code (or any corresponding or similar provision of state, local or foreign Tax Law)).

(i) The Company will not (nor will Purchaser as a result of the transactions contemplated by this Agreement) be required to include any item of income in, or exclude any item of deduction from, taxable income for any Post-Closing Tax Period as a result of: (i) any change in method of accounting (including, for the avoidance of doubt, any adjustment under Section 481(a) of the Code (or any corresponding or similar provision of state, local or foreign Tax Law)) by the Company; (ii) any use of an improper method of accounting, completed contract method of accounting, or the percentage of completion method of accounting by the Company for a Pre-Closing Tax Period; (iii) entering into an agreement with any Governmental Authority relating to any Tax of the Company on or prior to the Closing Date (including a "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax Law) and a "gain recognition agreement" under Section 367 of the Code (or any corresponding or similar provision of state, local or foreign Tax Law)); (iv) an installment sale or open transaction disposition made on or prior to the Closing Date by the Company; (v) any prepaid amount received or deferred revenue accrued on or prior to the Closing Date by the Company; (vi) Section 965 or Section 59A of the Code (or any corresponding or similar provision of state, local or foreign Tax Law);
(vii) any election by the Company under Section 108(i) of the Code; or (viii) any interest held by the Company in a "controlled foreign corporation" (as that term is defined in Section 957 of the Code) (a "CFC") on or before the Closing Date pursuant to Section 951, 951A, or 965 of the Code (collectively, a "Post-Inclusion Item").

(j) Except as set forth on Section 3.9(k) of the Disclosure Schedule, the Company and the Asset Sellers (i) have timely and properly collected and remitted all sales, use, value added, and similar Taxes required to be collected by the Company or the Asset Sellers with respect to sales made to its customers, and (ii) has properly received and retained any appropriate tax exemption certificates and other documentation for all sales made without charging or remitting sales, use, value-added and similar Taxes that qualify such sales as exempt from sales and similar Taxes.

(k) The Company has not (i) deferred any amount of the employer's share of any "applicable employment taxes" under Section 2302 of the CARES Act (as modified by the Consolidated Appropriations Act, 2021), (ii) claimed or received any Tax credits (including, but not limited to, the Employee Retention Credit) under Sections 7001 through 7005 of the Families First Act, Section 2301 of the CARES Act (as modified by the Consolidated Appropriations Act, 2021) or Section 3134 of the American Rescue Plan Act of 2021), (iii) sought a covered loan under paragraph (36) of Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by Section 1102 of the CARES Act, (iv) incurred any liability with respect to any claimed or received Tax credits (including, but not limited to, the Employee Retention Credit) under Sections 7001 through 7005 of the Families First Act, Section 2301 of the CARES Act (as modified by the Consolidated Appropriations Act, 2021), or Section 3134 of the American Rescue Plan Act of 2021, or (v) deferred any payroll tax obligations (including those imposed by Section 3101(a) and 3201 of the Code) pursuant to or in connection with the Payroll Tax Executive Order.

(l) Within the past five (5) years, the Company (i) is and has always been in compliance in all respects with all escheat, abandoned and unclaimed property applicable Laws, (ii) submitted to the appropriate Governmental Authority all amounts required to be paid thereunder, and (iii) filed all

statements, returns, and reports required to be filed thereunder. There is no escheat, abandoned, or unclaimed property obligation with respect to property or other assets held or owned by the Company.

(m) Neither the Company nor any of its assets, nor any of the Purchased Assets is subject to a Tax holiday, Tax incentive, Tax grant or similar Tax exemption in any jurisdiction (collectively, a "Tax Incentive") that will terminate (or be subject to clawback or recapture) as a result of the transactions contemplated by this Agreement. There is no potential for any Tax Incentive of the Company that was realized on or prior to the Closing Date to be subject to recapture as a result of any actions or activities following the Closing Date.

(n) As a result of the election under Section 338(g) of the Code made in connection with Seller's acquisition of the Company, the Company recognized gain inherent in the Company's assets in accordance with the provisions of Section 338 of the Code and the Treasury Regulations thereunder.

Section 3.10 Conduct of Business. Since the Most Recent Balance Sheet Date, (a) there has not occurred any Material Adverse Effect and (b) other than in connection with this Agreement and the other Transaction Documents and other than as set forth on Section 3.10 of the Disclosure Schedule:

(i) the Company has not amended its Governing Documents in any material respect;

(ii) the Company has not (A) made any change in its authorized Equity Securities, (B) issued any Equity Securities or (C) purchased or redeemed any of its Equity Securities;

(iii) no Seller Group Entity has sold or transferred any material portion of the Business assets or property, except for sales of inventory, dispositions of obsolete equipment and transfers of cash in payment of accrued expenses and accounts payable due and owing, all in the ordinary course of business;

(iv) the Company has not incurred, assumed or guaranteed any material indebtedness for borrowed money, other than in the ordinary course of business under existing revolving lines of credit and no Seller Group Entity has incurred or assumed any indebtedness for borrowed money creating or resulting in a Lien (other than a Permitted Lien) on any of the Business assets;

(v) no Seller Group Entity has made any capital expenditure relating to the Business that causes the aggregate amount of all capital expenditures by the Company since the Most Recent Balance Sheet Date to exceed $500,000;

(vi) no Seller Group Entity has, except as required by applicable Law, instituted or made any material amendment to any Benefit Plan;

(vii) no Seller Group Entity has settled or compromised any claim relating to the Business, other than settlements or compromises involving solely money damages not in excess of $500,000 in the aggregate;

(viii) no Seller Group Entity has experienced any damage or destruction affecting a material portion of the assets or properties of the Business, taken as a whole;

(ix) no Seller Group Entity has acquired (including without limitation, by merger, consolidation, or acquisition of stock or assets) any material interests in any Person or any

material assets of any Person, in each case, other than acquisitions of Inventory in the ordinary course of business;

(x) no Seller Group Entity has, with respect to the Business, entered into, amended, accelerated, terminated or modified any Material Contract;

(xi) other than in the ordinary course of business and consistent with past practice, no Seller Group Entity has increased or decreased the compensation (including bonus or incentive compensation) or benefits of any Business Employee or independent contractor of the Business;

(xii) no Seller Group Entity has, with respect to the Business, granted rights to severance, retention or termination pay to, or entered into any employment, consulting or severance agreement with any current or former Personnel or independent contractor of the Business;

(xiii) neither the Company nor any Seller Group Entity has: (x) hired, terminated, promoted, demoted, or removed any Business Employee at the manager level or above or (y) materially changed the terms and conditions of employment of any Business Employee at the manager level or above;

(xiv) no Seller Group Entity has, in connection with the Business, (i) accelerated sales into a current period or deferred any sales into a future period, (ii) delayed or postponed any capital expenditures or the repair or maintenance of any of the Business's properties or assets, or (iii) varied any of its inventory purchasing practices in any material respect; and

(xv) no Seller Group Entity has agreed to do any of the foregoing in connection with the Business.

Section 3.11 Contracts. Section 3.11 of the Disclosure Schedule contains a list of the following Contracts to which the Company or, to the extent related to the Business, any Seller Group Entity, is a party or otherwise bound as of the date of this Agreement and which has not been fully performed by the parties thereto as of the date of this Agreement (each Contract listed on Section 3.11 of the Disclosure Schedule, and each Intellectual Property License that is not an Incidental License, a "Material Contract"):

(a) Contracts with any Business Employee whose annual salary was in excess of $200,000 as of March 31, 2026 other than any at-will agreement (terminable at any time for any reason without any notice, severance, penalty, or the payment of any amount other than accrued wages) or any Independent Business Contractor whose aggregate fees exceeded $200,000 during the twelve (12) month period ended March 31, 2026;

(b) Contracts that provide for the payment to any employee, officer, director, independent contractor, or consultant of any change of control payment or retention payment as a result of the consummation of the transactions contemplated by this Agreement or the other Transaction Documents;

(c) Collective bargaining agreements or any Contracts with any labor union;

(d) Contracts relating to indebtedness (i) pursuant to which the Company has incurred, assumed or guaranteed any indebtedness for borrowed money or (ii) which grants or evidences a Lien (other than a Permitted Lien) on the Shares, or the Purchased Assets;

(e) Contracts pursuant to which the Company or, to the extent related to the Business, any Seller Group Entity, acquired or disposed of any material assets of the Business or material amount of securities during the past three (3) years outside the ordinary course of business;

(f) Contracts with the twenty-five (25) largest customers of the Business, as measured by revenue for the twelve (12) month period ended December 31, 2025;

(g) Contracts with component suppliers, contract manufacturers, or similar providers for the manufacture or supply of products pursuant to which the Company or any Seller Group Entity made payments in respect of the Business in excess of $300,000 during the twelve (12) month period ended March 31, 2026;

(h) Contracts with the ten (10) largest distributors of the Business whereby any third-party is distributing any Business Product;

(i) Contracts with sales representatives, sales agencies, or other Persons engaged to solicit or generate product sales pursuant to which the Company or any Seller Group Entity made payments in respect of the Business in excess of $300,000 during the twelve (12) month period ended March 31, 2026;

(j) any Contract that (A) materially limits the freedom of the Company or the Business to compete in any line of business with any Person or in any area, (B) contains any exclusivity obligation that restricts the Company or the Business or (C) contains any provision that requires the Company or the Business to offer most favored nation pricing or volume discounts;

(k) any Contract for the settlement or compromise of any Proceeding pursuant to which, after the date of this Agreement, the Business will be required to satisfy any obligation;

(l) (i) any finance or capital lease or (ii) any lease or other Contract relating to equipment or machinery, in each case, that is material to the operation of the Business;

(m) any Contract, other than leases relating to equipment and machinery of the Business, relating to the lease or license of any assets of the Company, including any Intellectual Property Asset or Leased Real Property;

(n) any Contract relating to the Intellectual Property Assets, including, without limitation, Contracts relating to the development of the Intellectual Property Assets;

(o) any Contract relating to any joint venture, partnership, limited liability company, strategic alliance or sharing of profits or losses with any Person to which the Company is a party or by which the Business or any of its assets are bound; and

(p) any Contract between the Company and any Governmental Authority.

All of the Material Contracts are in full force and effect and are valid and enforceable against the Company and any Seller Group Entity party thereto in accordance with their terms, except to the extent enforcement may be affected by Enforceability Exceptions, and except as would not reasonably be expected to individually or in the aggregate, be materially adverse to the Company or the Business. Neither the Company nor any Seller Group Entity party thereto is in material default under such Material Contract and, to the Company's Knowledge, no other Person that is party to such Material Contract is in material default under such Material Contract. True, correct and complete copies of each Material Contract have been made available to Purchaser.

Section 3.12 Permits. The Seller Group Entities collectively hold all Permits that are required to be held by the Seller Group Entities in order to conduct the Business as presently conducted and that, if not possessed, would not reasonably be expected, individually or in the aggregate, to be materially adverse to the Business, taken as a whole (collectively, the "Material Permits"). To the Company's Knowledge, the Business is in compliance in all material respects with the terms and requirements of all Material Permits. All such Material Permits are set forth on Section 3.12 of the Disclosure Schedule.

Section 3.13 Compliance with Laws.

(a) Except as set forth on Section 3.13 of the Disclosure Schedule, during the past three (3) years, (i) the Company has been, and with respect to the operation of the Business, Seller Group Entities have been, in compliance in all material respects with all applicable Laws and (ii) neither the Seller Group Entities nor the Company has received any written notice from any Governmental Authority or other Person claiming or alleging that the Company was not in compliance with all Laws applicable to the Company or the operation of the Business or that any Seller Group Entity was not in compliance with all Laws applicable to the operation of the Business.

(b) None of the Company or any Personnel of the Business or other Person acting on behalf of or associated with the Business, has at any time: (i) received, directly or indirectly, any rebates, payments, commissions, promotional allowances or any other economic benefits, regardless of their nature or type, from any customer or supplier, or any employee or agent of any customer or supplier, or (ii) directly or indirectly given or agreed to give any money, gift or similar benefit to any official or employee of any Governmental Authority, or other Person who was, is or could reasonably be expected to be in a position to help or hinder the Business (or assist the Company in connection with any actual or proposed business transaction), including, without limitation, any customer or supplier of the Company or any Personnel or Representative of such customer or supplier, in each case which (x) could reasonably be expected to subject the Company to any damage or penalty in any civil, criminal or governmental Proceeding, (y) if not given in the past, could reasonably be expected to have had an adverse effect on the operations, cash flows or prospects of the Company or (z) if not continued in the future, could reasonably be expected to adversely affect the operations, cash flows or prospects of the Company or (iii) violated or is in violation of any provision of any Anti-Corruption Law.

(c) The Company and each Seller Group Entity have maintained systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with applicable Anti-Corruption Laws. Neither the Company nor any Personnel of the Company is the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to any Anti-Corruption Law.

(d) None of the Company, any Seller Group Entity nor any Personnel of the Business have violated or are in violation of any Export Control Law with respect to the operation of the Business. Neither of the Company, nor any Seller Group Entity has received notice alleging that it is not in compliance with applicable Export Control Laws with respect to the operation of the Business, and neither the Company nor any Seller Group Entity has filed any voluntary disclosures of possible violations of applicable Export Control Laws or any other export violations with respect to the operation of the Business. None of the Company, any Seller Group Entity nor any Personnel of the Company (i) is named or described in any screening list maintained by any Governmental Authority, including any list issued by OFAC or any other lists included in the U.S. government's consolidated screening list or on any similar list, (ii) is otherwise a party with whom, or has its principal place of business or the majority of its business operations (measured by revenue) located in a country in which transactions are prohibited by Law, or (iii) have been convicted of a felony relating to money laundering or is under investigation by any Governmental Authority for money laundering.

Section 3.14 Proceedings and Orders. Except as set forth on Section 3.14 of the Disclosure Schedule, there are no Proceedings of any kind or nature pending or, to the Company's Knowledge, threatened in writing against any Seller Group Entity relating to the operation of the Business. Neither the Company, nor any Seller Group Entity is bound by any material Order entered into in connection with any material Proceeding during the three (3) year period ended the date of this Agreement, in each case relating to the Business.

Section 3.15 Real Property. The Company does not own and has never owned fee simple interest in any real property. Section 3.15 of the Disclosure Schedule (a) identifies by street address all real property leased by the Company and any Seller Group Entity in connection with the Business (the "Leased Real Property" and the lease agreements related thereto, the "Real Property Leases") as of the date of this Agreement and (b) lists the written leases under which the Leased Real Property is leased as of the date of this Agreement (the "Leases"). The Leases are in full force and effect and are valid and enforceable in accordance with their terms, except to the extent enforcement may be affected by Enforceability Exceptions. The Company is not and no Seller Group Entity is, as applicable, in material default under any Lease to which it is a party, and, to the Company's Knowledge, no other Person that is party to any Lease is in material default under any Lease, except, in either case, for breaches or defaults as to which requisite waivers or consents have been obtained. The Company has not subleased any Leased Real Property to any Person. Except as set forth on Section 3.15 of the Disclosure Schedule:

(a) as of the Closing, the Company will have a valid leasehold interest in the Leased Real Property, and the Company will not have collaterally assigned, mortgaged, deeded in trust or granted any other Liens in the Leased Real Property other than Permitted Liens;

(b) the Company's leasehold interest in the Leased Real Property will not as of the Closing be subject to any Liens (other than the Lien, if any, of current property Taxes and assessments not in default and other than as provided for in the Real Property Leases);

(c) except as set forth in the Real Property Leases, the Leased Real Property is not subject to any use restrictions, exceptions, reservations or limitations which interfere with or impair the present and continued use thereof as currently used by the Company in the conduct of the Business;

(d) there are no pending or, to the Company's Knowledge, threatened, condemnation or other similar Proceedings or claims relating to any of the Leased Real Property;

(e) the Leased Real Property abuts on and has direct vehicular access to a public road, or has access to a public road via a permanent, irrevocable, appurtenant easement benefiting the Leased Real Property, and access to the Leased Real Property is provided by paved public right-of-way;

(f) all necessary utilities are currently available to the Leased Real Property in sufficient size and capacity to adequately serve the continued use thereof as currently used by the Company in the conduct of the Business;

(g) the Leased Real Property is properly zoned to permit the continued use of the Leased Real Property for the conduct of the Business, and, to the Company's Knowledge, there are no pending amendments to any applicable zoning ordinance which are likely to curtail or to interfere with such continued use;

(h) the conduct of the Business on the Leased Real Property is in compliance in all material respects with applicable Laws and the Real Property Leases, and no portion of the Leased Real Property is operated as a nonconforming use;

(i) all Permits necessary for the occupancy and use of the Leased Real Property for the conduct of the Business have been obtained and are in full force and effect; and

(j) no portion of the Leased Real Property is located in either a "Special Flood Hazard Area" pursuant to the Federal Insurance Rate Maps created by the Federal Emergency Management Agency or an area which is inundated by a "100 year" flood as provided by any Governmental Authority.

Section 3.16 Environmental Matters.

(a) The Company is and for the past three (3) years has been in compliance in all material respects with all applicable Environmental Laws. The Company possesses and is and for the past three (3) years has been in material compliance with all Environmental Permits that are required for the Company to operate its business as presently conducted. All such Environmental Permits held by the Company are valid and in good standing and there is no pending, or to the Company's Knowledge, threatened, action to modify, revoke or rescind any such Environmental Permit. There are no pending actions or claims against the Company related to Environmental Laws. Within the past three (3) years, the Company has not received any written or, to the Company's Knowledge, oral, notice, request for information, complaint, claim, citation, summons or other communication from any Governmental Authority regarding (i) any actual or alleged violation of any Environmental Laws or Environmental Permits or (ii) any investigatory, remedial, or corrective obligations relating to the Company arising under Environmental Laws. The Company has not entered into or assumed by contract or, operation of Law or otherwise, any obligation, liability or Order relating to or arising under Environmental Laws. No facts, conditions or circumstances exist with respect to the Company or the Business that would reasonably be expected to result in any claim, liability, investigatory obligation or remedial obligation under Environmental Laws. The Company has provided Purchaser with copies of all existing material reports, reviews, studies, audits, and other material documents that relate to the environmental condition of the real properties or assets currently or formerly used in connection with the operation of the Company's business, or the Company's compliance with Environmental Laws or Environmental Permits, and that are in the Company's possession or under the Company's reasonable control.

(b) There has been no Release of Hazardous Materials by the Company at, on, under or migrating from any real property or, to the Company's Knowledge, by any Person, at, on, under or migrating from any real property currently or formerly operated or leased by the Company, that has resulted in or would reasonably be expected to result in liability to the Company under Environmental Laws. The Company has not transported, treated, stored, disposed of, arranged for disposal of, or released any Hazardous Materials except in compliance with Environmental Laws.

Section 3.17 Benefit Plans.

(a) Section 3.17 of the Disclosure Schedule lists each Benefit Plan. The Company has made available to Purchaser with respect to each Benefit Plan (to the extent applicable thereto) copies of
(i) the current plan document and trust agreement or other funding documentation (including all amendments thereto) or, if such Benefit Plan is not in writing, a written description of the material terms of such Benefit Plan; (ii) the three most recent Forms 5500 filed with respect to such Benefit Plan; (iii) the

most recent summary plan description, and all summaries of material modifications related thereto, distributed to participants in such Benefit Plan; (iv) the most recent annual compliance testing report; and
(v) the most recent determination, opinion or advisory letter issued by the IRS with respect to such Benefit Plan.

(b) Each Benefit Plan has been documented in all material respects in compliance with all applicable Laws and maintained and administered in all material respects in accordance with its terms and in compliance with all applicable Laws. Except as would not reasonably be expected to result in liability to the Company: (i) all contributions, premiums and other payments due or required to have been paid by the Company or an Affiliate (as applicable) to (or with respect to) any Benefit Plan prior to the date of this Agreement have been timely paid; (ii) all contributions, premiums and other payments that have accrued but are not yet due to or with respect to any Benefit Plan prior to the date of this Agreement have been properly reflected in the Company's or Affiliate's (as applicable) financial statements; and (iii) the Company has not and, to the Company's Knowledge, no other Person has (A) engaged in a nonexempt prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code with respect to any Benefit Plan that is subject to such sections, or (B) breached any fiduciary duty imposed upon it by ERISA with respect to any Benefit Plan that is subject to ERISA. With respect to employees, contractors, and other service providers of or to the Business, each Benefit Plan covers only current employees who are employed by the Company and their dependents (or former employees or their dependents with respect to former employee service with the Company).

(c) Each Benefit Plan intended to be qualified under Section 401(a) of the Code (i) is the subject of a favorable determination letter from the IRS, or (ii) utilizes a preapproved plan document that is the subject of a favorable opinion or advisory letter issued by the IRS to the sponsor of such preapproved plan. Nothing has occurred and, to the Company's Knowledge, no circumstances exist that would reasonably be expected to cause the loss of qualification of any such Benefit Plan.

(d) Each Benefit Plan that provides deferred compensation subject to Section 409A of the Code is and at all times has been documented in accordance with Section 409A of the Code and complies and has complied in all material respects with the requirements of Section 409A of the Code and the guidance issued thereunder, to the extent such requirements are applicable thereto. The Company does not have any obligation to indemnify or reimburse any individual for any additional Taxes or interest imposed on such individual pursuant to Section 409A of the Code.

