

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025
or

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

For the transition period from to
COMMISSION FILE NUMBER 000-26224

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

51-0317849
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

1100 Campus Road
Princeton, New Jersey
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

08540
(ZIP CODE)

Registrant's Telephone Number, Including Area Code: (609) 275-0500

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report:

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

TITLE OF EACH CLASS	TRADING SYMBOL	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, Par Value \$.01 Per Share	IART	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
Non-accelerated filer

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 provided 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

The number of shares of the registrant's Common Stock, \$0.01 par value, outstanding as of May 2, 2025 was 77,712,274.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME
(UNAUDITED)

(Dollars in thousands, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Total revenue, net	\$ 382,653	\$ 368,872
Costs and expenses:		
Cost of goods sold	188,221	162,038
Research and development	24,728	26,965
Selling, general and administrative	181,497	165,798
Intangible asset amortization	3,704	10,107
Total costs and expenses	<u>398,150</u>	<u>364,908</u>
Operating (loss) income	(15,497)	3,964
Interest income	4,420	5,040
Interest expense	(18,815)	(13,624)
Other expense, net	(144)	(610)
Loss before income taxes	<u>(30,036)</u>	<u>(5,230)</u>
Benefit for income taxes	(4,743)	(1,949)
Net loss	<u>\$ (25,293)</u>	<u>\$ (3,281)</u>
Net loss per share		
Basic and diluted	\$ (0.33)	\$ (0.04)
Weighted average common shares outstanding (See Note 13):		
Basic and diluted	<u>76,463</u>	<u>77,735</u>
Comprehensive (loss) income (See Note 14)	<u>(21,828)</u>	<u>1,179</u>

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Dollars in thousands, except per share amounts)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 239,104	\$ 246,375
Short-term investments	34,191	27,192
Trade accounts receivable, net of allowances of \$6,482 and \$6,917	252,446	272,370
Inventories, net	445,418	429,090
Prepaid Expenses	103,874	77,001
Other Current Assets	32,214	29,653
Total current assets	1,107,247	1,081,681
Property, plant and equipment, net	422,913	405,723
Right of use asset - operating leases	138,463	144,042
Intangible assets, net	1,187,535	1,207,588
Goodwill	1,105,386	1,096,952
Deferred tax assets, net	38,008	34,923
Other assets	53,199	66,515
Total assets	\$ 4,052,751	\$ 4,037,424
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of borrowings under senior credit facility	\$ 38,750	\$ 33,906
Current portion of lease liability - operating leases	14,171	14,540
Convertible securities	573,899	573,170
Accounts payable, trade	91,296	82,502
Contract liabilities	10,539	10,483
Accrued compensation	52,381	85,617
Accrued expenses and other current liabilities	137,416	121,908
Total current liabilities	918,452	922,126
Long-term borrowings under senior credit facility	1,128,541	1,087,917
Long-term borrowings under securitization facility	102,100	108,100
Lease liability - operating leases	161,476	166,930
Deferred tax liabilities	57,581	60,833
Other liabilities	160,462	146,238
Total liabilities	2,528,612	2,492,144
Stockholders' equity:		
Preferred stock; no par value; 15,000 authorized shares; none outstanding	—	—
Common stock; \$0.01 par value; 240,000 authorized shares; 92,136 and 91,610 issued at March 31, 2025 and December 31, 2024, respectively	921	916
Additional paid-in capital	1,323,081	1,323,431
Treasury stock, at cost; 14,424 shares and 14,445 shares at March 31, 2025 and December 31, 2024, respectively	(690,379)	(691,411)
Accumulated other comprehensive loss	(24,106)	(27,571)
Retained earnings	914,622	939,915
Total stockholders' equity	1,524,139	1,545,280
Total liabilities and stockholders' equity	\$ 4,052,751	\$ 4,037,424

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Dollars in thousands)

	Three Months Ended March 31,	
	2025	2024
OPERATING ACTIVITIES:		
Net loss	\$ (25,293)	\$ (3,281)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37,188	30,566
Non-cash impairment charges	—	7,064
Deferred income tax benefit	(1,832)	(2,856)
Share-based compensation	1,870	5,599
Amortization of debt issuance costs and expenses associated with debt refinancing	1,385	1,398
Non-cash lease expense	(254)	149
Loss on disposal of property and equipment	495	12
Change in fair value of contingent consideration and others	(162)	456
Changes in assets and liabilities:		
Accounts receivable	21,451	16,827
Inventories	(13,696)	(19,021)
Prepaid expenses and other current assets	(17,551)	(2,676)
Other non-current assets	1,510	339
Accounts payable, accrued expenses and other current liabilities	(18,000)	(19,210)
Contract liabilities	244	(1,498)
Other non-current liabilities	1,388	1,888
Net cash (used in) provided by operating activities	(11,257)	15,756
INVESTING ACTIVITIES:		
Purchases of property and equipment	(28,920)	(15,465)
Purchases of short term investments	(7,000)	(38,500)
Net cash used in investing activities	(35,920)	(53,965)
FINANCING ACTIVITIES:		
Proceeds from borrowings of long-term indebtedness	54,400	370,500
Payments on debt	(15,244)	(15,100)
Payments for contingent considerations	(2,600)	—
Proceeds from exercised stock options	957	6,398
Cash taxes paid in net equity settlement	(2,136)	(3,122)
Net cash provided by financing activities	35,377	358,676
Effect of exchange rate changes on cash and cash equivalents	4,529	(4,963)
Net (decrease) increase in cash and cash equivalents	(7,271)	315,504
Cash and cash equivalents at beginning of period	246,375	276,402
Cash and cash equivalents at end of period	\$ 239,104	\$ 591,906

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)
(Dollars in thousands)

	Three Months Ended March 31, 2025								
	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity	
	Shares	Amount	Shares	Amount					
Balance, January 1, 2025	91,609	\$ 916	(14,445)	\$ (691,411)	\$ 1,323,431	\$ (27,571)	\$ 939,915	\$ 1,545,280	
Net loss	—	—	—	—	—	—	(25,293)	(25,293)	
Other comprehensive income (loss), net of tax	—	—	—	—	—	3,465	—	3,465	
Issuance of common stock through employee stock purchase plan	44	—	—	—	957	—	—	957	
Issuance of common stock for vesting of share based awards, net of shares withheld for taxes and forfeitures	483	5	21	1,032	(3,167)	—	—	(2,130)	
Share-based compensation	—	—	—	—	1,860	—	—	1,860	
Balance, March 31, 2025	92,136	\$ 921	(14,424)	\$ (690,379)	\$ 1,323,081	\$ (24,106)	\$ 914,622	\$ 1,524,139	

	Three Months Ended March 31, 2024								
	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity	
	Shares	Amount	Shares	Amount					
Balance, January 1, 2024	90,920	\$ 909	(12,751)	\$ (647,262)	\$ 1,302,484	\$ (15,106)	\$ 946,859	\$ 1,587,884	
Net loss	—	—	—	—	—	—	(3,281)	(3,281)	
Other comprehensive income, net of tax	—	—	—	—	—	4,460	—	4,460	
Issuance of common stock through employee stock purchase plan	23	—	—	—	965	—	—	965	
Issuance of common stock for vesting of share based awards, net of shares withheld for taxes and forfeitures	541	2	16	840	1,470	—	—	2,312	
Share-based compensation	—	4	—	—	5,608	—	—	5,612	
Balance, March 31, 2024	91,484	\$ 915	(12,735)	\$ (646,422)	\$ 1,310,527	\$ (10,646)	\$ 943,578	\$ 1,597,952	

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

General

The terms “we,” “our,” “us,” “Company” and “Integra” refer to Integra LifeSciences Holdings Corporation, a Delaware corporation, and its subsidiaries unless the context suggests otherwise.

In the opinion of management, the March 31, 2025 unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the financial position, statement of changes in shareholders’ equity, results of operations and cash flows of the Company for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) have been condensed or omitted in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2024 included in the Company’s Annual Report on Form 10-K. The consolidated balance sheet as of December 31, 2024 was derived from audited financial statements, but does not include all disclosures required by GAAP. Operating results for the three-month period ended March 31, 2025 are not necessarily indicative of the results to be expected for the entire year.