(e) None of the Benefit Plans is or ever has been, and the Company does not have and never has had any liability (including contingent liability) with respect to, any (i) "employee pension benefit plan," as defined in Section 3(2) of ERISA, that is or was subject to Section 302 of ERISA, Title IV of ERISA or Section 412 of the Code; (ii) "multiemployer plan," as defined in Section 3(37) of ERISA; (iii) multiple employer plan, within the meaning of Section 210(a) of ERISA or Section 413(c) of the Code; or (iv) "multiple employer welfare arrangement," as defined in Section 3(40) of ERISA. The Company does not have any liability with respect to any "employee benefit plan," as defined in Section 3(3) of ERISA, solely by reason of being treated as a single employer under Section 414 of the Code or Section 4001(a)(14) of ERISA with any other trade or business.

(f) Except as set forth on Section 3.17(f) of the Disclosure Schedule, no Benefit Plan provides life insurance, medical benefits or any other welfare benefits to any current or former employee or other service provider (or a dependent of such individual) of the Company after the employee's or other service provider's termination of employment or service, other than (i) as required by Law, including Section 4980B(f) of the Code and similar state Law, at the expense of the former employee or

service provider and/or such employee's or service provider's dependent, (ii) coverage through the end of the month of termination of employment or service, and (iii) conversion rights at the sole expense of the converting individual.

(g) There are no claims or Proceedings (other than routine claims for benefits, appeals of such claims, and domestic relations order Proceedings in accordance with Benefit Plan terms and procedures) pending or, to the Company's Knowledge, threatened with respect to (or against the assets of) any Benefit Plan.

(h) Except as set forth on Section 3.17(h) of the Disclosure Schedule, except as required by Law or the terms of this Agreement, neither the execution of this Agreement by the Company nor the consummation of the transactions contemplated by this Agreement (either alone or in conjunction with another event) will: (i) accelerate the time of payment or vesting of, or trigger any funding of benefits under, any Benefit Plan; or (ii) entitle any current or former employee, officer, director or individual independent contractor of the Company or any Business Employee to any payment or increase in compensation or benefits or to any severance pay under any Benefit Plan or otherwise. The Company does not have any obligation to indemnify or reimburse any Business Employee or other individual for any Taxes imposed on such individual pursuant to Section 4999 of the Code or any other Tax law.

(i) The Company is and has at all times been in compliance in all material respects with all applicable requirements of the Patient Protection and Affordable Care Act, as amended ("PPACA"). The Company is not currently subject to, nor, to the Company's Knowledge, are there any facts that could form a basis for, any assessment of taxes or penalties under PPACA.

Section 3.18 Employee Relations.

(a) Set forth in Section 3.18(a) of the Disclosure Schedule is a true, correct and complete list by name of all Business Employees, and for each such employee, such employee's (i) name, (ii) job title, (iii) primary location of employment, (iv) employing entity, (v) exempt or non-exempt status under the Fair Labor Standards Act ("FLSA") and any applicable state or local Law, (vi) current annual base salary or wages (listing hourly rate if paid hourly, listing annual salary if paid salary, or if neither, specifying the manner and amount of payment), (vii) full time or part time status; (viii) whether they are an active employee or Inactive Employee; and (ix) incentive compensation targets and outstanding long-term incentive award values, including scheduled vesting and payment values as of May 2026.

(b) No Business Employees are or heretofore in the past three (3) years have been covered by or subject to a collective bargaining agreement or other Contract with any labor organization, union, works council or association. For the past three (3) years there has not been any actual or threatened, and there is not presently any pending or, to the Company's Knowledge, threatened in writing: (i) any Proceeding against or affecting the Company or the Business relating to any alleged violation of any Law pertaining to labor relations or employment matters, including without limitation any charge or complaint filed by any Person with the National Labor Relations Board, the Equal Employment Opportunity Commission, U.S. Department of Labor, Officer of Federal Contract Compliance Programs, the Occupational Safety and Health Administration, or any other Governmental Authority; (ii) any union organizational activity, labor strike, labor dispute, labor union grievance, labor strike, walkout, work stoppage, slow-down, lockout, or other labor or material employment dispute against or affecting the Company or the operation of the Business; (iii) any charge, demand, petition, representation or certification proceedings or petitions seeking a representation proceeding to be brought or filed with the National Labor Relations Board or any other labor relations tribunal or authority, or otherwise efforts to

compel, require or demand any Seller Group Entity to bargain with any labor union or labor organization; or (iv) any application for certification of a collective bargaining agent with respect to the Business Employees.

(c) Within the past three (3) years, the Company and, to the extent relating to the operation of the Business, each Seller Group Entity has been in compliance in all material respects with all applicable Laws pertaining to employment and employment practices, including without limitation all Laws relating to labor relations, terms and conditions of employment, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages (including classification under the FLSA and other applicable state and local Laws), hours, overtime compensation, wage deductions, wage assignments, wage garnishments, workday/workweek/work hours, prevailing wages, pay transparency, pay equity, child labor, hiring, promotion and termination of employees, employee privacy, surveillance and monitoring, biometric data, data protection, pay statements, recordkeeping, postings, plant closings/mass layoffs, background checks, testing (including drug and alcohol testing), paid and unpaid leaves of absence (including paid sick leave), vacation and paid time off, working conditions, meal and break periods, immigration, employment verification/authorization, affirmative action, health and safety, workers' compensation, leaves of absence and unemployment insurance. Any person currently or formerly performing services for the Business as a consultant or independent contractor has been properly classified as an employee or non-employe under all applicable Laws except as would not result in a material liability to the Company. All current and former employees providing services for the Business have been properly classified as exempt or non-exempt under the FLSA and other applicable state and local Laws. Except as set forth in Section 3.18(c) of the Disclosure Schedule, all Business Employees are employed or engaged on an at-will basis. Neither the Company, nor, as it relates to the operation of the Business, any Seller Group Entity is delinquent in any payments to any current or former employees or independent contractors for any wages, salaries, commissions, bonuses or other compensation or remuneration for any services performed as of the date hereof or any reimbursable amount.

(d) The Company and all Seller Group Entities have maintained workers' compensation coverage as required by applicable Law through the purchase of insurance and not by self-insurance or otherwise. No Business Employee has provided written notice to a Seller Group Entity to terminate their employment, and neither the Company nor any Seller Group Entity has any intention to terminate the employment of any Business Employee before the Closing Date. To the Knowledge of the Company, no Business Employee or Business Independent Contractor is in violation of any term of any employment contract, non-disclosure agreement, noncompetition agreement, or any restrictive covenant to a former employer relating to the right of such employee or independent contractor to be employed by or provide services to the Company or the Business.

(e) Neither the Company, nor, as it relates to the operation of the Business, any Seller Group Entity has implemented any plant closing or layoff of employees that would implicate the WARN Act or any similar Law. Neither the Company, nor, as it relates to the operation of the Business, any Seller Group Entity has been affected by any transaction, engaged in any plant closing or relocations of operations, or engaged in layoffs or employment terminations or reduction of hours sufficient in number to trigger application of the WARN Act or of any similar Law.

(f) No Business Employee is an undocumented alien and each Business employee is authorized to work in the jurisdiction or location in which they are employed. Within the past three (3) years, no Seller Group Entity has received written notice or, to the Company's Knowledge, other communication, from any Governmental Authority regarding any violation or alleged violation involving

the Business of any Law relating to hiring, recruiting, employing of (or continuing to employ) any Person not authorized to work in the United States. The Company and, as it relates to the Business, each Seller Group Entity, is employing only individuals who are lawfully permitted to work in the United States, has in its files a current Form I-9 for all Business Employees that is validly and properly completed in accordance with applicable Laws, and has complied with required processes and all Laws with respect to obtaining such Forms I-9. The Company and each Seller Group Entity operating in the United States uses E-Verify in compliance with all Laws and any agreement with any Governmental Authority. None of the Seller Group Entities, within the past three (3) years, have been subject to or notified in writing of any pending or threatened investigation by U.S. Immigration and Customs Enforcement ("ICE") or any branch or department of ICE, or other federal agency charged with administration and enforcement of federal immigration laws in the United States concerning the Company, Business Employees, or the Business. As it relates to Business Employees and the Business, no Seller Group Entity is sponsoring any employee to work in the United States or any other country under a visa or work authorization, and no petition for admission of any alien under a non-immigrant or other visa, or for transfer of sponsorship of any such employee, is currently pending.

Section 3.19 Intellectual Property. Section 3.19 of the Disclosure Schedule sets forth, with the title, registration or serial number, filing date, issue date, jurisdiction, as applicable, a true, correct and complete list of all Intellectual Property Assets and other Intellectual Property owned by the Company that is currently registered or pending registration anywhere in the world, including all: (i) trademark registrations and applications therefor; (ii) copyright registrations and applications therefor; (iii) patents and applications (such applications and registrations "Registered IP"); and (iv) domain names and social media accounts. The Registered IP that is issued is subsisting and enforceable and, to the Company's Knowledge, valid.

(b) The Company owns, or is validly licensed or otherwise has the right to use, all Intellectual Property as used in the Business as presently conducted, except that the foregoing representation does not pertain to any infringement, misappropriation or violation of any Intellectual Property by the Company. The Company solely owns all Owned Intellectual Property as set forth in Section 3.19 of the Disclosure Schedule free and clear of all Liens other than Permitted Liens, except that the foregoing representation does not pertain to any infringement, misappropriation or violation of any Intellectual Property by the Company.

(c) The execution, delivery and performance of this Agreement and the other Transaction Documents by Seller or the Company and the consummation by Seller or the Company of the transactions contemplated in this Agreement and the other Transaction Documents will not result in the loss or impairment of any Licensed Intellectual Property or Owned Intellectual Property.

(d) The Company has executed valid and enforceable written agreements with all Persons (including all of its past and present employees, consultants and independent contractors) who are or, to the Company's Knowledge, would reasonably be expected to be privy to any trade secrets of the Company or who have contributed or are contributing to the creation or development of any Intellectual Property Assets owned or purported to be owned by the Company under which such Persons have, respectively, (i) agreed to hold all Trade Secrets and other Confidential Information of the Company in confidence both during and after their employment or retention, as applicable, and (ii) presently assigned to the Company all of such Person's rights, title and interest in and to all such Intellectual Property Assets. To the Company's Knowledge, no party thereto is in default or breach of such agreement. Each such agreement following the consummation of the transactions contemplated by this Agreement shall remain, as of immediately following the Closing, the legal, valid, binding and enforceable obligations of

such employees, consultants and independent contractors, and neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated by this Agreement, will result in any right for any Person to terminate, restrict, limit or invalidate or otherwise result in the material loss of or materially adversely affect any right, title or interest in or to any licensed Intellectual Property or Intellectual Property Assets or other Intellectual Property held or used by the Company. No compensation, including, without limitation, royalties, is due or may become payable to any current or past employee, contractor or other Person for creation or use of any Intellectual Property Assets other than pursuant to a written Contract listed on Section 3.19(d) of the Disclosure Schedule.

(e) Section 3.19(e) of the Disclosure Schedule contains a correct, current and complete list of all Intellectual Property Licenses: (i) under which Company is a licensor or otherwise grants to any Person any right or interest relating to any Intellectual Property Assets; (ii) under which Company is a licensee or is otherwise granted any right or interest relating to Intellectual Property of any Person; and (iii) which otherwise relates to the ownership or use by Company of any Intellectual Property in the conduct of the Business as currently conducted. All amounts payable under any Intellectual Property License that were owed as of the Closing Date have been paid, including, without limitation, any amounts payable in connection with the transfer of any Intellectual Property License in connection with the Closing. The Company and, to the Company's Knowledge, each other Person that is a party to an Intellectual Property License, is in compliance in all material respects with all terms of any such Intellectual Property License.

(f) The Owned Intellectual Property and the conduct of the business of the Company as presently conducted does not infringe upon, misappropriate or otherwise violate the Intellectual Property rights of any Person. There are no Proceedings pending or, to the Company's Knowledge, threatened in writing against the Company that allege that the Company has infringed or is infringing, misappropriating or otherwise violating the rights of any Person with regard to any Intellectual Property. Without limiting the foregoing, other than office actions and other communications received from any Governmental Authority in the normal course of prosecuting Registered IP for issuance or registration of any Intellectual Property or any renewals, extensions or recordations thereof, the Company has not received in the past five (5) years any notice or claim from any Person challenging any Owned Intellectual Property or the right of the Company to own or use any Owned Intellectual Property.

(g) To the Company's Knowledge, no Person is currently misappropriating, infringing, diluting or otherwise violating any of the material Intellectual Property owned by the Company.

(h) The Company has taken adequate steps, consistent with customary industry practices, to maintain the confidentiality and trade secret status of the trade secrets used in connection with the business of the Company as currently conducted.

(i) The Company does not have any obligation to compensate any employee or any other Person (other than salaries or other payments payable to employees, consultants and independent contractors that are not contingent on or related to use of their work product) for the development, use, manufacture, sale or exploitation of any Owned Intellectual Property. No funding, facilities or personnel of any Governmental Authority, university, college, other educational institution or research center was used in the development of any Owned Intellectual Property in such a manner as to give any of the foregoing any claim or right, current or contingent, in or to any such Owned Intellectual Property.

(j) All Owned Intellectual Property was either: (i) developed by employees of the Company or its Affiliates working within the scope of their employment at the time of such development;

(ii) developed by officers, independent contractors, or other third parties who have executed written instruments of assignment in favor of the Company; or (iii) acquired in connection with acquisitions in which the Company obtained any required present assignment of Intellectual Property from the transferring party.

(k) All Information Systems used by the Company in the Business as presently conducted are commercially available. The Information Systems used by the Company in the Business are in good operating condition and repair, free of material errors or other non-conformities, fit for the particular purpose for which they are intended, and are all of the Information Systems necessary or desirable for the operation of the Business as presently conducted. The Company's use of Information Systems in the Business as presently conducted complies with the Contracts to which the Company is a party related to the license thereof. The Company, or the applicable Asset Seller, has in place written agreements with all vendors for all Information Systems, and for the support, maintenance, and services relating thereto, and cloud services and related infrastructure. The Information Systems have been subject to reasonable measures consistent with accepted industry practices for the size and type of company as the Company to prevent the introduction of, and does not contain, nor has contained at any time, any "back door," "drop dead device," "time bomb," "Trojan horse," "virus," or "worm" (as such terms are commonly understood in the software industry) or any other code designed or intended to have, or capable of performing, any of the following functions: (i) disrupting, disabling, harming or otherwise impeding in any manner the operation of, or providing unauthorized access to, a computer system or network or other device on which such code is stored or installed; or (ii) damaging or destroying any data or file without the user's consent.

(l) Section 3.19(l) of the Disclosure Schedule contains a complete and accurate list of all social media accounts of the Company. The Company has complied in all material respects with all terms of use, terms of service and other Contracts and all associated policies and guidelines relating to its use of any such social media platforms, sites or services.

Section 3.20 Privacy and Data Security.

(a) The Company's collection, use, disclosure, and storage of Personal Information complies in all material respects with all Privacy Laws, the Company's applicable privacy policies, and applicable contractual obligations (the "Privacy Commitments"). Neither the execution, delivery, and performance of this Agreement nor the transfer of the Company's Personal Information will cause a material breach of the Privacy Commitments. The Company employs commercially reasonable efforts to maintain appropriate technical and organizational measures designed to protect the Personal Information against Data Breaches. The Company has not experienced a Data Breach or received any written notice of an investigation by any Governmental Authority or a complaint from any other third party alleging a violation of any Privacy Laws during the past three (3) years.

(b) The Company maintains commercially reasonable administrative, technical, and physical safeguards designed to protect the confidentiality, integrity, and availability of IT Systems and Protected Data. The Company owns, licenses, or otherwise has valid rights to use all IT Systems used in the Business. Such systems are reasonably adequate for, and operate and perform in all material respects as required in connection with, the operation of the Business and do not contain any viruses or other malicious code designed to disrupt, disable, or permit unauthorized access to such systems or any Protected Data. During the past three (3) years, there has been no material breach of the confidentiality, integrity, or availability of IT Systems.

(c) All third parties Processing Protected Data on behalf of the Company are bound by written agreements requiring compliance with applicable Data Security Requirements and implementation of appropriate safeguards. All products of the Business that include software or connectivity (including software as a medical device and embedded systems) have been developed, tested, maintained, and monitored in all material respects in accordance with applicable Law and industry standards. The Company has all rights necessary to Process Protected Data in connection with the Business, and the consummation of the transactions contemplated by this Agreement will not materially violate any Data Security Requirement or materially impair the Company's rights to use or Process such Protected Data. The Company is in compliance with all agreements governing third-party software (including open source Software) and has obtained sufficient licenses for all software used in the Business.

Section 3.21 Anti-Bribery and Anti-Corruption. The Company has not, nor has any representative acting for or on behalf of the Company (in the case of any representative other than an employee, to the Company's Knowledge), in the past three (3) years, taken any action directly or indirectly in furtherance of an offer, payment, promise to pay, or authorization or approval of any contribution, gift, bribe, influence payment, kickback, or other payment to any government entity or official, public international organization, political party or candidate for public office in violation of the U.S. Foreign Corrupt Practices Act of 1977. No governmental official (a) holds any ownership or other economic interest, direct or indirect, of the Company, (b) serves as a representative of the Company or (c) will receive any economic benefit from the Company as a result of this Agreement.

Section 3.22 International Trade Compliance. During the past five (5) years: (i) the Company and, to the extent related to the Business, each Seller Group Entity, has been in compliance in all material respects with the International Trade Laws; (ii) the Company has not and no Seller Group Entity has received written notice to the effect that any Governmental Authority has claimed or alleged that the Company or the Business is not in compliance in any material respect with any International Trade Law; (iii) to the Company's Knowledge, the Company and, to the extent related to the Business, each Seller Group Entity, has paid all duties, tariffs, fees or other payments required to be paid with respect to the import and export of any products in connection with the Business; (iv) to the Company's Knowledge, the Company has not and, to the extent related to the Business, no Seller Group Entity has, imported any article in connection with the Business that is the product of forced labor, or whose import is otherwise prohibited under the International Trade Laws; (v) to the Company's Knowledge, the Company has not and, to the extent related to the Business, no Seller Group Entity has, exported, re-exported, or transferred outside the United States any item in connection with the Business whose export, re-export or transfer was not authorized under the International Trade Laws; and (vi) to the Company's Knowledge, the Company has not, no Seller Group Entity has, and no director, manager, officer or employee of the Company or any Seller Group Entity has engaged in any transaction in connection with the Business, either directly or indirectly, with or for the benefit of any person with whom such transaction was prohibited pursuant to the International Trade Laws.

Section 3.23 Related Parties Transactions. Except as set forth in Section 3.23 of the Disclosure Schedule: (a) the Company is not party to any Contract with any Related Party (other than any Benefit Plan, employment Contract or other employment arrangement or any Governing Document of the Company); (b) the Company is not owed or does not owe any amount from or to any Related Party (other than any employee compensation, Benefit Plans and other ordinary incidents of employment); and (c) no material asset that is necessary in the present operation of the business of the Company, is owned by or leased from any Related Party, other than the assets being transferred to the Company at or prior to

Closing in accordance with the terms set forth in this Agreement, the Assignment and Assumption Agreement or any other Transaction Document.

Section 3.24 FDA and Related Matters.

(a) The Seller Group Entities, collectively, hold all registrations, approvals, clearances, licenses, and authorizations required by the FDA and other regulatory authorities for the conduct of the Business, all of which are valid, in full force and effect, and no proceedings are pending or have been threatened in writing to revoke, suspend, or limit them. Except as set forth in Section 3.24 of the Disclosure Schedule, and except for the goods and services to be provided pursuant to Transition Services Agreement and any assets that constitute Excluded Assets, all such registrations, approvals, clearances, licenses, and authorizations are either owned by the Company or included in the Purchased Assets.

(b) The Business Products have been developed, tested, manufactured, labeled, marketed, distributed, imported, and exported in material compliance with applicable FDA laws and related regulatory requirements. The Seller Group Entities have complied with all reporting obligations with respect to the Business, including adverse event reporting. In the past three (3) years, no Seller Group Entity has (i) made an untrue statement of a material fact or fraudulent statement to the FDA or any Governmental Authority, (ii) failed to disclose a material fact required to be disclosed to the FDA or (iii) committed any other act, made any statement or failed to make any statement, that (in any such case) establishes a reasonable basis for the FDA to invoke its Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities Final Policy, in each case related to the Business Products.

(c) In the past three (3) years, no Seller Group Entity has received any Form FDA-483s, warning letters or similar notices with respect to the Business that remains unaddressed to the satisfaction of the issuing Governmental Authority. In the past three (3) years, no Seller Group Entity has been the subject of any FDA enforcement actions with respect to the Business. There are no pending or, to the Company's Knowledge, threatened FDA enforcement actions, warning letters, or similar notices indicating non-compliance with respect to the Business. No Business Products have been seized, withdrawn, recalled, or subject to similar corrective actions at the request of any Governmental Authority or voluntarily, and no facts exist that would reasonably be expected to result in such actions.

(d) All clinical and preclinical studies related to the Business have been conducted in accordance with applicable laws, good clinical practices, and FDA regulations in all material respects. In the past three (3) years, no trials related to the Business have been terminated or placed on clinical hold by any Governmental Authority. No Seller Group Entity or any entity or individual associated with the Company has engaged in conduct with respect to the Business that would result in debarment or exclusion of the Company under FDA laws, and no such actions are pending or, to the Company's Knowledge, threatened.

(e) The Company is in compliance with all applicable laws that govern, regulate, restrict or relate to medical device manufacturers and the regulation thereof, including the Federal Food, Drug and Cosmetic Act (21 U.S.C. 301 et seq.), the regulations promulgated thereunder.

Section 3.25 Healthcare Regulatory Compliance.

(a) The Company is in compliance with all applicable healthcare laws, including but not limited to, laws that relate to the provision of medical device products and services and the regulation

thereof; certification, qualification or authority to transact business relating to the provision of, or payment for, health care services; and other health care regulatory matters (including, without limitation, (i) the Social Security Act, as amended, Sections 1128, 1128A and 1128B, 42 U.S.C. Sections 1320a-7, 7(a) and 7(b), including Criminal Penalties Involving Medicare or State Health Care Programs, commonly referred to as the federal Anti-Kickback Statute and similar state laws and regulations), (ii) the Social Security Act, as amended, Section 1877, 42 U.S.C. Section 1395nn (Prohibition Against Certain Referrals), commonly referred to as the Stark Law and similar state laws and regulations, (iii) the statute commonly referred to as the federal False Claims Act, (iv) HIPAA, and (v) the regulations promulgated under all of the foregoing statutes. Over the past six (6) years, neither the Company nor its personnel have engaged in conduct that would violate such laws.

(b) The Company has not, and to the Company's Knowledge, no entity or individual associated with the Company has, been excluded, debarred, or is otherwise ineligible to participate in any federal healthcare program, nor are they subject to any investigations, audits, or proceedings relating to such programs.

(c) There are no pending or, to the Company's Knowledge threatened governmental proceedings alleging violations of healthcare laws, and no whistleblower actions have been filed or threatened under the False Claims Act.

(d) The Company maintains appropriate compliance programs, policies, and procedures to ensure adherence to regulatory requirements.

(e) All reimbursement advice, billing practices, and coding for products are accurate and compliant with applicable healthcare regulations. Any arrangements with healthcare professionals are documented, are for bona fide services, and reflect fair market value compensation.

Section 3.26 Sufficiency of Purchased Assets. Except as set forth in Section 3.26 of the Disclosure Schedule, for the goods and services to be provided pursuant to Transition Services Agreement and any assets that constitute Excluded Assets, the Purchased Assets and the assets owned by the Company constitute all tangible and intangible property, assets, personnel and rights of Seller and its Affiliates that are related to or used in the operation or conduct of the Business and such assets are sufficient for the continued conduct of the Business as of the Closing in substantially the same manner as conducted as of the date hereof and consistent with past practice.

Section 3.27 Brokers. The Company has not engaged any Person who is entitled to a broker's commission, finder's fee, investment banker's fee or similar payment for which Purchaser or the Company is liable or responsible in connection with the transactions contemplated by this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the representations and warranties set forth in this Article IV on the date hereof and on the Closing Date:

Section 4.1 Organization, Existence and Good Standing. Seller is duly organized, validly existing and in good standing under the Laws of the State of Delaware.

Section 4.2 Power and Authority. Seller has full corporate power and authority to enter into and perform this Agreement and all the other Transaction Documents to be executed or delivered by Seller in

connection with the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and the other Transaction Documents by Seller and the consummation by Seller of the transactions contemplated in this Agreement and the other Transaction Documents to which Seller is or will be a party have been, or at the Closing will be, duly and validly approved by the board of directors of Seller. No other Proceedings are necessary on the part of Seller to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents by Seller and the consummation by Seller of the transactions contemplated herein and therein.

Section 4.3 Enforceability. This Agreement has been duly authorized, executed and delivered by duly authorized officers or other signatories of Seller and constitutes a valid and binding obligation of Seller (assuming that this Agreement has been, and the Transaction Documents to which Seller is or will be a party will be, duly and validly authorized, executed and delivered by the other Persons party thereto), enforceable against Seller in accordance with its terms, except to the extent enforcement may be affected by Enforceability Exceptions. At the Closing, the Transaction Documents to be executed and delivered by Seller will be duly executed and delivered by Seller and will constitute valid and binding obligations of Seller, enforceable in accordance with their terms, except to the extent enforcement may be affected by Enforceability Exceptions.

Section 4.4 Consents; Non-Contravention.

(a) Seller is not required to give any notice to, make any filing with, or obtain any authorization, consent, Order or approval of any Governmental Authority in connection with the execution and delivery by Seller of this Agreement and the other Transaction Documents to which Seller is, or at the Closing will be, a party or the consummation of the transactions contemplated herein or therein, except for any such notice, filing, authorization, consent, Order or approval as would not prevent Seller from the consummation of the transactions contemplated by this Agreement.

(b) Assuming that all notices, filings, authorizations, consents, Orders and approvals contemplated by Section 4.4(a) have been duly made or obtained, neither the execution, delivery and performance of this Agreement and the other Transaction Documents to which Seller is, or at the Closing will be, a party, nor the consummation of the transactions contemplated herein and therein: (a) will violate any provision of the Governing Documents of Seller; (b) will conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification, or cancellation, or a loss of rights under, any material Contract to which Seller is a party or by which any of its assets is bound; (c) will violate any material Law or material Order to which Seller or any of its assets is subject or otherwise bound; or (d) will result in the creation or imposition of any Lien (other than a Permitted Lien) upon Seller or any of its assets, except, in the case of clauses (b), (c) and (d) above, for any such conflict, breach, default, event, loss, violation, creation or imposition as would not prevent Seller from the consummation of the transactions contemplated by this Agreement.

Section 4.5 Title to Shares. Except as set forth on Section 4.5 of the Disclosure Schedule, Seller holds beneficially and of record all of the Shares, free and clear of all Liens other than (a) Permitted Liens and (b) Liens arising under the Governing Documents of the Company.

Section 4.6 Brokers. Seller has not engaged any Person who is entitled to a broker's commission, finder's fee, investment banker's fee or similar payment for which Purchaser or the Company is liable or responsible in connection with the transactions contemplated by this Agreement.

Section 4.7 Litigation. There are no Proceedings pending against, or, to the knowledge of the Company or Seller, threatened against or affecting, Seller before any court or arbitrator or any Governmental Authority which in any manner challenge or seek to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser makes the representations and warranties set forth in this Article V on the date hereof and on the Closing Date:

Section 5.1 Organization, Existence and Good Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of the state of its incorporation.

Section 5.2 Power and Authority. Purchaser has full corporate power and authority to enter into and perform this Agreement and all the other Transaction Documents to be executed or delivered by Purchaser in connection with the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and the other Transaction Documents by Purchaser and the consummation by Purchaser of the transactions contemplated in this Agreement and the other Transaction Documents have been, or at the Closing will be, duly and validly approved by the board of directors of Purchaser. The approval of Purchaser's shareholders for Purchaser to execute this Agreement and the other Transaction Documents to which Purchaser is a party or consummate the transactions contemplated by this Agreement is either not required or has been duly given. No other approvals or actions are necessary on the part of Purchaser to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents by Purchaser and the consummation by Purchaser of the transactions contemplated herein and therein.

Section 5.3 Enforceability. This Agreement and each of the other Transaction Documents to be executed and delivered by Purchaser has been duly authorized, executed and delivered by duly authorized officers or other signatories of Purchaser and constitutes a valid and binding obligation of Purchaser (assuming that this Agreement has been, and the Transaction Documents to which Purchaser is a party have been or will be at the Closing, duly and validly authorized, executed and delivered by the other Persons party thereto), enforceable against Purchaser in accordance with its terms, except to the extent enforcement may be affected by Enforceability Exceptions. At the Closing, the Transaction Documents to be executed and delivered by duly authorized officers of Purchaser will be duly executed and delivered by Purchaser and will constitute valid and binding obligations of Purchaser, enforceable in accordance with their terms, except to the extent enforcement may be affected by Enforceability Exceptions.

Section 5.4 Consents; Non-Contravention. Purchaser is not required to give any notice to, make any filing with or obtain any authorization, consent, Order or approval of any Governmental Authority in connection with its execution and delivery of this Agreement and the other Transaction Documents or the consummation by it of the transactions contemplated herein and therein. Neither the execution, delivery and performance of this Agreement and the other Transaction Documents by Purchaser, nor the consummation by it of the transactions contemplated herein and therein: (a) will violate any provision of the Governing Documents of Purchaser; (b) will conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights under, any Permit or unsatisfied Contract to which Purchaser is a party, subject or otherwise bound; (c) will violate any Law or Order to which Purchaser or any of Purchaser's assets or businesses is subject or

otherwise bound; or (d) will result in the creation or imposition of any Lien upon any of the assets or businesses of Purchaser.

Section 5.5 Brokers. Neither Purchaser nor any of its Affiliates has engaged any Person who is entitled to a broker's commission, finder's fee, investment banker's fee or similar payment in connection with the transactions contemplated by this Agreement.

Section 5.6 Investment Representation. Purchaser is acquiring the Shares for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of federal or state securities Laws. Purchaser is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the United States Securities Act of 1933 (the "Securities Act"). Purchaser understands that the Shares have not been registered under the Securities Act or any state securities Laws and are being transferred to Purchaser, in part, in reliance on the foregoing representations and warranties.

Section 5.7 Sufficient Funds. As of the date of this Agreement, Purchaser has and, as of the Closing Date and as of immediately prior to the time any post-Closing payment obligation becomes due and payable hereunder (including any Milestone Payments and any payments under Section 7.7 hereof), Purchaser will have sufficient cash or existing available borrowing capacity under committed borrowing facilities in immediately available funds to enable Purchaser to timely perform its obligations hereunder, including all such post-Closing payment obligations. In no event will the receipt of any funds or financing by, or availability of any funds or financing to, Purchaser or any of its Affiliates be a condition to any of Purchaser's obligations hereunder.

Section 5.8 Litigation. There are no Proceedings pending against, or, to the knowledge of Purchaser, threatened against or affecting, Purchaser before any court or arbitrator or any Governmental Authority which in any manner challenge or seek to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

Section 5.9 Non-Reliance.

(a) Purchaser represents and acknowledges and agrees that it has conducted its own independent review, investigation and analysis into and, based thereon, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Company.

(b) Purchaser represents and acknowledges that (i) Purchaser has relied solely upon its own review, investigation and analysis and the representations and warranties expressly set forth in Article III and Article IV, (ii) except for the representations and warranties expressly set forth in Article III and Article IV, none of Seller, the Company, any of their Affiliates, or any of the respective officers, partners, directors, managers, employees, agents, representatives, Affiliates, direct or indirect shareholders of any of the foregoing or any other Person makes or has made any representation or warranty to Purchaser or any other Person, written or oral, express or implied, at law or in equity, as to any matter whatsoever relating to Seller, the Company or any other matter relating to the transactions contemplated hereby including (A) as to the operation of the Business after the Closing, (B) as to the accuracy or completeness of any of the information provided or made available to Purchaser or any of its directors, officers, employees, partners, members, managers, shareholders, agents, representatives, lenders or Affiliates,

(c) with respect to any due diligence materials or any presentation by management or others in connection with the transactions contemplated hereby, or (D) with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of the Company (collectively, the "Extra-Contractual Statements"), and (iii) Purchaser has not been induced by and has not relied on any Extra-Contractual Statement.

ARTICLE VI
COVENANTS OF THE COMPANY AND SELLER

Section 6.1 Reasonable Access. Subject to Section 10.1(a), during the period between the date of this Agreement and the earlier to occur of the termination of this Agreement under Article XI or the Closing (such period, the "Pre-Closing Period"), the Company will (a) give reasonable access to Purchaser's duly authorized managers, directors, officers, employees, agents, attorneys, consultants, accountants and lenders during normal business hours of the Company, upon advance written notice, to the properties, books, contracts, documents, insurance policies, records and senior management reasonably requested by or on behalf of Purchaser, and (b) furnish to Purchaser and such representatives of Purchaser as Purchaser may from time to time designate in writing to the Company such information as Purchaser or such Persons may at any time and from time to time reasonably request; provided, that such access may not unreasonably disrupt the business or operations of the Company or its Affiliates. Notwithstanding anything to the contrary in this Agreement, the Company will not be required to (i) provide any information or access that the Company believes on the advice of counsel would (A) violate any Law, including any Antitrust Law, (B) violate the terms of any confidentiality obligation, or (C) forfeit any attorney/client or other legal privilege (it being understood and agreed that, in each case, the Company will use commercially reasonable efforts to provide alternative means of disclosing such information to the extent reasonably practicable), or (ii) conduct, or permit Purchaser or any of its representatives to conduct, any environmental soil or groundwater investigation relating to any real property owned by or leased to the Company without the prior consent of the Company.

Section 6.2 Operation of the Business. During the Pre-Closing Period, the Company and Seller will, except (a) as otherwise required by this Agreement or any other Transaction Document, (b) as otherwise required by Law, (c) as disclosed on Section 6.2 of the Disclosure Schedule, or (d) for actions consented to by Purchaser (which consent will not be unreasonably withheld, conditioned, or delayed) (subclauses (a) through (d), the "Interim Operating Carveouts"), use its commercially reasonable efforts to (i) carry on the Business in the ordinary course of business and (ii) preserve substantially intact its present business organization, in all material respects. Notwithstanding the foregoing, nothing contained in this Agreement will prohibit the Company, whether or not in the ordinary course of business, to pay or prepay any obligation or to pay, transfer, dividend, or distribute to Seller any cash that may be lawfully paid, transferred, dividend or distributed to Seller.

Section 6.3 Actions Outside the Ordinary Course. During the Pre-Closing Period, the Company and/or the Business, as applicable, will not take or agree to take any of the following actions, in each case, except for the Interim Operating Carveouts:

(a) amend its Governing Documents;

(b) (i) make any change in its authorized Equity Securities or (ii) issue any Equity Securities;

(c) sell or transfer any material portion of its assets or property, except for sales of inventory, dispositions of obsolete equipment and transfers of cash in payment of accrued expenses and accounts payable due and owing, all in the ordinary course of business;

(d) incur, assume or guarantee any material amount of indebtedness for borrowed money, other than draws under existing credit facilities;

(e) make any capital expenditure that causes the aggregate amount of all capital expenditures by the Company during the Pre-Closing Period to exceed $500,000;

(f) make any increase in the bonus, salary or other compensation of or enter into or amend any agreement with any of its officers or employees outside the ordinary course of business;

(g) except as required by applicable Law, institute or make any amendment to any Benefit Plan;

(h) amend, terminate or otherwise modify any Material Contract;

(i) cancel, terminate or fail to renew any Permit; or

(j) settle or compromise any claim, other than settlements or compromises involving solely money damages not in excess of $500,000.

Section 6.4 Exclusivity. During the Pre-Closing Period, neither Seller nor the Company will solicit, initiate or engage in discussions with, or enter into any legally binding written agreement with, any Person (other than Purchaser, its Affiliates, and their respective agents or representatives) concerning any Acquisition Proposal; provided that any representative of Seller or the Company may respond to unsolicited inquiries or offers for the purpose of communicating that Seller or the Company is not able to entertain such unsolicited inquiry or offer; provided, further, that Purchaser acknowledges that, before the date of this Agreement, Seller, the Company and their respective Affiliates, and their respective agents have provided information relating to the Company and have afforded access to, and engaged in discussions with, other Persons in connection with Acquisition Proposals and that such information, access, and discussions could reasonably enable another Person to form a basis for an Acquisition Proposal without any breach by Seller or the Company of this Section 6.4.

Section 6.5 Restrictive Covenants.

(a) Confidential Information.

(i) Seller acknowledges and agrees that (A) the success of the Company and the Business after the Closing depends upon the continued preservation of the confidentiality of the Confidential Information by Seller, (B) the preservation of the confidentiality of the Confidential Information by Seller is an essential premise of the bargain between such Seller and Purchaser, and (C) Purchaser would be unwilling to enter into this Agreement in the absence of the obligations and restrictions set forth in this Article VI. Accordingly, Seller hereby agrees with Purchaser that Seller, and its Controlled Affiliates and Representatives, will not, and that Seller will cause its Controlled Affiliates and Representatives not to, at any time on or after the Closing Date, directly or indirectly, without

the prior written consent of Purchaser, use, disclose, communicate or otherwise divulge, any Confidential Information. Notwithstanding the foregoing, (x) the information subject to the foregoing provisions of this Section 6.5(a) will not include any information generally available to, or known by, the public (other than as a result of disclosure in violation hereof) and (y) the provisions of this Section 6.5(a) will not prohibit any disclosures (A) required by any applicable Law so long as reasonable prior notice is given to Purchaser of such disclosure and a reasonable opportunity is afforded to Purchaser or the Company to contest the same (to the extent permitted by Law), (B) made in connection with the enforcement of any right or remedy relating to this Agreement, any Transaction Document, or the transactions contemplated herein or therein, (C) made in connection with the performance by Seller or its Controlled Affiliates of any obligations arising under this Agreement, any Transaction Document, or the transactions contemplated herein or therein (including, without limiting the foregoing, disclosures made to investigators, research partners, key opinion leaders, or other third parties participating in collaborative research arrangements or investigator-initiated trials, in each case, to the extent necessary for the conduct of such research, collaboration, or trial) or (D) made to Representatives of Seller or its Controlled Affiliates on a need-to-know basis in connection with (1) the preparation of financial statements, Tax Returns, and other regulatory or compliance filings of Seller or its Controlled Affiliates, (2) post-Closing recordkeeping and accounting obligations of Seller or its Controlled Affiliates, or (3) any other post-Closing obligations of Seller arising under applicable Law; provided that Seller shall be responsible for any breach of this Section 6.5(a) by any such Representative with respect to such disclosed Confidential Information.

(ii) The obligations set forth in Section 6.5(a), and Purchaser's rights and remedies with respect thereto, shall remain in full force and effect for a period of ten (10) years following the Closing Date; provided that, if the Confidential Information loses its confidential nature through any act or omission of Seller (including any breach of Section 6.5(a)), the obligations with respect to such Confidential Information shall continue until the fifth (5^{th}) anniversary of the Closing Date regardless of such loss of confidentiality. To the extent this Agreement is being enforced in a jurisdiction that requires a time restriction for non-disclosure restrictions applicable to information that does not rise to the level of a statutory trade secret, the time restriction for the obligations in Section 6.5(a) with respect to such information that does not qualify as a statutory trade secret shall be ten (10) years following the Closing Date.

(b) Non-Competition.

(i) From the Closing Date until the fifth (5^{th}) anniversary of the Closing Date (the "Restricted Period"), no Restricted Party shall, directly or indirectly, engage in, own, manage, operate or control, a Restricted Business in the Restricted Area. Notwithstanding the foregoing, nothing

in this Agreement or in the definition of Restricted Business shall prohibit or in any way restrict a Restricted Party from (A) making or maintaining passive investments of less than five percent (5%) of the outstanding equity securities in any entity engaged in the Restricted Business listed for trading on any recognized securities exchange or in the over-the-counter markets, (B) owning, managing, operating or otherwise engaging in any pharmaceutical business that is ancillary or complementary to a Restricted Business but does not constitute a Restricted Business, (C) fulfilling any contractual obligations of any Restricted Party or any of its Affiliates existing as of the Closing Date or arising under this Agreement or any Transaction Document, or (D) acquiring the equity securities or assets of any Person (the "Acquired Entity") that engages in a Restricted Business, so long as (x) at the time of such acquisition, less than five percent (5%) of the consolidated revenues of the Acquired Entity and its subsidiaries for the most recently completed fiscal year prior to such acquisition are derived from activities that would be prohibited by this Section 6.5(b), (y) at the time of such acquisition the Acquired Entity is in the development stage and has not yet achieved any revenue and (z) from and after the closing of such acquisition and for the remainder of the Restricted Period, none of the Restricted Parties shall, and the Restricted Parties shall cause their Affiliates and the Acquired Entity not to, (i) make any additional investment of capital (including capital expenditures, marketing spend, or R&D expenditures) in, (ii) expand, develop or otherwise grow, or (iii) actively promote or solicit new business for, any portion of the Acquired Entity's business that constitutes a Restricted Business (collectively, such Restricted Business of an Acquired Entity, the "De Minimis Business"); provided that the foregoing shall not prohibit maintenance of existing operations of the De Minimis Business in the ordinary course as conducted as of the acquisition date.

(ii) Each Restricted Party hereby acknowledges and agrees that the restrictive period of time, geographic scope and scope of restricted activity specified herein are reasonable and necessary in view of the transactions contemplated by this Agreement and the nature of the business in which the Company was engaged or is engaged as of the Closing. Each Restricted Party further acknowledges and agrees that the restrictions set forth in this Section 6.5(b) are reasonable and necessary to protect Purchaser's investment under this Agreement and to safeguard the value and goodwill associated with the Shares. Each Restricted Party acknowledges and agrees that Purchaser would not have entered into this Agreement but for each Restricted Party's agreements and obligations pursuant to this Section 6.5(b) to protect such value and goodwill. If the scope of any stated restriction is too broad to permit enforcement of such restriction(s) to its full extent, then the Parties agree that such restriction shall be enforced and/or modified to the maximum extent permitted by Law. The Parties agree that in the event of a breach of this Section

6.5(b), the Restricted Period shall be extended with respect to the breaching party by the period of the breach.