The preparation of consolidated financial statements is in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Significant estimates affecting amounts reported or disclosed in the unaudited condensed consolidated financial statements include allowances for doubtful accounts receivable and sales returns and allowances, net realizable value of inventories, valuation of intangible assets including amortization periods for acquired intangible assets, discount rates and estimated projected cash flows used to value and test impairments of long-lived assets and goodwill, estimates of projected cash flows and depreciation and amortization periods for long-lived assets, computation of taxes, valuation allowances recorded against deferred tax assets, the valuation of stock-based compensation, valuation of derivative instruments, valuation of contingent liabilities, the fair value of debt instruments and loss contingencies. These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the current circumstances. Actual results could differ from these estimates.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”) which enhances the transparency of income tax disclosures by expanding annual disclosure requirements related to the rate reconciliation and income taxes paid. The amendments are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied on a prospective basis. Retrospective application to all prior periods presented in the financial statements is permitted. The Company will adopt ASU 2023-09 for the annual period ending on December 31, 2025. We are currently evaluating the impact that the adoption of this guidance will have on our disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”), which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company adopted ASU 2023-07 as of December 31, 2024 on a retrospective basis to all prior periods presented. The adoption did not have a material impact on the Company’s consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires additional disclosure of the nature of expenses included in the income statement. The standard requires disclosures about specific types of expenses included in the expense captions presented in the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The requirements should be applied on a prospective basis while retrospective application is permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on the Company's disclosures.

There are no other recently issued accounting pronouncements that are expected to have any significant effect on the Company’s financial position, results of operations or cash flows.

Cash and cash equivalents

The Company had cash and cash equivalents, primarily consisting of cash on-hand, as well as time deposits with original maturities of three months or less and money market funds, which are highly liquid and readily convertible to cash, totaling approximately \$239.1 million and \$246.4 million at March 31, 2025 and December 31, 2024, respectively.

Short-term investments

The Company had short term investments, primarily consisting of time deposits with original maturities between three months and one year, totaling approximately \$34.2 million at March 31, 2025 compared to \$27.2 million at December 31, 2024. The short term investments are valued based on Level 1 measurements in the fair value hierarchy.

Liquidity

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Management evaluated whether there are any conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern over the next twelve months from the issuance of the accompanying unaudited condensed consolidated financial statements.

Recent tariff changes imposed by the U.S. and China have created increased risks and uncertainties surrounding the Company's future results of operations. The impact of tariffs in the first quarter of 2025 was not material. However, should universal tariffs be implemented as initially announced in April 2025, the Company anticipates a significant adverse impact on its future costs of revenue, which will impact its results of operations. Particularly, the U.S. import tariffs and the reciprocal measures by China, are expected to increase the Company's cost of goods sold. The Company anticipates that some of its suppliers will incur incremental tariff-related costs, which may be passed on to the Company. The extent and duration of the tariffs and the resulting impact on general economic conditions and on the business are uncertain and are expected to be impacted by various factors, such as negotiations between the U.S. and affected countries, the responses of other countries or regions, exemptions or exclusions that already exist or may be granted, availability and cost of alternative sources of the products and materials, and the Company's ability to offset the effects of any tariffs that might be imposed.

Compliance with the financial covenants contained in the seventh amendment and restatement entered into by the Company on March 24, 2023 (the "March 2023 Amendment") of the Senior Credit Facility (the "Senior Credit Facility") (as discussed in *Note 6. Debt*) is measured quarterly and failure to meet the covenant requirements would constitute an event of default under the Senior Credit Facility. Due to risks and uncertainties concerning tariffs with regards to the Company's operations, industry, financial condition, performance, operating results and liquidity, the Company may not maintain compliance with the financial covenants over the next twelve months from the issuance of the accompanying interim unaudited condensed consolidated financial statements, which noncompliance, should it occur, would raise substantial doubt about the Company's ability to continue as a going concern. If an event of default occurs and the Company is unable to obtain necessary waivers or amendments, the lenders may elect to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. Further, if an event of default occurs, the lenders will have the right to proceed against the collateral granted to them to secure that debt. If the debt under the Senior Credit Facility were to be accelerated, the Company's assets may not be sufficient to repay in full the debt that may become due as a result of that acceleration. The Company could seek replacement financing at prevailing market rates or raise additional capital by issuing equity or debt securities; however, this may not be on terms favorable to the Company, or available at all.