(c) Non-Solicitation. During the Restricted Period, no Restricted Party shall, whether for its own account or for the account of any Person, directly or indirectly:

(i) intentionally cause or induce any customer, supplier, licensee, licensor, franchisee, distributor, or other Person who is a business relation of the Company as of immediately prior to the Closing or who was a customer, supplier, licensee, licensor, franchisee, distributor, or business relation of the Company within the twelve (12) month period immediately preceding the Closing (the "Non-Solicit Business Relations"), to reduce or cease doing business with the Company, or otherwise intentionally interfere in any fashion with the operations of the Business or the Company; provided, however, that no Restricted Party shall be deemed to have violated this Section 6.5(c)(i) by reason of marketing, selling or otherwise commercializing any products or services to Non-Solicit Business Relations that do not constitute a Restricted Business and that do not violate Section 6.5(b) (provided, further, that for the avoidance of doubt, the De Minimis Business shall be expressly excluded from the scope of this proviso, and any activities undertaken in connection therewith shall be restricted or prohibited by this Section 6.5(c)(i)); or

(ii) solicit for employment, hire or retain any Person who is an employee, independent contractor or other Personnel of the Company as of the Closing, or who was an employee, independent contractor or other Personnel of the Company at any time within the six (6) month period immediately preceding the Closing; provided that, it shall not be a breach of this clause (iii) for such Restricted Party to post general solicitations or advertisements for employees or contractors so long as such general solicitations or advertisements are not specially directed to Personnel of the Company and no hiring or retaining results therefrom.

Seller hereby acknowledges and agrees that the restrictive period of time, geographic scope and scope of restricted activity specified herein are reasonable and necessary in view of the transactions contemplated by this Agreement and the nature of the business in which the Company was engaged or is engaged as of the Closing. Seller further acknowledges and agrees that the restrictions set forth in this Section 6.5(c) are reasonable and necessary to protect Purchaser's investment under this Agreement and to safeguard the value and goodwill associated with the Shares. Each Seller Party acknowledges and agrees that Purchaser would not have entered into this Agreement but for Seller's agreement and obligations pursuant to this Section 6.5 to protect such value and goodwill. If the scope of any stated restriction is too broad to permit enforcement of such restriction(s) to its full extent, then the parties agree that such restriction shall be enforced and/or modified to the maximum extent permitted by Law.

(d) Non-Disparagement. For a period of ten (10) years following the Closing, each of Seller and Purchaser shall not, and shall cause their respective Controlled Affiliates not to, directly or indirectly, make any disparaging statement, or release any information that has the effect of disparaging
(i) in the case of Seller, the Company, Purchaser or any of their respective Affiliates, the Business, the products offered or provided in the Business, or (ii) in the case of Purchaser, Seller or any of its Controlled Affiliates, or any business or products of Seller or its Controlled Affiliates (for avoidance of doubt, other than the Business), in each case including any statements made to the press or other media in

the United States of America or in any other country. Notwithstanding the foregoing, nothing herein shall limit any truthful statements made in connection with a Proceeding or otherwise required pursuant to applicable Law.

(e) Remedies. Upon any breach or alleged breach of this Section 6.5 by Seller, Purchaser and/or the Company shall be entitled to each of the following remedies, which shall be deemed cumulative:

(i) Seller hereby acknowledges that any breach or threatened breach of this Section 6.5 shall cause irreparable injury to the goodwill and proprietary rights of the Company and Purchaser, for which the Company and Purchaser shall not have an adequate remedy at law. Accordingly, Seller agrees that the Company and/or Purchaser shall be able to seek and obtain immediate injunctive relief in the form of a temporary restraining order, preliminary injunction, and/or permanent injunction against Seller to restrain or enjoin any actual or threatened violation of any provision of this Section 6.5 without any requirement of posting a bond or other surety or proving damages.

(ii) To the extent calculable, the Company and/or Purchaser shall also be entitled to recover from Seller monetary damages for any violation of Section 6.5.

(iii) The Company and/or Purchaser shall be entitled to recover from Seller all costs, expenses and reasonable attorneys' fees incurred by them in seeking either enforcement of Section 6.5 or damages for a breach of such Sections or in defending any action brought by Seller to challenge or construe the terms of any of such Sections.

(iv) The Company and/or Purchaser shall be entitled to pursue any other legal or equitable remedies that may be available to them.

Section 6.6 Release. Effective upon the Closing, each of Seller, on behalf of itself and its past, present or future successors, assigns, employees, agents, Controlled Affiliates and representatives (including their past, present or future officers and directors) (collectively, the "Seller Releasors") irrevocably and unconditionally releases, waives, acquits and forever discharges Purchaser, the Company, their Affiliates, and their respective successors, assigns, directors, managers, officers, employees and agents of the foregoing (collectively, the "Releasees"), at or before the Closing, of and from any and all actions, suits, claims, causes of action, damages, accounts, liabilities and obligations (including attorneys' fees) held by any Seller Releasor, whether known or unknown, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, absolute or contingent, direct or derivative, solely to the extent arising out of or relating to Seller's capacity as a current or former owner of the Shares, the operation of the Business, or such Seller Releasee's service, as applicable, as a director, manager or officer of the Company or the Seller Group, except for any of the foregoing set forth in, under or arising out of (i) any Transaction Document or the transactions contemplated by any Transaction Document, (ii) any claim that cannot be waived or released by applicable Law, (iii) any claim for Fraud by any Releasee, (iv) any rights or claims arising under any commercial agreement, arrangement or relationship with any Releasee entered into in the ordinary course of business, (v) in the case of a Covered Person, any claims with respect to indemnification, advancement of expenses and exculpation by the Company of the Covered Persons and (vi) any claims arising out of the fact that a Seller Releasor is or was a director, manager, or officer with respect to any directors' and officers' liability insurance maintained by the Company or its Affiliates immediately prior to the Closing Date (all collectively, "Seller Released Claims"). The foregoing release

of Seller Released Claims are intended to be effective as a general release of, and bar to, all such claims, whether presently known or unknown. Accordingly, each party waives any and all rights and benefits under, or equivalent to, Section 1542 of the Civil Code of the State of California, which states as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Seller for itself and the other Seller Releasors, expressly acknowledges that it, he or she may later discover claims or facts in addition to or different from those which it or the respective Seller Releasor now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, might have materially affected its terms, but nevertheless hereby waives any claim that might arise as a result of such different or additional claims or facts.

ARTICLE VII
COVENANTS OF PURCHASER

Section 7.1 Contact with Business Relations. Purchaser acknowledges that it is not authorized to, and agrees that it will not, and it will not permit any member of the Purchaser Group to, contact any officer, director, manager, employee, client, patient, payor, supplier, vendor, referral source, lessee, lessor, shareholder, lender, noteholder or other material business relation of the Company or its Affiliates before the Closing with respect to the Company, the Business or the transactions contemplated by this Agreement, in each case, without receiving the prior written consent of the Company before each such contact.

Section 7.2 Transfer of Permits. If any Permit (excluding any "CE" marking certifications) of any Seller Group Entity must be reissued to any Person to operate its business following the Closing because of the transactions contemplated by this Agreement, then Purchaser will use commercially reasonable efforts (and the Company will reasonably cooperate with Purchaser) to obtain such Permit; provided that the Seller Group Entities will not be required to make any payment to any third party with respect to Purchaser's efforts to obtain any Permit unless Purchaser pays or reimburses the relevant Seller Group Entity for any such payment.

Section 5.3 Liability Insurance and Indemnification.

(a) [Reserved]

(b) For a period of six (6) years after the Closing Date, Purchaser will cause the Company to maintain on terms no less favorable than the current terms, and to honor in accordance with such terms, the provisions of the Governing Documents of the Company as in effect on the date of this Agreement and the provisions of any other agreements in effect on the date of this Agreement set forth on Section 7.3 of the Disclosure Schedules with respect to indemnification, advancement of expenses and exculpation by the Company of the Covered Persons, it being the intent of the Parties that the Covered Persons will continue to be entitled to such exculpation, indemnification, and advancement of expense to the fullest extent of the Law.

(c) Effective upon the Closing, Purchaser and the Company each irrevocably and unconditionally releases, waives, acquits and forever discharges, on behalf of itself and the Company, any

claims that the Company currently has or, in the future, may have against Seller or Seller's direct or indirect shareholders, partners, directors, managers, officers, trustees, employees or the representatives for any of such Person's actions or omissions in his, her or its capacities as officers, directors or managers of the Company with respect to claims arising out of or relating to events which occurred on or prior to the Closing Date.

(d) The provisions of this Section 7.3 are (a) intended to be for the benefit of, and will be enforceable by, each Person entitled to indemnification under this Section 7.3, and each such Person's heirs, legatees, representatives, successors, and assigns (and the Parties expressly agree that such Persons will be third party beneficiaries of this Section 7.3), (b) in addition to, and not in substitution for, any other rights to indemnification that any such Person may have by contract or otherwise and (c) will survive the consummation of a transaction involving the merger, consolidation or other reorganization of the Company and continue in full force and effect and binding against the survivor of any such transaction or successor to the Company. In the event Purchaser, the Company or any of its respective successors or assigns (i) consolidates with or merges into any other Person and will not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or at least a majority of its properties and assets to any Person, then Purchaser will cause proper provision to be made so that the successors and assigns of Purchaser or the Company, as the case may be, will assume all of the obligations set forth in this Section 7.3.

Section 7.4 Reserved.

Section 7.5 Labor Matters.

(a) Business Employees. For purposes hereof, the term "Business Employee" means each individual listed on Section 7.5 of the Disclosure Schedule. Between the date of this Agreement and the Closing Date, Purchaser or one of its Affiliates shall offer employment, effective as of the Closing and on terms and conditions consistent with this Section 7.5, to each Business Employee who is not an Inactive Employee. With respect to each Business Employee who is an Inactive Employee as of the Closing Date and who returns to work within one hundred eighty (180) days after the Closing Date, or such longer period as may be required by applicable Law, Purchaser or one of its Affiliates will make an offer of employment to such Inactive Employee, with such offer to be on terms and conditions consistent with this Section 7.5. Each Business Employee who accepts Purchaser's or its Affiliate's offer of employment and commences work for Purchaser or such Affiliate shall be referred to hereafter as a "Transferred Employee". Seller shall cooperate with Purchaser and support Purchaser's offers to hire the Business Employees as reasonably requested by Purchaser. Seller shall terminate the employment of all Transferred Employees who are not Inactive Employees effective as of the Closing.

(b) Compensation and Benefits.

(i) As of the Closing Date, and for a period of at least twelve (12) months thereafter, Purchaser and its Subsidiaries and Affiliates (including the Company following the Closing) will provide each Transferred Employee with (A) an annual base salary or an hourly wage rate, as applicable, that is not less than that provided to such Transferred Employee by the Company or its Affiliates immediately prior to the Closing, (B) incentive compensation opportunities that are no less favorable, in the aggregate, to

those provided to such Transferred Employee by the Company or its Affiliates immediately prior to the Closing, and (C) employee benefits that are not less favorable in the aggregate than those provided to similarly situated employees of Purchaser or its Subsidiary or Affiliate that employs the Transferred Employee; provided, however, that Purchaser or any Affiliate of Purchaser may, in its sole discretion, change other terms or conditions of employment of Business Employees at any time after Closing, and Purchaser or any Affiliate of Purchaser may terminate the employment of any Business Employee, at any time after Closing.

(ii) Purchaser and its Subsidiaries and Affiliates (including the Company following the Closing) will use commercially reasonably efforts to treat and cause each benefit plan, program, practice, policy and arrangement maintained by Purchaser or its applicable Subsidiary or Affiliate (including the Company following the Closing) following the Closing in which any Transferred Employee (or the spouse, domestic partner or any dependent of any Transferred Employee) participates or is eligible to participate (each, a "Purchaser Plan") to treat, for all purposes (including determining eligibility to participate, vesting, and level of benefits), all service with the Company and its Affiliates (or predecessor employers to the extent that the Company, any of its Affiliates or any Benefit Plan provides past service credit) as service with Purchaser and its Subsidiaries and Affiliates; provided, however, that such service need not be taken into account to the extent it would result in duplication of benefits or was not taken into account for such purposes under the corresponding Benefit Plan, and further provided that Seller and the Company have provided or made available to Purchaser the data necessary and in the format required to allow Purchaser to satisfy such requirements.

(iii) Purchaser and its Subsidiaries and Affiliates (including the Company following the Closing) will use commercially reasonably efforts to cause each Purchaser Plan that is a welfare plan, within the meaning of Section 3(1) of ERISA, (A) to waive any and all eligibility waiting periods, actively-at-work requirements, evidence of insurability requirements, pre-existing condition limitations and other exclusions and limitations with respect to the Transferred Employees and their spouses, domestic partners and dependents to the extent waived, satisfied or not applicable under the corresponding Benefit Plan, and (B) to recognize for each Transferred Employee for purposes of applying annual deductible, co-payment and out-of-pocket maximums under such Purchaser Plan any deductible, co-payment and out-of-pocket expenses paid by such Transferred Employee and his or her spouse, domestic partner and dependents under the corresponding Benefit Plan during the plan year of such Benefit Plan in which occurs the later of the Closing Date and the date on which such Transferred Employee first becomes eligible to participate in such Purchaser Plan, provided that Seller and the Company have provided or made available to Purchaser the data necessary and in the format required to allow Purchaser to satisfy such requirements.

(iv) At Closing, each of the Transferred Employees set forth on Schedule 7.5(b)(iv) shall be granted the right to receive cash transaction bonuses in the amounts and on the dates set forth opposite their names on Schedule 7.5(b)(iv). The aggregate amount of the foregoing cash transaction bonuses shall not exceed $2,200,000. The aggregate amount of the foregoing bonuses *plus* the employer portion of any payroll, employment or similar Taxes payable in respect of such bonuses is referred to herein as the "Transaction Bonus Amount".

(v) Nothing in this Section 7.5 is intended to, or will be construed to, (A) confer upon any Transferred Employee or any other Person other than the Parties to this Agreement any rights or remedies hereunder, including the right to continued employment or (B) establish, amend or be deemed to establish or amend any Benefit Plan or any benefit plan, program, policy or arrangement of Purchaser or any of its Subsidiaries or Affiliates or limit the rights of the Company, Purchaser or any of their respective Subsidiaries or Affiliates to establish, amend or terminate any Benefit Plan or any other benefit plan, program, policy or arrangement, whether before or after Closing, except, in the case of this clause (B), to the extent required to satisfy Purchaser's obligations under this Section 7.5.

Section 7.6 Confidentiality. Purchaser will be bound by and comply with the Confidentiality Agreement as if Purchaser was an original party to such agreement. The Confidentiality Agreement is incorporated into this Agreement by reference and made a part of this Agreement and will survive the execution of this Agreement notwithstanding any terms to the contrary set forth therein. The provisions of this Section 7.6 will terminate upon the Closing or, if this Agreement is terminated under Article XI, then in accordance with the terms of the Confidentiality Agreement.

Section 7.7 Other Applications.

(a) Following Closing, Purchaser shall use its commercially reasonable efforts, during the Milestone Period, to engage and license to a third party the spine application of the Intellectual Property of the Business solely for use in the spinal field (the "Spine License"). Purchaser shall pay Seller twenty-five percent (25%) of any upfront and milestone consideration paid to Purchaser or its Affiliates (including the Company), plus an additional payment equal to 7.5% of net sales of Purchaser (or its Affiliates) to the licensee of the Spine License (the "Additional Spine Consideration"), until the ten (10) year anniversary of Closing (the "Spine Consideration and Royalty Period"). Purchaser shall provide reasonable supporting detail with respect to the calculation of each of the components of net sales (including, without limitation, the Supporting Detail, to the extent applicable) with respect to the Spine License, to the extent any such net sales exist.

(b) Once per calendar year during the Spine Consideration and Royalty Period, Seller (or its designated representative) shall have the right, upon reasonable prior written notice, to inspect Purchaser's books and records to the extent necessary to verify the payments due to Seller pursuant to this Section 7.7, and Purchaser shall make available personnel responsible for preparing, or qualified and knowledgeable regarding, the calculations of net sales, and to meet with Seller or its representatives and discuss such calculations and the supporting detail delivered in connection therewith. Such inspection shall be conducted during normal business hours and at Seller's expense. Any inspection permitted under this Section 7.7(b) is strictly limited to reviewing only the documents necessary to verify the accuracy of the calculation of net sales and each component thereof (including, without limitation, the Supporting Detail, to the extent applicable).

(c) If following such inspection, Seller does not agree with Purchaser's calculation of net sales, then Purchaser and Seller shall negotiate in good faith to resolve any disagreement. If Purchaser and Seller, notwithstanding such good faith effort, fail to resolve the disagreement within thirty (30) days following the inspection, the dispute shall be resolved in accordance with the procedures set forth in Section 2.6, *mutatis mutandis*. The net sales calculation (as modified by the Accounting Expert) shall be final, binding, and conclusive upon the Parties hereto.

(d) The Additional Spine Consideration shall be calculated on a quarterly basis and Purchaser shall make such payment to Seller within forty-five (45) days of the end of the quarter in which the payment was received by Purchaser.

(e) Purchaser shall provide Seller written notice within ten (10) Business Days following the execution of any sublicense agreement with respect to a Spine License, together with a summary of the material economic terms thereof.

Section 7.8 Spasticity License. Promptly following the date of this Agreement the Parties shall collaborate on the spasticity application of the Business Products on the terms and conditions set forth in Schedule 7.8 (the "Spasticity Application"). The Parties shall use commercially reasonable efforts to
(i) finalize such terms prior to Closing on terms mutually agreeable to the Parties and (ii) enter into a definitive agreement reflecting such terms prior to Closing, including, with respect to clause (i), in the case of Seller, incurring expenses in an amount of up to the Spasticity Collaborative Adjustment Amount to support, and in furtherance of the Spasticity Application.

Section 7.9 Seller Marks. Purchaser shall, and shall cause the Company to (a) as soon as practicable after the Closing Date, cease all use of any and all trademarks, service marks, business names or domain names (other than the Transferred Domains) owned by Seller or any of its Affiliates (other than the Company), including, for the avoidance of doubt, any and all trademarks that include the word "Pacira" or any words or acronyms confusingly similar thereto (whether independently or in combination with any other sign, word, or name) (collectively, the "Seller Marks"), including by removing the Seller Marks from any and all assets, advertisements, communications, website content, other internet or electronic communications and other documents and materials of the business of the Company (provided that the foregoing shall not require the destruction or modification of materials that cannot be reasonably accessed or modified or that are retained solely for archival, legal, or compliance purposes) and (b) within sixty (60) days after the Closing Date pass all necessary resolutions and take all other necessary actions to cancel any corporate name or business name registrations, and change the Company's corporate name, business name and any other trade or services marks to a name that does not include any Seller Mark. Notwithstanding anything herein to the contrary, nothing in this Section 7.9 shall prohibit Purchaser or any of its Affiliates from (A) making truthful statements required by applicable Law, regulation, or legal process, (B) using the Seller Marks in a descriptive or historical manner that does not suggest affiliation with Seller, (C) defending itself in any Proceeding initiated by Seller or any of its Affiliates relating to the Seller Marks, (D) using the Seller Marks to the extent required pursuant to the terms of the Transition Services Agreement, including using the Seller Marks solely to the extent required by the applicable European Governmental Authority or as part of the Medical Device Regulation (MDR) framework to maintain existing CE marking certifications for the Business Products during the relevant term of the Service, (E) selling or otherwise disposing of Inventory acquired from Seller or manufactured by Purchaser as contemplated by the Transition Services Agreement and having a label bearing one or more of the Seller Marks until such Inventory is sold or otherwise disposed of or the label is changed to a Purchaser label following the transfer of manufacturer of record status to Purchaser, and for no other commercial, marketing, or promotional purpose or (F) continuing to use schematics, plans, manuals, drawings, machinery, datasheets, tooling (including hand tools), and the like of the Business solely to the extent that such instrumentalities are used internally in the ordinary operation or conduct of the Business and are not used or disseminated in any external, customer-facing or public-facing manner (whether as advertisements to the public for use as means to effectuate or enhance sales or otherwise), and with respect to the Business Products, tangible parts and tangible components of such Business Products, only to the extent any Seller Mark is not visible to end consumers in the ordinary course of use and is not used for commercial or promotional purposes.

ARTICLE VIII JOINT COVENANTS

Section 8.1 Governmental Consents. The Parties will use commercially reasonable efforts, and will cooperate, to obtain the consents, deliver the notices and making all necessary applications and filings with any Governmental Authority required to consummate the transactions contemplated hereby that are set forth on Section 8.1 of the Disclosure Schedule; provided that neither Seller nor the Company will be obligated to pay any consideration to any such Governmental Authority from whom consent or approval is requested (other than *de minimis* amounts). In furtherance of the foregoing, Purchaser agrees to use commercially reasonable efforts to provide reasonable assurances as to financial capability, resources, creditworthiness or other qualifications as may be reasonably requested by any Person whose consent or approval is sought hereunder.

Section 8.2 Efforts to Consummate. Without limitation of Section 8.1, during the Pre-Closing Period, each of the Parties will use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to expeditiously satisfy the closing conditions set forth in Article IX and consummate the transactions contemplated by this Agreement and the other Transaction Documents as soon as practicable. During the Pre-Closing Period, none of the Parties will intentionally perform any act that, if performed, or intentionally omit to perform any act that, if omitted to be performed, would prevent or excuse the performance of this Agreement by any Party or that would allow a Party to terminate this Agreement under Section 11.1(c) or Section 11.1(d).Inspection of Records.

(a) For a period of six (6) years following the Closing Date (or such longer period as may be required by applicable Law), each of Purchaser, on the one hand, and Seller, on the other hand (each, a "Requesting Party"), shall, and shall cause its Controlled Affiliates to, provide the other Party (the "Responding Party") and its Representatives with reasonable access, during normal business hours and upon reasonable advance notice, to the books, records and personnel of the Requesting Party and its Controlled Affiliates to the extent relating to the Business or the Company for periods prior to or concurrent with the Closing Date, in each case as reasonably necessary in connection with (i) the preparation of Tax Returns or financial statements, (ii) the conduct of any audit, examination or Proceeding, (iii) the enforcement of rights under this Agreement or any other Transaction Document, or (iv) any other reasonable business purpose relating to the Business or the Company.

(b) The Requesting Party shall bear all of its out-of-pocket costs and expenses incurred in connection with any such access and shall, and shall cause its Representatives to, comply with the Responding Party's reasonable security measures and policies. Such access shall not unreasonably interfere with the business or operations of the Responding Party or its Affiliates.

(c) Notwithstanding anything to the contrary in this Section 8.3:

(i) the Responding Party shall not be required to provide access to any information to the extent such access would reasonably be expected to (A) waive any attorney-client privilege, work product doctrine or other applicable privilege, (B) violate applicable Law or any binding agreement with a third party, or (C) breach any confidentiality obligation; provided that the Responding Party shall use commercially reasonable efforts to permit access in a manner that does not result in such waiver, violation or breach;

(ii) and nothing in this Section 8.3 shall require the disclosure of information relating to the negotiation of this Agreement or any other Transaction Document, except to the extent necessary for enforcement thereof.

(d) Each Party agrees to maintain, and cause its controlled Affiliates and Representatives to maintain, the confidentiality of any information obtained pursuant to this Section 8.3 and to use such information only to the extent and for the purpose expressly permitted under this Section 8.3.

(e) Seller shall retain, and shall cause its Controlled Affiliates to retain, all books and records relating to the Business or the Company for periods prior to the Closing Date for at least six (6) years following the Closing Date (or such longer period as required by applicable Law). Purchaser shall retain, and shall cause the Company to retain, such books and records for periods after the Closing Date in accordance with its standard record retention policies; provided that Purchaser shall not destroy any such records within such six (6)-year period without first providing Seller reasonable prior written notice and an opportunity to obtain copies at Seller's expense.

Section 8.4 Publicity.

(a) From and after the Closing, each Party will, and will cause their respective Controlled Affiliates and representatives to, maintain the confidentiality of this Agreement and the terms thereof. The Parties will not, and will cause each of their Affiliates not to, issue or cause the publication of any press release or other public announcement with respect to this Agreement or the transactions contemplated hereby except with the prior agreement of Seller and Purchaser (and the Parties will use commercially reasonable efforts to consult and agree with each other regarding the content of any press release or other public announcements), and no such disclosure will contain any financial terms related to the transactions contemplated hereby.

(b) Notwithstanding anything to the contrary in this Section 8.4, (i) any Party may, without the prior consent of the other Parties, issue or cause the publication of any press release, public announcement or disclosure to the extent that such Party reasonably determines such action to be required by Law, in which event such Party will use its commercially reasonable efforts to allow the other Parties hereto reasonable time to comment on (or block or otherwise seek a protective order or other appropriate remedy regarding) such press release, public announcement or disclosure in advance of its issuance and such press release, public announcement or disclosure will only contain such information that the disclosing party was required by Law to disclose; (ii) the Parties may make disclosures to their respective directors, managers, officers, employees, consultants, advisors, counsel, accountants, auditors and other representatives as necessary in connection with the ordinary conduct of their respective businesses or as necessary to assist such Party in exercising its rights or satisfying and performing its covenants and obligations under this Agreement, provided that the provisions of Section 8.4(a) will apply to such directors, managers, officers, employees, consultants, advisors, counsel, accountants, auditors and other representatives and the Party disclosing such information will be responsible for any breach of the provisions hereof by them; (iii) Seller or any of its Affiliates may disclose to its current, former or prospective partners, members, investors or other direct or indirect shareholders who are affiliated with investment funds of Seller's Affiliates and their respective representatives, as applicable, the terms of the transactions contemplated hereby, provided that the recipient of such information is subject to confidentiality obligations; and (iv) the Company may make any announcement to its employees, members, shareholders, customers, investigators, key opinion leaders, or other business relations, in each case, that the Company reasonably believes is required or desirable.

Section 8.5 Further Assurances; Shared Contracts.

(a) From time to time following the Closing, Seller and Purchaser shall, and shall cause their respective Controlled Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases, acquittances and other instruments, and shall take such further actions, as may be necessary or appropriate to transfer fully to, and vest in, Purchaser and the Purchaser Designees and each of their respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Purchaser or a Purchaser Designee under this Agreement and the Assignment and Assumption Agreement and to assure fully to Seller and its Subsidiaries and each of their respective successors and assigns, the assumption of the liabilities and obligations intended to be assumed by Purchaser or a Purchaser Designee under this Agreement and the Assignment and Assumption Agreement, and to otherwise make effective the transactions contemplated hereby and thereby (including (i) transferring back to Seller or a Subsidiary any asset or liability that is not a Purchased Asset or an Assumed Liability, respectively, if and to the extent that any such asset or liability was erroneously or inadvertently transferred to Purchaser or a Purchaser Designee at or after the Closing and (ii) transferring to Purchaser or a Purchaser Designee any asset or liability contemplated by this Agreement to be a Purchased Asset or an Assumed Liability, respectively, which was erroneously or inadvertently not transferred to Purchaser or a Purchaser Designee at or after the Closing). If, at any time from and after the Closing, either Purchaser or Seller discovers that it or any of its Affiliates is the owner of, receives or otherwise comes to possess any Purchased Asset or Excluded Asset or is liable for any Assumed Liability or Excluded Liability that is properly attributable to the other Party (or its respective designees or Affiliates) pursuant to this Agreement or the Assignment and Assumption Agreement, such Party will promptly give notice in writing to the other Party and promptly take the actions contemplated by this Section 8.5(a). Each Party will cooperate with the other Party and use its commercially reasonable efforts to set up procedures and notifications as are reasonably necessary or advisable to effectuate the sale, assignment, transfer, conveyance and delivery contemplated by this Section 8.5(a).

(b) Nothing in this Agreement, the Assignment and Assumption Agreement nor the consummation of the transactions contemplated hereby or thereby shall be construed as an attempt or agreement to transfer or assign any Purchased Asset, including any Transferred Contract, Permit, certificate, approval, license, authorization or other right, which by its terms or by Law is nonassignable or cannot be entered into without the consent of a third party or a Governmental Authority or is cancelable by a third party in the event of an assignment ("Nonassignable Assets") unless and until (i) such consents shall have been obtained or (ii) to the extent permitted by applicable Law or Contract, Purchaser or a Purchaser Designee notifies Seller that any such Purchased Asset should be transferred or assigned notwithstanding the absence of a requisite third party consent or Governmental Authority consent or the right of a third party to cancel such Nonassignable Asset in the event of a transfer or assignment hereunder, in which event such Purchased Asset shall not be a Nonassignable Asset for purposes of this Agreement and shall instead be transferred and assigned hereunder notwithstanding the absence of such third party consent or Governmental Authority consent or any right of a third party to cancel such Purchased Asset. Seller shall use commercially reasonable efforts to obtain such consents and deliver any required notices under all Nonassignable Assets, and Purchaser shall, and shall cause its Controlled Affiliates to, use commercially reasonable efforts to cooperate with Seller to obtain such consents promptly. To the extent permitted by applicable Law, in the event any requisite consent cannot be or is not for any reason obtained prior to the Closing, from and after the Closing, Seller and Purchaser shall, and shall cause their respective Controlled Affiliates to, use commercially reasonable efforts to develop a mutually agreeable arrangement (including by way of amendment or addition of services to the Transition Services Agreement) under which Purchaser or a Purchaser Designee would obtain the benefits

and assume the obligations under such Nonassignable Assets in accordance with this Agreement, including by sub-contracting, sub-licensing, or sub-leasing to Purchaser or a Purchaser Designee, and Seller or its applicable Controlled Affiliate shall hold such Nonassignable Assets in trust for the benefit or burden, as applicable, of Purchaser or the applicable Purchaser Designee until the consummation of the applicable assignment. From and after the Closing, Seller shall, and shall cause its Controlled Affiliates to, also take or cause to be taken at Seller's or its designee's expense such actions in its name or otherwise as Purchaser may reasonably request so as to provide Purchaser or the applicable Purchaser Designee with the benefits of the Nonassignable Assets and to effect collection of money or other consideration that becomes due and payable under the Nonassignable Assets, and Seller or the applicable Subsidiary shall promptly pay over to Purchaser or the applicable Purchaser Designee all money or other consideration received by it in respect to all Nonassignable Assets. If after the Closing Date any Nonassignable Asset becomes assignable (either because consent for the assignment or execution thereof is obtained or otherwise), Seller shall promptly notify Purchaser and cooperate to assign or transfer such previously Nonassignable Asset to Purchaser or the applicable Purchaser Designee.

(c) Purchaser and Seller shall, and shall cause their respective Affiliates to, use their respective commercially reasonable efforts to obtain, or to cause to be obtained, any consent, substitution, approval, or amendment required to transfer all rights and obligations under any and all Transferred Contracts, Permits, certificates, approvals, licenses, authorizations or other rights or obligations or liabilities that constitute Purchased Assets or Assumed Liabilities or that are required to perform the obligations under the Assignment and Assumption Agreement.

(d) From and after the Closing Date, Seller on behalf of itself and its Affiliates authorizes Purchaser, to the extent permitted by applicable Law and the terms of the Nonassignable Assets, at Purchaser's expense, to perform all the obligations and receive all the benefits of Seller or its Affiliates under the Nonassignable Assets.

(e) Notwithstanding anything in this Agreement to the contrary, unless and until any consent or approval with respect to any Nonassignable Asset is obtained, such Nonassignable Asset shall not constitute a Purchased Asset and any associated liability shall not constitute an Assumed Liability for any purpose under this Agreement.

(f) Set forth on Section 8.5(f) of the Disclosure Schedule is a list of the Shared Contracts to which Seller or any of its Subsidiaries is a party. If requested by Purchaser or a Purchaser Designee, and to the extent legally permissible, Seller and its Affiliates, as applicable, shall cooperate and use commercially reasonable efforts after the date hereof to facilitate and assist Purchaser or such Purchaser Designee, at the sole cost and expense of Purchaser, in negotiating new contracts with the counterparty to each of the Shared Contracts that will be effective on or after the Closing Date on terms that are substantially similar to the terms contained in the Shared Contracts solely to the extent exclusively related to the Business (each such new Contract, a "Replacement Contract"). If requested by Seller, and to the extent legally permissible, Purchaser and its Affiliates, as applicable, shall cooperate and use commercially reasonable efforts after the date hereof to facilitate and assist Seller in negotiating a Replacement Contract. The Parties will use commercially reasonable efforts to negotiate and enter into Replacement Contracts as promptly as practicable following the Closing Date (and to the extent legally permissible, prior to Closing).

(g) Except as otherwise agreed to between the Parties pursuant to the Transition Services Agreement, if Purchaser or its applicable Purchaser Designee is not able to obtain a Replacement Contract prior to the Closing, then, following the Closing Date, to the extent permissible under applicable Law and

under the terms of the applicable Shared Contract, (i) at the sole cost and expense of Purchaser, Seller and its Controlled Affiliates, as applicable, shall continue to perform the obligations under such Shared Contract primarily relating to the Business, (ii) Purchaser or such Purchaser Designee shall take all such actions necessary, or reasonably requested by Seller or its Controlled Affiliates, as applicable, to facilitate performance of the obligations under such Shared Contract primarily relating to the Business, (iii) Seller or its Controlled Affiliates, as applicable, shall hold in trust for the benefit of Purchaser or such Purchaser Designee, and shall promptly forward to Purchaser or such Purchaser Designee, any monies or other benefits received pursuant to such Shared Contract primarily relating to the Business, and (iv) the Parties shall use commercially reasonable efforts to institute alternative arrangements intended to put the Parties in a substantially similar economic position as if such Shared Contract had been replaced by a Replacement Contract. Seller shall not amend, modify, or voluntarily terminate any Shared Contract if such action would have a materially disproportionate effect on the Business in relation to Seller's and its Affiliate's other businesses without the advance written consent of Purchaser.

Section 8.6 Termination of Intercompany Arrangements.

(a) Except as otherwise expressly set forth in this Agreement or in any other Transaction Document, including the Transition Services Agreement, effective as of the Closing, all Contracts, arrangements, understandings and agreements of any nature (whether written or oral) solely between or among (i) the Company, on the one hand, and (ii) Seller or any of its Controlled Affiliates (other than the Company), on the other hand (collectively, the "Intercompany Arrangements"), shall be terminated in their entirety, without any further force or effect.

(b) As of the Closing, neither Seller nor any of its Controlled Affiliates (other than, following the Closing, the Company) shall have any further rights, obligations or liabilities under any Intercompany Arrangements, and each Party hereby waives any and all claims it may have against any other Party arising under or relating to any Intercompany Arrangements; provided, however, that nothing herein shall (i) affect any rights or obligations under this Agreement or any other Transaction Document, (ii) limit or impair any rights to indemnification under Article XII, or (iii) release or waive any rights or claims arising out of Fraud.

(c) All intercompany accounts between the Company, on the one hand, and Seller or any of its Affiliates (other than the Company), on the other hand, shall be satisfied, settled, canceled or otherwise extinguished as of the Closing, without any further liability to Purchaser or the Company, except to the extent specifically included in the calculation of the Closing Consideration Amount (including, if applicable, as Cash, Indebtedness or Transaction Expenses) or otherwise expressly provided for in this Agreement.

(d) Each of Seller and Purchaser shall, and shall cause their respective Controlled Affiliates to, at the sole cost of the requesting Party, execute and deliver such further documents or instruments as may be reasonably requested by the other Party to evidence the termination of the Intercompany Arrangements in accordance with this Section 8.6.

(e) Notwithstanding the foregoing, any Intercompany Arrangements identified on Section 8.6 of the Disclosure Schedule shall survive the Closing to the extent and on the terms set forth therein.

ARTICLE IX CONDITIONS TO CLOSING

Section 9.1 Conditions to Seller's Obligations. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the fulfillment of all of the following conditions on or before the Closing Date:

(a) The representations and warranties contained in Article V will be accurate as of the date of this Agreement and as of the Closing Date with the same force and effect as though made and on and as of the Closing Date (other than any representation or warranty that is limited by its terms to a specific date, in which case, on and as of such date).

All covenants and agreements of Purchaser to be performed hereunder through and including the Closing Date (including all covenants and agreements Purchaser would be required to perform at the Closing if the transactions contemplated by this Agreement were consummated) have been performed or complied with in all material respects, other than the covenants and agreements set forth in Section 2.3, which must have been performed or complied with in all respects.

(b) Purchaser shall have delivered to Seller duly executed counterparts to the Transaction Documents and such other documents and deliveries set forth in Section 2.8(a).

Section 9.2 Conditions to Purchaser's Obligations. The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the fulfillment of all of the following conditions on or before the Closing Date:

(a) (i) The representations and warranties of the Company set forth in Article III and the representations and warranties of Seller set forth in Article IV, other than the Fundamental Representations, will each be accurate on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date (other than any representation or warranty that is limited by its terms to a specific date, in which case on and as of such date), without giving effect to any limitations as to "materiality", "material adverse effect" or "Material Adverse Effect" set forth therein, except where the failure of such representation or warranty to be accurate would not have a Material Adverse Effect; and
(ii) the Fundamental Representations will each be accurate in all respects (other than de minimis inaccuracies) on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date (other than any representation or warranty that is limited by its terms to a specific date, in which case on and as of such date).

(b) All covenants and agreements of the Company and Seller to be performed hereunder through and including the Closing Date (including all covenants and agreements of the Company and Seller would be required to perform at the Closing if the transactions contemplated by this Agreement were consummated) have been performed or complied with in all material respects.

(c) Seller shall have delivered to Purchaser duly executed counterparts to the Transaction Documents and such other documents and deliveries set forth in Section 2.8(b).

Section 9.3 Joint Conditions to the Parties' Obligations. The obligation of each Party to consummate the transactions contemplated by this Agreement is subject to the fulfillment of all of the following conditions on or before the Closing Date:

(a) No preliminary or permanent injunction or other Order issued by a Governmental Authority nor any Law promulgated or enacted by any Governmental Authority will be in effect that would have the effect of (A) making the consummation of the transactions contemplated by this Agreement illegal or (B) otherwise prohibiting the consummation of the transactions contemplated hereby.

Section 9.4 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in Section 9.1, Section 9.2 or Section 9.3, as the case may be, if such failure was caused by such Party's failure to perform any of its obligations under this Agreement.

ARTICLE X
TAX MATTERS

Section 10.1 Preparation and Filing of Tax Returns.

(a) Seller will have the sole and exclusive right to prepare and file (i) all Consolidated Tax Returns for any taxable period, and (ii) all income Tax Returns of the Company for any Pre-Closing Tax Period or Straddle Period that are due for filing after the Closing. The Parties hereto and each of their Affiliates acknowledge and agree that any Transaction Tax Deductions shall be claimed on any Consolidated Tax Return or any income Tax Return of the Company for a Pre-Closing Tax Period to the maximum extent permissible by applicable Law and shall be reflected on such applicable Tax Returns. Each such income Tax Return described in the foregoing clause (ii) shall be prepared in a manner consistent with the past practices, procedures and accounting methods of the Company, except as otherwise required by this Agreement. Seller shall provide (or cause to be provided) each such income Tax Return of the Company described in the foregoing clause (ii) for any Pre-Closing Tax Period or Straddle Period to Purchaser for its review at least thirty (30) days prior to the due date of such income Tax Return (after applicable extensions) and shall incorporate all reasonable comments made by Purchaser. The party required to do so under Law shall file, or cause to be filed, each of such income Tax Returns consistent with the terms set forth in this Section 10.1(a). Notwithstanding anything to the contrary in this Agreement, neither the Company nor Seller will be required to provide to Purchaser (or any of its Affiliates) any Consolidated Tax Return, provided, that, when a position, election or transaction on any Consolidated Tax Return has a material impact on the Tax attributes of the Company or when otherwise reasonably relevant to any Tax matter that is the subject of this Agreement, Seller shall provide relevant information to Purchaser in the form of appropriate redacted materials, excerpts, schedules or workpapers, or reproductions of portions of any such Consolidated Tax Return.

(b) Purchaser, at its cost and expense, will prepare or cause to be prepared, and timely file or cause to be timely filed, in a manner consistent with the past practices of the Company, all Tax Returns of the Company for Pre-Closing Tax Periods and Straddle Periods that are due for filing after the Closing Date (after giving effect to any valid extensions of the applicable filing deadline) that are not described in Section 10.1(a). To the extent any items reported on any such Tax Returns could reasonably be expected to result in a Tax liability to or otherwise adversely impact Seller (including through any reduction in the amount of the Purchase Price payable pursuant to this Agreement) or could reduce the amount or value of any Tax Refund payable to Seller hereunder, Purchaser will cause such Tax Returns to be prepared in a manner consistent with the past practice of the Company unless otherwise required by Law, permit Seller to review and comment on each such Tax Return described in the preceding sentence at least thirty (30) days prior to filing, incorporate any reasonable comments of Seller with respect to each such Tax Return, and not file, or cause or permit to be filed, any such Tax Return without the prior written consent of Seller, which consent will not be unreasonably withheld, conditioned or delayed. Purchaser will elect to

file (and cause the Company to join in filing) a consolidated U.S. federal income Tax Return with the Company for the taxable period beginning on the day following the Closing Date.

Section 10.2 Straddle Periods. For purposes of this Agreement, the Taxes of the Company attributable to any Straddle Period will be apportioned between the portion of the Straddle Period that begins on the first day of the Straddle Period and ends on the Closing Date (the "Pre-Closing Straddle Period"), and the portion of the Straddle Period that begins on the day immediately after the Closing Date and ends on the last day of the Straddle Period (the "Post-Closing Straddle Period"). The amount of such Tax allocated to the Pre-Closing Straddle Period will: (a) in the case of any property or similar ad valorem Taxes, be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the Pre-Closing Straddle Period and the denominator of which is the number of days in the entire Straddle Period; (b) in the case of any other Taxes, be deemed equal to the amount that would be payable if the relevant Tax period ended on the Closing Date (provided that exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation, will be apportioned on a daily basis; and further provided that any Transaction Tax Deductions claimed on an income Tax Return of the Company for a Straddle Period shall be allocated to the Pre-Closing Straddle Period); and (c) in the case of any Tax imposed with respect to an interest in an entity treated as a CFC, partnership, or disregarded entity for purposes of the Code, be determined as if the taxable year of such CFC, partnership, or disregarded entity ended on the end of the Closing Date. The amount of such Tax allocated to the Post-Closing Straddle Period will equal the balance of such Tax attributable to the Straddle Period. To the extent permitted under applicable Law, the Parties will use commercially reasonable efforts to terminate the taxable year of the Company on the Closing Date.

Section 10.3 Refunds. Seller will be entitled to any Tax Refunds or overpayments (or, in each case, credits in lieu thereof) that are received by Purchaser or the Company, which relate to any Pre-Closing Tax Period or any Pre-Closing Straddle Period of the Company, but excluding (a) any adjustment to a loss or other Tax attribute of the Company (as opposed to the receipt of cash), (b) refunds resulting from a carryback of a loss or other Tax attribute of Purchaser, any Affiliate thereof, or the Company from a Post-Closing Tax Period (or portion of a Straddle Period beginning after the Closing Date), (c) any refund that the Company is otherwise obligated to pay over to any third party due to contractual arrangements in existence at or prior to the Closing or (d) any refunds or overpayments (or, in each case, credits in lieu thereof) that were taken into account in calculating the Purchase Price (as finally determined) (each such refund, a "Tax Refund"). For purposes of this Section 10.3, in the event that any actual cash tax liability of the Company for Taxes with respect to any Pre-Closing Tax Period or any Pre-Closing Straddle Period is less than the amount of such liability for Taxes taken into account in calculating the Purchase Price (as finally determined), then such difference will be treated as a Tax Refund payable to Seller under this Section 10.3. Purchaser will cause the Company to make all filings and take all actions necessary to secure such Tax Refunds as promptly as possible (and in any event, within thirty (30) days after receiving notice from Seller regarding the availability thereof), and Purchaser will pay to Seller the amount of any such Tax Refund within 5 days after the actual receipt of such Tax Refund (or entitlement thereto, with respect to an amount credited in lieu of a refund). The Parties agree that any payment made pursuant to this Section 10.3 will be treated as an adjustment to the Purchase Price for applicable Tax purposes, except to the extent otherwise required by applicable Law.

Section 10.4 Control of Audit or Tax Litigation.

(a) After the Closing, each of Purchaser, on one hand, and Seller, on the other hand, will promptly notify the other in writing within seven days following receipt of notice of any pending or

threatened Proceeding regarding any Taxes or Tax Returns of the Company (a "Tax Proceeding") for which such other party (or such other party's Affiliates) may be liable.

(b) After the Closing, Seller will (i) control the defense of any Tax Proceedings related to a Consolidated Tax Return for any taxable period and (ii) have the right, but not the obligation, to control the defense of any Tax Proceeding related solely to an income Tax Return of the Company for a Pre-Closing Tax Period at Seller's sole cost and expense; provided, however, that (notwithstanding any contrary provision of Section10.4(b)), Seller shall not have the right to control any such Tax Proceeding described in the foregoing clause (ii) if (A) the outcome of such Tax Proceeding may materially adversely affect the Tax liability of the Company, Purchaser or any Affiliate of any of them, for any period ending after the Closing Date, or (B) Seller has failed or ceased diligently to defend against the adjustment in Tax proposed in such Tax Contest. With respect to any Tax Proceeding governed by the foregoing subsection (ii), Seller will (C) provide Purchaser with copies of all significant correspondence, notices or other written materials received from any Governmental Authority and otherwise keep Purchaser advised of any significant developments, and of any significant communications involving representatives of the Governmental Authorities, (D) permit Purchaser to participate in such Tax Proceeding at Purchaser's cost and expense, (E) permit Purchaser to review and comment on any documents in connection with such Tax Proceeding and take any reasonable comments of Purchaser into consideration prior to filing any document and (F) shall not settle, adjust or compromise such Tax Proceeding in a manner that may materially adversely affect the Tax liability of the Company, Purchaser or any Affiliate of any of them, for any period ending after the Closing Date, without with Purchaser's written consent, which shall not be unreasonably withheld, conditioned or delayed.

(c) After the Closing, Purchaser will control the defense of any Tax Proceeding that is not described in Section 10.4(b) or the defense of which Seller, in its sole discretion, elects not to control or does not timely assume control. To the extent any such Tax Proceeding could reasonably be expected to result in a liability to or otherwise impact Seller or any of its beneficial owners (including through any reduction in the amount of the Purchase Price payable pursuant to this Agreement) or reduce the amount or value of any Tax Refund payable to Seller hereunder, Purchaser will (i) provide Seller with copies of all significant correspondence, notices or other written materials received from any Governmental Authority and otherwise keep Seller advised of any significant developments, and of any significant communications involving representatives of the Governmental Authorities, (ii) permit Seller to participate in such Tax Proceeding at Seller's sole cost and expense, (iii) permit Seller to review and comment on any documents in connection with such Tax Proceeding and take any reasonable comments of Seller into consideration prior to filing any document, and (iv) not settle, adjust or compromise (or cause the Company to settle, adjust or compromise) any such Tax Proceeding without the prior written consent of Seller, which consent will not be unreasonably withheld, conditioned or delayed.

Section 10.5 Transfer Taxes. Purchaser and Seller shall each pay fifty percent (50%) of all sales, use, transfer, real property transfer, value-added, stamp, documentary, recording, equity transfer, and similar Taxes and fees, and any deficiency, interest, or penalty asserted with respect thereto, arising out of or in connection with the transactions effected pursuant to this Agreement (collectively, "Transfer Taxes"). The party responsible under applicable Law will timely file or cause to be filed all necessary documentation and Tax Returns with respect to such Transfer Taxes and the other party shall promptly reimburse such filing party for its share of such Transfer Taxes. In the event that any Transfer Taxes may be reclaimed, recovered or refunded from any Person in accordance with customary practice, the Parties shall use commercially reasonable efforts to reclaim, recover or obtain a refund of such Transfer Taxes and shall cooperate with respect thereto in accordance with the provisions of Section 10.6. The amount of

such reclaimed, recovered or refunded Transfer Taxes shall be shared 50% by Purchaser and 50% by Seller.

Section 10.6 Cooperation. Purchaser, the Company and Seller will use commercially reasonable efforts to cooperate as and to the extent reasonably requested by the other Party, in connection with the filing of any Tax Return or claim for refund and any Tax Proceeding with respect to any Pre-Closing Tax Period or Straddle Period. Such cooperation will include the retention and (upon the other Party's request) the provision of records and information that are reasonably relevant to any such Tax Return or audit, examination, assessment or other Proceeding, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

Section 10.7 Tax Sharing Agreements. Tax sharing agreements or similar agreements and powers of attorney with respect to or involving the Company shall be terminated as of the Closing Date and, after the Closing Date, the Company shall not be bound thereby or have any liability thereunder.

Section 10.8 Intercompany Debt. Any accounts, loans, indebtedness, payables and receivables between the Company, on the one hand, and another member of the Tax Group, on the other hand, shall be settled, satisfied, canceled and terminated prior to the Closing Date. For the avoidance of doubt, any Taxes imposed on the Company or for which the Company is liable as a result of any such transaction shall constitute Unpaid Taxes and Indemnified Taxes.

Section 10.9 Post-Closing Actions. Except (a) to the extent expressly contemplated by this Agreement, or (b) to the extent any of the following actions is not reasonably expected to result in any incremental Tax to Seller (including through any reduction in the amount of the Purchase Price payable pursuant to this Agreement), Purchaser will not (and will cause the Company to not), without the prior written consent of Seller (which consent shall not be unreasonably withheld, conditioned or delayed): change or rescind any Tax election made prior to the Closing Date, (b) amend, refile or otherwise modify any Tax Return for any Pre-Closing Tax Period, (c) file any Tax Return for a Pre-Closing Tax Period in a jurisdiction in which the Company did not previously file any Tax Returns, (d) initiate, adjust, compromise or settle any Tax claim with a Governmental Authority for a Pre-Closing Tax Period, (e) engage in any voluntary disclosure or similar process with a Governmental Authority with respect to the Taxes of the Company for a Pre-Closing Tax Period, (f) surrender any right to a Tax Refund payable to Seller hereunder, or (g) extend the statute of limitations with respect to any Tax or Tax Return for a Pre-Closing Tax Period or reduce the amount or value of any Tax Refund otherwise payable to Seller hereunder.

Section 10.10 Section 338(h)(10) Election. Purchaser and Seller shall join in making an election under Section 338(h)(10) of the Code and Treasury Regulations promulgated thereunder and any comparable provisions of applicable Law in respect of the purchase of the Shares (the "Section 338(h)(10) Election"). Purchaser and Seller shall report the sale and purchase of the Shares in a manner consistent with such Section 338(h)(10) Election on all Tax Returns, agree not to take any action that could cause such election to be invalid, and will take no position contrary thereto unless required to do so pursuant to a "determination" (as defined in Section 1313(a) of the Code or any comparable provisions of applicable Law).

ARTICLE XI
TERMINATION

Section 11.1 Right to Terminate. This Agreement and the transactions contemplated by this Agreement may be terminated at any time before the Closing by prompt notice given in accordance with Section 13.3:

(a) by the mutual written consent of Purchaser and Seller;

(b) in writing by either Purchaser or Seller if the Closing has not occurred at or before 11:59:59 p.m. Eastern Time on the date that is ninety (90) days after the date of this Agreement; provided that the right to terminate this Agreement under this Section 11.1(b) will not be available to any Party whose failure to fulfill any of its obligations under this Agreement has been the cause of or resulted in the failure of the Closing to occur on or before such date;

(c) by Purchaser, if any of the representations or warranties of the Company or of Seller set forth in Article III or Article IV, as applicable, are not accurate, or if the Company or Seller has failed to perform any covenant or agreement on the part of the Company or Seller, as applicable, set forth in this Agreement (including an obligation to consummate the Closing), such that the conditions to the Closing set forth in either Section 9.2(a) or Section 9.2(b) are not capable of being satisfied as of the Closing and the breach or breaches causing such representations or warranties not to be accurate, or the failures to perform any covenant or agreement, as applicable, are not cured within twenty (20) Business Days after written notice thereof is delivered to the Company; provided that Purchaser is not then in breach of this Agreement such as would cause the condition to the Closing set forth in either Section 9.1(a) or Section 9.1(b) to not be satisfied as of the Closing;

(d) by Seller, if any of the representations or warranties of Purchaser set forth in Article V is not accurate, or if Purchaser has failed to perform any covenant or agreement on the part of Purchaser set forth in this Agreement (including an obligation to consummate the Closing), such that the conditions to the Closing set forth in either Section 9.1(a) or Section 9.1(b) are not capable of being satisfied as of the Closing and the breach or breaches causing such representations or warranties not to be accurate, or the failures to perform any covenant or agreement, as applicable, are not cured within twenty (20) Business Days after written notice thereof is delivered to Purchaser; provided that none of the Company or Seller is then in breach of this Agreement such as would cause the condition to the Closing set forth in Section 9.2(a) or Section 9.2(b) from being satisfied as of the Closing; provided further that neither a breach by Purchaser of Section 5.7 nor the failure to deliver the Purchase Price or the payments contemplated by Section 2.3 at the Closing (or the date on which the Closing would have occurred but for the breach of this Agreement by Purchaser) as required hereunder will be subject to cure hereunder unless otherwise agreed to in writing by the Company; or

(e) by Purchaser or Seller if there is in effect a final, non-appealable Order of a court of competent jurisdiction in effect precluding consummation of the transactions contemplated by this Agreement; provided that the right to terminate this Agreement under this Section 11.1(e) will not be available to any Party whose failure to fulfill any of its obligations under this Agreement has been the cause of or resulted in the Order.

Section 11.2 Remedies Upon Termination. If this Agreement is validly terminated pursuant to Section 11.1, then it will forthwith become null and void, and each of the Parties will be relieved of its duties, liabilities and obligations to any other Party under this Agreement and no Party will have any claim against any other Party; provided, however, that (a) Article XIII will survive any termination of this

Agreement and no Party will be relieved of its duties, liabilities and obligations to any other Party under Article XIII and (b) nothing contained in this Section 11.2 will relieve any Party from liabilities, losses or damages arising out of any willful and intentional breach prior to the termination of this Agreement by such Party of any covenants or other obligations to be performed by such Party contained in this Agreement (which, for the avoidance of doubt, will be deemed to include any failure by Purchaser to consummate the transactions contemplated hereby if obligated to do so under this Agreement).

ARTICLE XII
INDEMNIFICATION; SURVIVAL

Section 12.1 Indemnification by Seller. Subject to the applicable provisions of this Article XII, as of and following the Closing, Seller shall indemnify and hold harmless Purchaser, the Company and their respective successors, equity holders, Personnel, Representatives and Affiliates (other than the Seller Indemnified Parties) (collectively, the "Purchaser Indemnified Parties") from and against any and all Indemnity Losses incurred or suffered by the Purchaser Indemnified Parties or any of them as a result of or arising out of:

(a) any breach of, or inaccuracy in, any of the representations or warranties of or related to the Company or Seller contained in Articles III and IV;

(b) any breach or failure to perform by the Company (solely with respect to those covenants, obligations or agreements to be performed by the Company prior to Closing) or Seller of any of their respective covenants, obligations or agreements contained in this Agreement;

(c) any Indemnified Taxes;

(d) any Indebtedness not paid pursuant to Section 2.2(f) or taken into account in the determination of the Closing Consideration Amount pursuant to Section 2.4;

(e) any Transaction Expenses not paid pursuant to Section 2.2(g) or taken into account in the determination of the Closing Consideration Amount pursuant to Section 2.4;

(f) any Excluded Asset or any Excluded Liability; and

(g) any Proceedings identified on, or which should have been identified on, Section 3.14 or Section 4.5 of the Disclosure Schedules.

Section 12.2 Indemnification by Purchaser. Subject to the applicable provisions of this Article XII, as of and following the Closing, Purchaser shall indemnify and hold harmless Seller and its respective successors, equity holders, Personnel, Representatives and Affiliates (collectively, the "Seller Indemnified Parties") from and against any and all Indemnity Losses incurred or suffered by the Seller Indemnified Parties or any of them as a result of, arising out of, or directly or indirectly relating to:

(a) any breach of, or inaccuracy in, any of the representations or warranties of Purchaser contained in Article V; and

(b) any breach or failure to perform by Purchaser of any of its covenants, obligations or agreements contained in this Agreement.

Section 12.3 Indemnification Notice; Litigation Notice. If a party believes that it has suffered or incurred any Indemnity Loss to which it is entitled to indemnification pursuant to Sections 12.1 or 12.2 (such party, the "Claimant"), the Claimant shall so notify, as the case may be, (a) Purchaser, in the event the Claimant is a Seller Indemnified Party, or (b) Seller, in the event the Claimant is a Purchaser Indemnified Party, promptly in writing (x) identifying the party or parties which the Claimant believes has an obligation to indemnify (the "Indemnifying Party") and (y) describing such Indemnity Loss, including the amount thereof, if known, in such detail as is reasonably practicable (the "Indemnification Notice"). If any Proceeding is instituted by a third party with respect to which the Claimant intends to claim any Liability or expense as an Indemnity Loss under this Article XII (a "Third-Party Claim"), it shall promptly notify the applicable party (as set forth above) of such Third-Party Claim describing such Indemnity Loss and the amount thereof, if known, all with reasonable detail (the "Litigation Notice") in lieu of an Indemnification Notice.

Section 12.4 Disagreement Notice. If the Indemnifying Party does not agree that the Claimant is entitled to full reimbursement for the amount specified in the Indemnification Notice or the Litigation Notice, as the case may be, the Indemnifying Party shall notify the Claimant (the "Disagreement Notice") within thirty (30) calendar days of its receipt of the Indemnification Notice or the Litigation Notice, as the case may be. Failure to deliver a Disagreement Notice in a timely manner shall be considered an express acknowledgment by the Indemnifying Party of its obligation to indemnify and hold harmless the Claimant with respect to the Indemnity Loss set forth in the Indemnification Notice or the Litigation Notice, as the case may be, and the Indemnifying Party shall pay to the Claimant the amount specified in the Indemnification Notice or the Litigation Notice within five (5) Business Days after the expiration of such thirty (30) day period. Any dispute regarding indemnification shall be resolved as provided for in Section 13.9.

Section 12.5 Defense of Third-Party Claims

(a) The Indemnifying Party shall have thirty (30) calendar days after receipt of the Litigation Notice to (i) notify the Claimant, in writing, that it elects to conduct and control the Third-Party Claim (the "Election Notice") and (ii) appoint counsel reasonably acceptable to the Claimant to be lead counsel in connection with the defense of such Third-Party Claim. If the Indemnifying Party does not give the foregoing Election Notice during such thirty (30) day period, the Claimant shall have the right (but not the obligation) to defend, contest, settle or compromise such Third-Party Claim in the exercise of its reasonable discretion. Notwithstanding the foregoing, the Indemnifying Party shall not have the right to assume control of the defense of such Third-Party Claim, and shall pay the reasonable fees and expenses of one counsel to all Claimants arising out of the same or similar set of circumstances in connection with such defense, to the extent such Third-Party Claim (i) seeks non-monetary relief, (ii) involves a criminal allegation by a Governmental Authority, (iii) involves a claim by a current customer or supplier of the Claimant (or the Company in the event the Claimant is another Purchaser Indemnified Party) or involves a claim which, if adversely determined, would be reasonably expected to establish a precedent, custom or practice adverse to the continuing business interests or prospects of the Claimant (or the Company in the event the Claimant is another Purchaser Indemnified Party), (iv) would reasonably be expected to result in an Indemnity Loss (including the cost of defense) which exceeds the amount, if any, then remaining under the Indemnification Cap, (v) involves, in the opinion of counsel of the Claimant, a conflict of interest between the Indemnifying Party and the Claimant, or (vi) involves a claim that the Indemnifying Party failed or is failing to vigorously prosecute or defend (clauses (i) through (vi), the "Exception Claims").

(b) If the Indemnifying Party timely gives the foregoing Election Notice and such Third-Party Claim is not an Exception Claim, the Indemnifying Party shall have the right to undertake, conduct and control, at the Indemnifying Party's sole expense, the conduct and settlement of such Third-Party Claim, and the Claimant shall provide its reasonable cooperation, at the Indemnifying Party's expense, including providing reasonable access during regular business hours to records and Personnel of the Claimant to the Indemnifying Party in connection therewith; provided, however, that (i) the Indemnifying Party shall not thereby consent to the imposition of any injunction against the Claimant (or the Company in the event the Claimant is another Purchaser Indemnified Party) without the prior written consent of the Claimant, (ii) the Indemnifying Party shall permit the Claimant to participate in such conduct or settlement through legal counsel chosen by the Claimant, but the fees and expenses of such legal counsel shall be borne solely by the Claimant, (iii) upon a final determination of such Third-Party Claim, the Indemnifying Party shall promptly reimburse the Claimant for the full amount of any Indemnity Loss incurred by the Claimant, except fees and expenses of legal counsel that the Claimant incurred pursuant to clause (ii) following the receipt by the Claimant of the Election Notice, (iv) the Indemnifying Party shall have the right to pay or settle such Third-Party Claim provided that (A) the claim is solely for monetary damages, all of which are being paid, satisfied or otherwise resolved by the Indemnifying Party, (B) the Claimant has no Liability with respect to such settlement and (C) the terms of such settlement provide for a full release of the Claimant, and (v) the Claimant shall have the right to pay or settle any such Third-Party Claim with the consent of the Indemnifying Party.

(c) If (i) the Claimant does not receive an Election Notice within thirty (30) days after the Indemnifying Party's receipt of the Litigation Notice with respect to a Third-Party Claim or (ii) such Third-Party Claim is an Exception Claim, in each case, the Claimant may defend against such matter as it deems appropriate at the expense of the Indemnifying Party; provided that the Indemnifying Party shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose; provided, however, that the fees and expenses of such separate counsel shall be borne by the Indemnifying Party and shall not be recoverable from such Claimant under this Article XII in the event that the Claimant assumes the defense of any such matter, it shall not settle or consent to an entry of judgment without the prior written consent of the Seller, which shall not be unreasonably withheld or delayed; provided, further, that no such settlement or consent to entry of judgment entered into without the prior written consent of the Indemnifying Party (or which the Indemnifying Party is required to provide in order to comply with this Section 12.5(c)) shall be determinative of the existence of a claim covered by this Article XII or the amount of any Indemnity Loss for which the Indemnifying Party is liable hereunder.

(d) To the extent of any conflict between this Section 12.5 and Section 10.4, Section 10.4 shall govern.

Section 10.6 Survival. Claims for indemnification under Section 12.1(a) and Section 12.2(a) shall only be valid to the extent that such claims are made on or prior to the eighteen (18) month anniversary of the Closing Date; provided, however, that notwithstanding the foregoing, claims arising from any breach of any of the Fundamental Representations or representations under Section 3.9 (Taxes) shall survive for the greater of (a) the six (6) year anniversary of this Agreement and (b) the applicable statute of limitation, plus sixty (60) days.

Section 12.7 Limitation on Indemnified Costs.

(a) Seller shall not be required to indemnify the Purchaser Indemnified Parties for Indemnity Losses arising under Section 12.1(a) unless and until the aggregate amount of such Indemnity Losses for which the Purchaser Indemnified Parties are otherwise entitled to indemnification pursuant to Section 12.1(a) exceeds $1,000,000 (the "Indemnification Basket"); provided, however, that the Indemnification Basket shall not apply to Indemnity Losses arising from any breach of any Fundamental Representation or any representations under Section 3.9 (Taxes). After the Indemnification Basket is exceeded, the Purchaser Indemnified Parties shall be entitled to be paid the amount of all Indemnity Losses from the first dollar, subject to the limitations on recovery and recourse set forth herein.

(b) Seller in the aggregate shall not be liable to indemnify the Purchaser Indemnified Parties for Indemnity Losses arising under Section 12.1(a) in excess of ten percent (10%) of the total consideration actually paid to Seller from time to time pursuant to the terms of this Agreement (the "Indemnification Cap"); provided, however, that the Indemnification Cap shall not apply to Indemnity Losses arising from any breach of any Fundamental Representation or any representations under Section 3.9 (Taxes). Notwithstanding anything to the contrary contained herein, Seller in the aggregate shall not be liable to indemnify the Purchaser Indemnified Parties for any Indemnity Losses in excess of the total consideration actually owed to and received by Seller (the "Aggregate Cap"); provided, however, that the Aggregate Cap shall not apply to Indemnity Losses arising from any Excluded Liabilities.

(c) For the purpose of calculating Indemnity Losses hereunder (but not for purposes of determining the existence of any breach of or inaccuracy in any representation or warranty in this Agreement), except for the Specified Instances, each qualification to a representation or warranty by use of the word "material" or "materially" or the words "in all material respects" or "Material Adverse Effect" shall be disregarded. For purposes hereof, "Specified Instances" means (a) the use of the word "Material Adverse Effect" in Section 3.10 and (b) the use of the word "Material" when used as the first word of the defined terms "Material Contracts" and "Material Permits".

(d) Notwithstanding anything to the contrary contained in this Agreement: (i) in calculating the amount of any Indemnity Loss, the amount of such Indemnity Loss shall be reduced by
(A) the amount of any insurance proceeds actually received by the Claimant in respect of such Indemnity Loss, net of related costs reasonably incurred in obtaining such recovery, and (B) any amount actually recovered by the Claimant from any third party with respect thereto, net of related costs reasonably incurred in obtaining such recovery; (ii) each Claimant shall use commercially reasonable efforts to mitigate any Indemnity Loss for which indemnification may be sought hereunder; and (iii) no Claimant shall be entitled to recover the same Indemnity Loss more than once.

Section 12.8 Special Rule for Fraud. Notwithstanding anything to the contrary contained in this Article XII, in the event of any breach of or inaccuracy in any representation or warranty by any party hereto that constitutes Fraud by or on behalf of Seller or the Company (including any Fraudulent act committed by and Personnel or Representative of Seller, the Company or a Seller Group Entity, in each case who is entitled to act under applicable Law on behalf of Seller, the Company or a Seller Group Entity) (as of or prior to Closing) on the one hand, or Purchaser or the Company (following Closing), on the other hand, then (a) claims of Fraud with respect to such representation or warranty shall survive indefinitely and the limitations set forth in Section 12.7, as applicable, shall not apply to any Indemnity Loss that the Purchaser Indemnified Parties or the Seller Indemnified Parties, as the case may be, may suffer, sustain or become subject to, as a result of, arising out of, relating to or in connection with any such breach.

Section 12.9 Exclusive Remedy. Except as provided in Section 2.6, Section 11.2 or Section 13.16, for specific performance or injunctive relief with respect to claims under any Transaction Document, and for legal or equitable relief for any claim for Fraud, the right to indemnification under this Article XII shall constitute the sole and exclusive right and remedy available to any party hereto for any claims or losses under this Agreement or the transactions contemplated hereby, and no party hereto shall initiate or maintain any Proceeding against any other party hereto which is directly or indirectly related to any such claims.

Section 12.10 Payment of Losses. Any Indemnity Losses to which a Purchaser Indemnified Party becomes entitled by reason of the provisions of this Article XII shall be paid as follows, for the avoidance of doubt, subject to the limitations and qualifications set forth in this Article XII:

(a) First, Purchaser shall set off all or any portion of such amount against any earned, but unpaid Milestone Payments or any amounts owed to any Seller Group Entity pursuant to the TSA, in either case existing as of the date such payment is due, at its sole option;

(b) and thereafter, only after any earned but unpaid Milestone Payments have been exhausted, from Seller.

Section 12.11 Tax Treatment of Indemnity Payments. To the maximum extent permitted by Law, it is the intention of the Parties to treat any indemnity payment made under this Agreement as an adjustment to the Purchase Price for all Tax purposes, and the Parties agree to file their Tax Returns accordingly.

ARTICLE XI
MISCELLANEOUS

Section 13.1 Disclosure Schedule. All representations and warranties of the Company and Seller in this Agreement are made subject to and modified by the exceptions noted in the schedules delivered by the Company to Purchaser concurrently herewith and identified as the "Disclosure Schedule" (the "Disclosure Schedule"). Any item disclosed in the Disclosure Schedule referenced by a particular section or sub-section in this Agreement will be deemed to have been disclosed with respect to every other section or sub-section in this Agreement or any other Transaction Document if the relevance of such disclosure to such other section or sub-section is reasonably apparent, notwithstanding any cross-references (which are included solely as a matter of convenience) or lack of a Schedule reference or cross-reference in any representation or warranty or section of the Disclosure Schedule. Information reflected in the Disclosure Schedule is not necessarily limited to matters required by this Agreement to be reflected in the Disclosure Schedule. Such additional information is set forth for informational purposes and does not necessarily include other matters of a similar nature. Disclosure of such additional information will not be deemed to constitute an acknowledgment that such information is required to be disclosed, and disclosure of such information will not be deemed to enlarge or enhance any of the representations or warranties in this Agreement or otherwise alter in any way the terms of this Agreement. Inclusion of information in the Disclosure Schedule will not be construed as an admission that such information is material to the business, assets, liabilities, financial position, operations or results of operations of the Company. No description of any information in the Disclosure Schedule purports to be comprehensive. In disclosing any information in the Disclosure Schedule, the Company does not waive any attorney-client privilege associated with, or any protection afforded by the work-product doctrine with respect to, any such information. Nothing in the Disclosure Schedule constitutes (a) an admission of any breach or violation of any Contract, Law or Order or of any liability or obligation of Seller or the Company to any third party,

(b) an admission against the interest of Seller or the Company or (c) represents the legal position or legal rights of Seller or the Company on the matter so disclosed. The information contained in the Disclosure Schedule is confidential, proprietary information of the Company and is subject to Section 7.6. From time to time prior to the Closing, Seller will have the right (but not the obligation) to supplement or amend the Disclosure Schedule hereto with respect to any matter hereafter arising or of which it becomes aware after the date of this Agreement.

Section 13.2 Transaction Expenses. Except as otherwise provided herein, each Party will bear all fees and expenses incurred by such Party in connection with, relating to, or arising out of the negotiation, preparation, execution, delivery or performance of this Agreement or any other Transaction Document or the consummation of the transactions contemplated by this Agreement or any other Transaction Document, including financial advisors', attorneys', accountants' and other professional fees and expenses in connection with the transactions contemplated by this Agreement or any other Transaction Document.

Section 13.3 Notices. All notices required or permitted to be given hereunder will be delivered in writing by email and will be deemed conclusively to have been given (a) if sent by email at or before 5:00 p.m. Eastern Time on a Business Day, then on such Business Day and (b) if sent by email after 5:00 p.m. Eastern Time on a Business Day or at any time on a day that is not a Business Day, then on the immediately following Business Day; provided, that any such notice delivered by email that has not been confirmed or acknowledged in writing via email by the applicable recipient will only be effective if such notice is also (i) delivered by hand, (ii) deposited in the United States mail, postage prepaid, registered or certified mail, or (iii) delivered by nationally recognized private courier, in each case, on or before the third Business Days after such notice was delivered by email.

All notices will be addressed as follows:

If to Seller or the Company (before the Closing), then to: Pacira BioSciences, Inc.

1 Sylvan Way, Suite 300 Parsippany, New Jersey 07054 Attention: Anthony Molloy
Email: Anthony.Molloy@pacira.com

with copies (which will not constitute notice) to: Perkins Coie LLP

1301 Second Avenue, Suite 4200

Seattle, WA 98101

Attention: Arian Galavis and Jackie Wilcox
Email: Agalavis@perkinscoie.com; jwilcox@perkinscoie.com

If to Purchaser or the Company (following the Closing), then to:

Zimmer, Inc.
345 East Main Street Warsaw, Indiana 46580 Attn: General Counsel
E-mail: legal.americas@zimmerbiomet.com

with a copy (which will not constitute notice) to:

Ice Miller LLP
One American Square, Suite 2900 Indianapolis, Indiana 46282

Attn: Stephen Hackman & Pierce H. Han
E-mail: stephen.hackman@icemiller.com; pierce.han@icemiller.com

or to any other address that may be designated by notice given under this Section 13.3.

Section 13.4 Entire Agreement; Amendments. This Agreement and the other Transaction Documents constitute the entire agreement of the Parties with respect to the transactions contemplated hereby and thereby, and supersede all prior or contemporaneous written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings among the Parties with respect to the transactions contemplated hereby or thereby. The Parties agree that no Party will have any remedies or cause of action (whether in contract or in tort) for any statements, communications, disclosures, failures to disclose, representations or warranties not set forth in this Agreement or the other Transaction Documents. Each exhibit and schedule to this Agreement will be considered incorporated into this Agreement. Any amendments, or alternative or supplementary provisions, to this Agreement must be made in writing and duly executed by each Party.

Section 13.5 Non-Waiver. The failure in any one or more instances of a Party to insist upon performance of any of the terms, covenants or conditions of this Agreement or to exercise any right or privilege in this Agreement conferred, or the waiver by such Party of any breach of any of the terms, covenants or conditions of this Agreement, will not be construed as a subsequent waiver of any such terms, covenants, conditions, rights or privileges, but the same will continue and remain in full force and effect as if no such forbearance or waiver had occurred. No waiver will be effective unless it is in writing and signed by the waiving Party.

Section 13.6 Counterparts. This Agreement may be executed and delivered by each Party in separate counterparts, each of which when so executed and delivered will be deemed an original and all of which taken together will constitute one and the same agreement.

Section 13.7 Delivery by Electronic Transmission. This Agreement and any other Transaction Document, and any amendments hereto or thereto, to the extent signed and delivered by means of .PDF or other electronic transmission will be treated in all manner and respects as an original contract and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. No Party or any party to any such contract will raise the use of .PDF or other electronic transmission to deliver a signature or the fact that any signature or contract was transmitted or communicated through the use of .PDF or other electronic transmission as a defense to the formation of a contract and each such Party forever waives any such defense.

Section 13.8 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, and, for purposes of such jurisdiction, such provision or portion thereof will be struck from the remainder of this Agreement, which will remain in full force and effect. This Agreement will be reformed, construed and enforced in such jurisdiction to best give effect to the intent of the Parties under this Agreement.

Section 13.9 Arm's Length Negotiations; Drafting. Each Party represents and warrants to the other Parties that such Party has fully informed itself of the terms, contents, conditions and effects of this

Agreement and such Party has obtained the advice of counsel before executing this Agreement, which is the result of arm's length negotiations conducted by and among the Parties and their respective counsel. This Agreement will be deemed drafted jointly by the Parties and nothing will be construed against one Party or another as the drafting Party.

Section 13.10 Applicable Law. Except as provided in Section 2.6, this Agreement and any controversy related to or arising, directly or indirectly, out of, caused by, resulting from or relating to this Agreement will be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice or conflict of Law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

Section 13.11 Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and those Persons (or categories of Persons) specifically described herein, and, except as set forth above, no provision of this Agreement will be deemed to confer any remedy, claim or right upon any third party. Without limiting the generality of the foregoing, the Parties expressly confirm their agreement that, in addition to Purchaser, the Company and Seller, the Covered Persons and non-Party Affiliates also will enjoy the benefits of covenants made herein which are expressly stated to be in their favor. Such Persons will have the right to enforce those provisions directly against the applicable Party making such covenants.

Section 13.12 Binding Effect; Benefit. This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 13.13 Assignment. This Agreement may not be assigned by the Company or Seller without the prior written consent of Purchaser. This Agreement may not be assigned by Purchaser without the prior written consent of Seller; provided, however, that Purchaser may assign the right to purchase any of the Purchased Assets from the Asset Sellers to any of its Affiliates without Seller's prior written consent, so long as Purchaser remains primarily liable for all of its obligations under this Agreement.

Section 13.14 Waiver of Trial by Jury. EACH OF THE PARTIES WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR SEEKING ENFORCEMENT OF SUCH PARTY'S RIGHTS UNDER THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. ANY PARTY MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 13.15 Consent to Jurisdiction. EACH OF THE PARTIES IRREVOCABLY AGREES AND WILL SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE DELAWARE CHANCERY COURT OR, IN THE EVENT THAT COURT LACKS OR DECLINES TO EXERCISE JURISDICTION, ANY OTHER STATE OR FEDERAL COURT LOCATED IN DELAWARE (AND ANY APPLICABLE APPELLATE COURT IN THE EVENT OF ANY APPEAL), WITH RESPECT TO ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OR RELATING TO THIS AGREEMENT, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT, AND CONSENTS THAT ALL SERVICES OF PROCESS BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO IT AT ITS ADDRESS AS SET FORTH IN SECTION 13.3, AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED WHEN RECEIVED. EACH OF THE PARTIES WAIVES ANY OBJECTION BASED ON FORUM NON

CONVENIENS AND WAIVES ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER. NOTHING IN THIS SECTION 13.15 WILL AFFECT THE RIGHTS OF THE PARTIES TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 13.16 Specific Performance. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, including each Party's right to consummate the transactions contemplated by this Agreement. The Parties further agree that each of the Parties will be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement (including for specific performance of any transaction contemplated by this Agreement), this being in addition to any other remedy to which such Party is entitled at law or in equity or pursuant to this Agreement. Each of the Parties waives
(a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any Law to post security, such as a bond or undertaking, as a prerequisite to obtaining equitable relief.

Section 13.17 Headings. The headings contained in this Agreement are for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

Section 13.18 Legal Representation.

(a) Each of the Parties acknowledges that Perkins Coie LLP ("PC") currently serves as counsel to each of Seller and its Subsidiaries and its Affiliates, including in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Transaction Documents and the consummation of the transactions contemplated by this Agreement. There may come a time, including after consummation of the transactions contemplated by this Agreement, when the interests of Seller and the Company may no longer be aligned or when, for any reason Seller, PC or the Company believes that PC can or should no longer represent Seller and the Company. The Parties understand and specifically agree that PC may withdraw from representing the Company and continue to represent Seller and its Affiliates, even if their respective interests, and the interests of the Company, are or may be adverse, including in connection with any dispute arising out of or relating to this Agreement or the transactions contemplated by this Agreement, and even though PC may have represented the Company in a matter substantially related to such dispute or may be handling ongoing matters for the Company or any of its Affiliates, and each of Purchaser and the Company, on behalf of itself and its Affiliates, hereby consents thereto and waives any conflict of interest arising therefrom.

(b) Notwithstanding anything to the contrary contained herein, the Parties intend that all communications at or before the Closing between the Company, Seller and Seller's Affiliates (collectively, the "Seller Group" and each, a "Seller Group Entity") or any of them, on the one hand, and any of their attorneys, on the other hand, including all communications relating to the negotiation of the transactions contemplated by this Agreement and any alternative transactions (collectively, the "Protected Communication"), and all associated rights to assert, waive and otherwise administer the attorney-client privilege and right of confidentiality of any Seller Group Entity (the "Associated Rights"), will, from and after the Closing, rest exclusively with Seller and its Affiliates (excluding the Company) and will not be transferred, assigned, conveyed or delivered, by operation of law or otherwise, to Purchaser or any of its Affiliates or any successor or assign of any of the foregoing (collectively, the "Purchaser Group"). Accordingly, as of immediately before the Closing, for the consideration set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged: (i) all

Protected Communication and Associated Rights are, and will be deemed for all purposes, transferred, assigned, conveyed and delivered in full to Seller and its Affiliates (excluding the Company) and (ii) no member of the Purchaser Group will have any right, title, interest or benefit in or to any of the Protected Communication or any Associated Rights.

(c) Purchaser agrees, on its own behalf and on behalf of the other members of the Purchaser Group, from and after the Closing, that Seller and its Affiliates (excluding the Company) (i) will have the right to take possession and control of all Protected Communication effectively as of the Closing and (ii) if and to the extent Seller and its Affiliates (excluding the Company) fail to take such possession and control (which failure will not, alone or in association with any other act or omission, be deemed a waiver of any of their rights under this Section 13.18), each of Seller and its Affiliates (excluding the Company) will have the right to access and copy, from time to time, any Protected Communication in the possession or control of any member of the Purchaser Group from and after the Closing, during normal business hours and on not less than twenty-four (24) hours prior written notice, as Seller or any of its Affiliates (excluding the Company) (as applicable) determines, in its sole discretion, may be necessary or desirable in connection with any post-Closing matter, whether or not such matter is known to any member of the Purchaser Group. If and to the extent that, at any time from and after the Closing, any member of the Purchaser Group will have any right or opportunity to assert or waive an attorney-client privilege or right of confidentiality with respect to any Protected Communication, each member of the Purchaser Group will not, and will cause the other members of the Purchaser Group not to, waive such privilege or right of confidentiality without the prior written consent of Seller (which consent may be withheld, conditioned or delayed in its sole discretion).

[*The remainder of this page is intentionally left blank*.]

The Parties have executed this Agreement as of the date indicated in the first sentence of this Agreement.

PURCHASER:

ZIMMER, INC.

By: /s/ CHAD PHIPPS
Name: Chad Phipps
Title: Senior Vice President, Chief Legal and Corporate Affairs Officer and Secretary

SELLER:

PACIRA BIOSCIENCES, INC.

By: /s/ ANTHONY MOLLOY
Name: Anthony Molloy
Title: Chief Legal & Compliance Officer

COMPANY:

PACIRA CRYOTECH, INC.

By: /s/ ANTHONY MOLLOY
Name: Anthony Molloy
Title: Chief Legal Officer, Vice President & General Counsel

EXHIBIT A

Form of Escrow Agreement

Exhibit A

EXHIBIT B

Assignment and Assumption Agreement

Exhibit B

EXHIBIT C

Form of Sublease Agreement

Exhibit C

EXHIBIT D

Form of Transition Services Agreement

SCHEDULE A

Purchased Assets

SCHEDULE B

Excluded Assets

Schedule 1.1 Accounting Principles

Schedule 1.1

Schedule 2.10 Allocation Methodology

Schedule 2.1

Schedule 7.5(b)(iv) Transaction Bonuses

Schedule 7.8 Spasticity Collaboration

Terms

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "Agreement"), is entered into as of January 21, 2025, by and between Pacira Pharmaceuticals, Inc., a California corporation, any of its past, present, or future parents, subsidiaries, predecessors, affiliates, successors, officers, directors, assigns, investors, agents, owners, managing agents and insurers (the "Company"), and Brendan Teehan (the "Executive") (collectively, the "Parties").

RECITALS

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

WHEREAS, the Company wishes to employ the Executive, and the Executive desires to be employed by the Company, for such purpose and upon the terms and conditions hereinafter provided, effective as of January 21, 2025 (the "Effective Date"); and

WHEREAS, the Parties wish to establish the terms of the Executive's future employment with the Company and set out fully their respective rights, obligations and duties.

AGREEMENT

In consideration of the promises and the terms and conditions set forth in this Agreement, the Parties agree as follows:

1. Title and Capacity. The Company hereby agrees to employ the Executive, and the Executive hereby accepts employment with the Company, under the terms set forth in this Agreement. The Executive will serve as the Chief Commercial Officer and shall perform such duties as are ordinary, customary and necessary in such role. The Executive will report directly to Chief Executive Officer. The Executive shall devote the Executive's full business time, skill and attention to the performance of the Executive's duties on behalf of the Company.

2. Compensation and Benefits.

(a) Salary. The Company agrees to pay the Executive an annual base salary of Five Hundred and Thirty Thousand Dollars ($530,000) payable in accordance with Company's customary payroll practice (the "Base Salary"). The Executive's Base Salary shall be reviewed periodically by the Board of Directors of Parent (the "Board"), *provided*, *however*, that any such review will not necessarily result in an adjustment to the Executive's Base Salary. Any change in the Executive's Base Salary must be approved by the Board. References in Section 2 of this Agreement to the Board will be interpreted to include the Compensation Committee or such other committee of the Board (a "Committee"), as applicable.

(b) Bonus. The Executive is eligible to receive, in addition to the Base Salary and subject to the terms hereof and at the full discretion of the Board, a targeted incentive bonus of Fifty Percent (50%) of Base Salary (the "Targeted Incentive Bonus"). The Targeted Incentive Bonus shall be based on the Executive's and the Company's performance during the applicable fiscal year, as determined by the Board. The Targeted Incentive Bonus criteria or "goals" will be determined by agreement between the Board and the Executive at the beginning of each fiscal year. The award of the Targeted Incentive Bonus may be in an amount either above or below the amount specified by the Board at the beginning of each fiscal year based on the ultimate performance assessed by the Board.

Targeted Incentive Bonuses shall be determined and approved by the Board in its sole discretion and, if awarded, shall be payable no later than March 15 of the calendar year immediately following the last day of the fiscal year to which the applicable Targeted Incentive Bonus relates.

All salary and bonuses shall be subject to all applicable withholdings and deductions.

(c) Long-Term Incentive Plan. Effective as of January 21, 2025, subject to approval by the Board, the Executive will be eligible to participate in Parent's cash-based Long-Term Incentive Plan ("LTIP") as established by Parent from time to time on substantially the same terms as are made available to other similarly-situated officers of the Company. Awards, if any, under the LTIP shall be subject to the approval of, and determined by, the Board in its sole discretion and, if granted, will be subject to the terms and conditions of the applicable plan document and any applicable award letter or agreement evidencing the awards.

(d) Stock Options and Restricted Stock Units. Subject to approval by the Board, Parent will grant to the Executive a non-qualified stock option ("Option") to purchase an aggregate of Ninety Nine Thousand Five Hundred (99,500) shares of Parent's common stock (the "New Hire Option") and a restricted stock unit ("RSU") award for Fifty Four Thousand (54,000) shares of Parent's common stock (the "New Hire RSUs" and, together with the New Hire Option, the "New Hire Awards"), pursuant to Parent's Amended and Restated 2014 Inducement Plan (the "Incentive Plan") The exercise price, vesting schedule and other terms and conditions for the New Hire Awards and any future equity incentive awards will be set forth in the applicable award agreement for each such award and all Options and time-based RSUs granted to the Executive are subject to accelerated vesting as set forth in Section 3 hereof. The New Hire Awards and any future equity incentive awards, if any, shall be subject to the approval of, and determined by, the Board in its sole discretion. All share figures set forth herein shall be subject to adjustment for stock splits, stock dividends, stock combinations, recapitalizations and similar events. Any grant of an equity incentive award must be accepted within ninety (90) calendar days of the date of grant, otherwise the Executive will forfeit the award.

(e) Benefits. The Executive (and, where applicable, the Executive's qualified dependents) will be eligible to participate in health insurance and other employee benefit plans and policies established by the Company for its executive team from time to time on substantially the same terms as are made available to other such employees of the Company generally. The Executive's participation (and the participation of the Executive's qualified dependents) in the Company's benefit plans and policies will be subject to the terms of the applicable plan documents and the Company's generally applied policies, and the Company in its sole discretion may from time to time adopt, modify, interpret or discontinue such plans or policies.

(f) Expenses. The Company will reimburse the Executive for all reasonable and necessary expenses incurred by the Executive in connection with the Company's business, in accordance with the applicable Company policy as may be amended from time to time.

(g) Vacation and Holidays. The Executive shall be eligible for thirty (30) days' paid vacation/flexible time off per calendar year subject to the applicable terms and conditions of the Company's vacation policy and applicable law.

(h) Termination of Benefits. Except as set forth in Section 3 or as otherwise specified herein or in any other agreement between the Executive and the Company, if the Executive's employment is terminated by the Company for any reason, with or without Cause (as defined below), or if the Executive resigns the Executive's employment voluntarily, with or without Good Reason (as defined below), no compensation or other payments will be paid or provided to the Executive for periods following the date when such a termination of employment is effective, provided that any rights the Executive may have under the Company's benefit plans shall be determined under the provisions of such plans. If the Executive's employment terminates as a result of the Executive's death or disability, no compensation or payments will be made to the Executive other than those to which the Executive may otherwise be entitled under the benefit plans of the Company.

(i) Relocation Benefits. The Company will provide the Executive with relocation assistance, according to the terms of the Company's Relocation Policy. The relocation assistance outlined in the policy will be available to the Executive for a period of up to one year from the Effective Date.

If the Executive's employment is terminated for Cause or the Executive resigns other than for Good Reason prior to the first anniversary of the Effective Date, the Executive will repay one hundred percent (100%) of the gross amount of the Relocation Benefits costs (including any tax assistance provided) to the Company within thirty days following the Executive's last day of employment. If the Executive's employment is terminated for Cause or the Executive resigns other than for Good Reason prior to the second anniversary of the Effective Date, the Executive will repay fifty percent (50%) of the

gross amount of the Relocation Benefits costs (including any tax assistance provided) to the Company within thirty days following the Executive's last day of employment.

3. Compensation and Benefits Upon Termination of Employment. Upon termination of the Executive's employment (such date of termination being referred to as the "Termination Date"), the Company will pay the Executive the compensation and benefits as described in this Section 3.

(a) General Benefits Upon Termination. The Company will pay the Executive on or about the Termination Date all salary and vacation/personal time off pay, if any, that has been earned or accrued through the Termination Date and that has not been previously paid.

(b) Termination without "Cause" or for "Good Reason". In the event that the Company terminates the Executive's employment without Cause (as defined below) after the first anniversary of the Effective Date or, in the event the Executive terminates the Executive's employment for Good Reason (as defined below), in each case, (i) the Executive shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of twelve (12) months beginning on the Payment Commencement Date (as defined below) and payable in accordance with the Company's payroll policies as in effect on the date the Executive's employment terminates and (B) the benefits set forth in Section 3(e) for period of twelve (12) months beginning on the Payment Commencement Date, and (ii) the Executive shall be entitled to acceleration of vesting of such portion of the then unvested Options and time-based RSUs then held by Executive as would have vested in the nine (9) month period following the Termination Date had the Executive continued to be employed by the Company for such period, *provided*, *however*, that in each case the receipt of such payments and benefits is expressly contingent upon the Executive's execution and delivery of a severance and general release of claims agreement drafted by and satisfactory to counsel for the Company (the "Release") which Release must be executed and become effective within sixty (60) days following the Termination Date. The payments and benefits shall be paid or commence on the first payroll period following the date the Release becomes effective (the "Payment Commencement Date"). Notwithstanding the foregoing, if the 60th day following the Termination Date occurs in the calendar year following the termination, then the Payment Commencement Date shall be no earlier than January 1 of such subsequent calendar year. For the avoidance of doubt, any time-based RSUs that accelerate and vest pursuant to this Section 3(b) will be settled by no later than March 15 of the calendar year immediately following the calendar year that includes the Termination Date. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth on Exhibit A.

(c) Termination without "Cause" or for "Good Reason" Prior to or Following a Change of Control. In the event that the Company terminates the Executive's employment without Cause (as defined below) or, in the event the Executive terminates the Executive's employment for Good Reason (as defined below), in each case, within thirty (30) days prior to, or twelve (12) months following, the consummation of a

Change of Control, then Section 3(b) shall not apply and instead (i) the Executive shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of eighteen (18) months beginning on the Payment Commencement Date and payable in accordance with the Company's payroll policies as in effect on the date the Executive's employment terminates, (B) in lieu of the Targeted Incentive Bonus, a bonus payment equal to one hundred and fifty percent (150%) of the Executive's then current annual Targeted Incentive Bonus, payable in one lump sum on the Payment Commencement Date and (C) the benefits set forth in Section 3(e) for a period of eighteen (18) months beginning on the Payment Commencement Date, and (ii) acceleration of vesting of one hundred percent (100%) of the then unvested Options and time-based RSUs then held by Executive, *provided*, *however*, that in each case the receipt of such payments and benefits is expressly contingent upon the Executive's execution and delivery of a Release as described above drafted by and satisfactory to counsel for the Company, which Release must be executed and become effective within sixty (60) days following the Termination Date. For the avoidance of doubt, any time-based RSUs that accelerate and vest pursuant to this Section 3(c) will be settled by no later than March 15 of the calendar year immediately following the calendar year that includes the Termination Date. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth in Exhibit A.

(d) Definitions.

(i) "Change of Control" means (A) a merger or consolidation of either the Company or Parent, into another entity in which the stockholders of the Company or Parent (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a reincorporation merger); (B) the sale, transfer or other disposition of all or substantially all of the Company's assets in liquidation or dissolution of the Company; or (C) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of the Company. In the case of each of the foregoing clauses (A), (B) and (C), a Change of Control as a result of a financing transaction of the Company or Parent shall not constitute a Change of Control for purposes of this Agreement.

(ii) "Cause" means (A) the Executive's failure to substantially perform the Executive's duties to the Company pursuant to this Agreement after there has been delivered to the Executive written notice setting forth in detail the specific respects in which the Board believes that the Executive has not substantially performed the Executive's duties and, if the Company reasonably considers the situation to be correctable, a demand for substantial performance and opportunity to cure, giving the Executive thirty (30) calendar days after the Executive receives such notice to correct the situation; (B) the Executive's having engaged in fraud, misconduct involving sexual harassment and/or sexual assault, dishonesty, gross negligence or having otherwise acted in a manner causing material injury to the Company, including reputational harm, or in intentional disregard for the Company's best interests; (C) the Executive's failure to follow reasonable and lawful instructions from the Board and the Executive's failure to cure such failure after receiving twenty (20) days advance written notice; (D) the Executive's material breach of the terms of this Agreement or the Employee Confidential

Information and Inventions Assignment Agreement or any other similar written agreement between the Parties that may be in effect from time to time; or (E) the Executive's conviction of, or pleading guilty or nolo contendere to, any misdemeanor involving dishonesty or moral turpitude or related to the Company's business, or any felony. The determination as to whether Cause exists for termination of Executive's employment will be made by the Board in its reasonable judgment.

(iii) "Good Reason" means the occurrence of any one or more of the following events without the prior written consent of the Executive: (A) any material reduction of the then effective Base Salary other than in accordance with this Agreement or which reduction is not related to a cross-executive team salary reduction; (B) any material breach by the Company of this Agreement; or (C) a material reduction in the Executive's responsibilities or duties, provided that in the case of clause (C), a mere reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control transaction shall not constitute a material reduction in job responsibilities or duties; *provided*, *however*, that no such event or condition shall constitute Good Reason unless (x) the Executive gives the Company a written notice of termination for Good Reason not more than ninety (90) days after the initial existence of the condition constituting Good Reason (which notice specifies in reasonable detail the condition giving rise to Good Reason), (y) the condition giving rise to Good Reason (if susceptible to correction) is not corrected by the Company within thirty (30) days of its receipt of such notice and (z) the Termination Date occurs after the expiration of such correction period and within one (1) year following the Company's receipt of such notice.

(e) Benefits Continuation. If the Executive's employment is terminated pursuant to Section 3(b) or Section 3(c) and provided that the Executive is eligible for and elects to continue receiving group health and dental insurance pursuant to the federal "COBRA" law, 29 U.S.C. § 1161 et seq., the Company will, for the period set forth in Section 3(b) or Section 3(c) following the Payment Commencement Date (the "Benefits Continuation Period"), continue to pay the share of the premium for such coverage that is paid by the Company for active and similarly-situated employees who receive the same type of coverage. The remaining balance of any premium costs shall be paid by the Executive on a monthly basis for as long as, and to the extent that, the Executive remains eligible for COBRA continuation. Notwithstanding the above, in the event the Executive becomes eligible for health insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Executive shall not be entitled to any additional monthly premium payments for health insurance coverage. Similarly, in the event the Executive becomes eligible for dental insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Executive shall not be entitled to any additional monthly premium payments for dental insurance. The Executive hereby represents that the Executive will notify the Company in writing within three (3) days of becoming eligible for health or dental insurance benefits from a new employer during the Benefits Continuation Period.

(f) Death. This Agreement shall automatically terminate upon the death of the Executive and all monetary obligations of Company under Section 2 of this Agreement shall be prorated to the date of death and paid to the Executive's estate.

(g) Disability. The Company may terminate the Executive's employment if the Executive is unable to perform any of the duties required under this Agreement for a period of three (3) consecutive months due to a "Total and Permanent Disability". The term "Total and Permanent Disability" shall mean the existence of a permanent physical or mental illness or injury, which renders the Executive incapable of performing any material obligations or terms of this Agreement. Any dispute regarding the existence of a Total and Permanent Disability shall be resolved by a panel of three (3) physicians, one selected by Company, one selected by the Executive, and the third selected by the other two physicians. A termination of employment pursuant to this Section 3(f) shall constitute a termination for Cause.

4. At-Will Employment. The Executive will be an "at-will" employee of the Company, which means the employment relationship can be terminated by either the Executive or the Company for any reason, at any time, with or without prior notice and with or without Cause. The Company makes no promise that the Executive's employment will continue for any particular period of time, nor is there any promise that it will be terminated only under particular circumstances. No raise or bonus, if any, shall alter the Executive's status as an "at-will" employee or create any implied contract of employment. Discussion of possible or potential benefits in future years is not an express or implied promise of continued employment. No manager, supervisor or officer of the Company has the authority to change the Executive's status as an "at-will" employee. The "at-will" nature of the employment relationship with the Executive can only be altered by a written resolution approved by the Board.

5. Non-Solicitation.

(a) Non-Solicit. The Executive agrees that during the term of the Executive's employment with the Company, and for a period of twelve (12) months immediately following the termination of the Executive's employment with the Company for any reason, whether with or without Cause or Good Reason, the Executive shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's or its affiliates' employees or consultants to terminate such employee's or consultant's relationship with the Company or its affiliates, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company or any of its affiliates, either for the Executive or for any other person or entity. Further, during the Executive's employment with the Company or any of its affiliates and at any time following termination of the Executive's employment with the Company or any of its affiliates for any reason, with or without Cause or Good Reason, the Executive shall not use any Confidential Information of the Company or any of its affiliates (as defined in the Employee Confidential Information and Inventions Assignment Agreement or other similar agreement(s) that the Executive may execute) to attempt to negatively influence any of the Company's or any of its affiliates' clients or customers from purchasing

Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct such person's or entity's purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company or any of its affiliates.

(b) Specific Performance. Executive agrees that the remedies at law of the Company for any actual or threatened breach by Executive of the covenants in this Section 5 would be inadequate and that the Company will be entitled to specific performance of the covenants in this Section 5, including entry of an ex parte, temporary restraining order in state or federal court, preliminary and permanent injunctive relief against activities in violation of this Section 5, or both, or other appropriate judicial remedy, writ or order, in addition to any damages and legal expenses that the Company may be legally entitled to recover. Executive acknowledges and agrees that the covenants in this Section 5 will be construed as agreements independent of any other provision of this or any other agreement between Executive and the Company, and that the existence of any claim or cause of action by Executive against the Company, whether predicated upon this Agreement or any other agreement, will not constitute a defense to the enforcement by the Company of such covenants.

6. Director and Officer Liability Insurance; Indemnification. During the term of the Executive's employment hereunder, the Executive shall be entitled to the same indemnification and director and officer liability insurance as the Company and its affiliates maintain for other corporate officers.

7. Confidential Information and Inventions Assignment Agreement. As a condition to Executive's employment hereunder, the Executive has, contemporaneously with the Executive's execution and delivery of this Agreement, executed and delivered the Company's standard Employee Confidential Information and Inventions Assignment Agreement or similar agreement.

8. Attention to Duties; Conflict of Interest. While employed by the Company, the Executive shall devote the Executive's full business time, energy and abilities exclusively to the business and interests of the Company, and shall perform all duties and services in a faithful and diligent manner and to the best of the Executive's abilities. The Executive shall not, without the prior written consent of the Board (or, if applicable, a Committee), render to others services of any kind for compensation, or engage in any other business activity that would materially interfere with the performance of the Executive's duties under this Agreement. The Executive represents that the Executive has no other outstanding commitments inconsistent with any of the terms of this Agreement or the services to be rendered to the Company. While employed by the Company, the Executive shall not, directly or indirectly, whether as a partner, employee, creditor, shareholder, or otherwise, promote, participate or engage in any activity or other business competitive with the Company's business. The Executive shall not invest in any company or business which competes in any manner with the Company, except those companies whose securities are listed on reputable securities exchanges in the United States or European Union.

9. Miscellaneous.

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

(b) Severability. Excluding the arbitration agreement in Section 9(a) (which contains its own severability provision), should any other provision of this Agreement be held by a decisionmaker of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, that holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding on the Parties with any modification to

become a part of and treated as though originally set forth in this Agreement. The Parties further agree that, with the exception of the arbitration agreement in Section 9(a), any such decisionmaker is expressly authorized to modify any unenforceable provision of this Agreement instead of severing the unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making any other modifications it deems warranted to carry out the intent and agreement of the Parties as embodied in this Agreement to the maximum extent permitted by law. The Parties expressly agree that this Agreement as so modified by the decisionmaker shall be binding upon and enforceable against each of them. Should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and if such provision(s) are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth in this Agreement.

(c) No Waiver. The failure by either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way affect the right to require such performance or compliance at any time thereafter. The waiver by either party of a breach of any provision hereof shall not be taken or held to be a waiver of any preceding or succeeding breach of such provision or as a waiver of the provision itself. No waiver of any kind shall be effective or binding, unless it is in writing and is signed by the party against whom such waiver is sought to be enforced.

(d) Assignment. This Agreement and all rights hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights, together with its obligations hereunder, to any parent, subsidiary, affiliate or successor, or in connection with any sale, transfer or other disposition of all or substantially all of its business and assets; *provided*, *however*, that any such assignee assumes the Company's obligations hereunder.

(e) Withholding; Section 280G.

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

(ii) Section 280G. Notwithstanding any other provision of the Agreement to the contrary, if any payments or benefits provided for under the Agreement, together with any payments or benefits otherwise payable or provided to the Executive by the Company or Parent (or any of their respective subsidiaries or affiliates) or otherwise (A) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (B) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Executive's payments and benefits will be either (1) delivered in full or (2) delivered to such lesser extent which would result in no portion of such payments and benefits being

subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by the Executive on an after-tax basis, of the greatest amount of payments and benefits, even if the payments and benefits may still be taxable under Section 4999 of the Code. If clause (2) applies, the payments and benefits will be reduced by the Company in its reasonable discretion in the following order: (x) reduction of cash payments, which will occur in reverse chronological order with the cash payment owed on the latest date following the event triggering the Excise Tax being the first cash payment to be reduced; (y) cancellation of accelerated vesting of equity awards, which will occur in the reverse order of the date of grant for the equity awards (i.e., the vesting of the most recently granted equity awards will be reduced first); and (z) reduction of other employee benefits, which will occur in reverse chronological order with the benefit owed on the latest date following the event triggering the excise tax being the first benefit to be reduced. With respect to each of clauses (x)-(z) of this Section 9(e)(ii), if any payments or benefits constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, the reduction will occur first as to amounts that are not "nonqualified deferred compensation." If two or more of the same type of awards are granted on the same date, the "parachute payments" associated with each award will be reduced on a pro-rata basis. In no event will the Executive have any discretion with respect to the ordering of payment reductions. Any determination required under this Section 9(e)(ii) will be made in writing by an independent nationally recognized tax or accounting firm appointed by the Company (the "Tax Counsel"), whose determination will be conclusive and binding on the Executive and the Company for all purposes. The Tax Counsel may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and Section 4999 of the Code. The Company and the Executive will furnish to the Tax Counsel information as the Tax Counsel may reasonably request to make a determination under this Section 9(e)(ii).

(f) Entire Agreement. This Agreement, including the agreements referred to herein (which are deemed incorporated by reference herein) constitute the entire and only agreement and understanding between the Parties governing the terms and conditions of employment of the Executive with the Company. In the event of any conflict between the terms of any other agreement between the Executive and the Company entered into prior to the Effective Date, the terms of this Agreement shall control.

(g) Amendment. This Agreement may be amended, modified, superseded, cancelled, renewed or extended only by an agreement in writing executed by both Parties hereto.

(h) Headings. The headings contained in this Agreement are for reference purposes only and shall in no way affect the meaning or interpretation of this Agreement. In this Agreement, the singular includes the plural, the plural included the

singular, the masculine gender includes both male and female referents, and the word "or" is used in the inclusive sense.

(i) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including, personal delivery by facsimile transmission or the third day after mailing by first class mail) to the Company at its primary office location and to the Executive at the Executive's address as listed on the Company payroll (which address may be changed by written notice).

(j) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same agreement.

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

(l) Counterparts; Electronic Signature. This Agreement may be executed in counterparts and each counterpart, when executed, shall have the legal effect of a second original. Photographic or facsimile copies of any such signed counterparts may be used in lieu of the original for any purpose. The Parties mutually agree that either Party may use electronic signature technology to expedite the execution of this Agreement, pursuant to the Electronic Signatures in Global National Commerce Act, the Uniform Electronic Transaction Act, and/or any other applicable state or local law, and such electronic signatures will be enforceable as if original/handwritten.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Company and the Executive have executed this Executive Employment Agreement as of the date first above written.

PACIRA PHARMACEUTICALS, INC.:

By: /s/ LOREN LAFFERTY
Loren Lafferty
Sr. Vice President, Human Resources

EXECUTIVE:

/s/ BRENDAN TEEHAN
Brendan Teehan

EXHIBIT A

PAYMENTS SUBJECT TO SECTION 409A

1. Subject to this Exhibit A, any severance payments and benefits that may be due under the Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after the termination of the Executive's employment. The following rules shall apply with respect to distribution of the severance payments and benefits, if any, to be provided to the Executive under the Agreement, as applicable:

(a) It is intended that each installment of the severance payments and benefits under the Agreement provided under shall be treated as a separate and distinct "payment" for purposes of Section 409A. Neither the Company nor the Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of the Executive's "separation from service" from the Company, the Executive is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments or benefits shall be made on the dates and terms set forth in the Agreement.

(c) If, as of the date of the Executive's "separation from service" from the Company, the Executive is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under the Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the Executive's separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be paid at the time set forth in the Agreement; and

(ii) Each installment of the severance payments and benefits due under the Agreement that is not described in this Exhibit A, Section 1(c)(i) and that would, absent this subsection, be paid within the six-month period following the Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates

and terms set forth herein; *provided*, *however*, that the preceding provisions of this sentence shall not apply to any installment of payments and benefits if and to the maximum extent that that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the Executive's second taxable year following the taxable year in which the separation from service occurs.

2. The determination of whether and when the Executive's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Exhibit A, Section 2, "Company" shall include all persons with whom the Company would be considered a single employer under Section 414(b) and 414(c) of the Code.

3. With regard to any provision in the Agreement that provides for reimbursement of expenses or in-kind benefits (except for any expense, reimbursement or in-kind benefit provided pursuant to the Agreement that does not constitute a "deferral of compensation," within the meaning of Treasury Regulation Section 1.409A-1(b)), each reimbursement or in-kind benefit provided under the Agreement shall be provided in accordance with the following: (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (b) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (c) any right to reimbursement or in-kind benefits under the Agreement shall not be subject to liquidation or exchange for another benefit.

4. The Company makes no representation or warranty and shall have no liability to the Executive or to any other person if any of the provisions of the Agreement (including this Exhibit) are determined to constitute deferred compensation subject to Section 409A but that do not satisfy an exemption from, or the conditions of, that section.

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: August 4, 2026

/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: August 4, 2026

/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 June 30, 2026, 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: August 4, 2026

/s/ FRANK D. LEE

Frank D. Lee

Chief Executive Officer and Director

(Principal Executive Officer)

Date: August 4, 2026

/s/ SHAWN M. CROSS

Shawn M. Cross

Chief Financial Officer

(Principal Financial Officer)