As of March 31, 2025, the Company was in compliance with the financial covenants in the Senior Credit Facility. In response to the risks and uncertainties surrounding the Company's future results of operations due to tariffs, the Company has taken actions to reduce expenses and maintain compliance with its financial covenants. In the event that performance is below the forecasted levels, the Company may also implement certain additional initiatives, such as price increases to offset tariff costs and rationalization of selling, general and administrative expenses, which would allow it to continue to comply with the financial covenants. The Company may consider taking other actions, including negotiating with its lenders for an amendment or modification to the financial covenants, as deemed appropriate.

Employee termination benefits

The Company does not have a written severance plan, but has a history of providing benefits for employees in the case of involuntary termination. In situations outside the U.S., there are minimum statutory termination benefits requirements by country that must be paid to the affected employees. The Company records employee severance costs associated with these restructuring activities in accordance with the authoritative guidance for non-retirement post-employment benefits. Charges associated with these activities are recorded when the payment of benefits is probable and can be reasonably estimated. In situations where the Company pays out termination benefits in excess of statutory minimum amounts based on management's discretion, the Company records these termination costs once communication is made to the affected employees.

The timing of the recognition of charges for employee severance costs other than minimum statutory benefits depends on whether the affected employees are required to render service beyond their legal notification period in order to receive the benefits. If affected employees are required to render service beyond their legal notification period, charges are recognized over the future service period. Otherwise, charges are recognized when management has approved a specific plan and employee communication requirements have been met.

The Company incurred employee termination costs on restructuring activities in the consolidated statement of operations for the three months ended March 31, 2025 and 2024. The following table summarizes the activity in the restructuring related accrual balances included within accrued expenses and other current liabilities in the consolidated balance sheet for the three months ended March 31, 2025 and 2024.

(Dollars in thousands)	Three Months Ended March 31,	
	2025	2024
Balance, beginning of the year	\$ 5,151	\$ 2,113
Charges:		
Cost of Goods Sold	6	—
Research and development	342	—
Selling, general and administrative	5,251	—
Payments and other adjustments	(1,330)	(971)
Balance, end of the period	<u>\$ 9,420</u>	<u>\$ 1,142</u>

2. ACQUISITIONS AND DIVESTITURES

Acquisition of Durepair®

On October 2, 2024, the Company completed the acquisition of the product rights for Durepair Regeneration Matrix (“Durepair”), a non-synthetic dura substitute for repair of the dura mater during neurosurgical procedures, from Medtronic plc for total consideration of \$45.0 million. The Company made a cash payment of \$10.0 million upon the closing of the acquisition and will make additional cash payments of \$15.0 million upon the first anniversary of the acquisition and \$20.0 million upon the second anniversary of the acquisition. The additional cash payments to be paid in October 2025 and October 2026 were included at their present values in accrued expenses and other current liabilities and other liabilities, respectively, as of March 31, 2025.

The acquisition of the product rights for Durepair, which consist of certain patents and trademarks, regulatory approvals, and other records, has been accounted for as an asset acquisition in accordance with ASC 805, *Business Combinations* (“ASC 805”) as the acquisition does not include an assembled workforce and substantially all of the fair value of the assets acquired is concentrated in a single identifiable intangible asset.

Acquisition of Acclarent, Inc.

On April 1, 2024, the Company completed the acquisition of all of the outstanding capital stock of Acclarent, Inc. (“Acclarent”), a developer and marketer of medical devices used in ear, nose, throat (“ENT”) procedures, from Ethicon, Inc., a subsidiary of Johnson & Johnson, for approximately \$282.0 million in cash, subject to customary adjustments set forth in the purchase agreement related to working capital balances transferred to the Company. In the second half of 2024, the Company finalized and settled the working capital adjustment in the amount of \$4.2 million, which resulted in a reduction to goodwill and also recognized a measurement period adjustment to recognize deferred tax liabilities of \$1.1 million with a corresponding increase to goodwill as a result of a change to the estimated deferred tax rate applied and the book-to-tax difference associated with fixed assets acquired.

The addition of Acclarent’s ENT product portfolio, including sinus balloon dilation, eustachian tube balloon dilation, and surgical navigation systems technologies, and dedicated salesforce will enhance the Company’s position in the ENT specialty device market.

Acclarent’s results of operations have been reported in the Company’s Codman Specialty Surgical reportable segment from the date of acquisition. The Company recorded revenue from Acclarent of approximately \$29.1 million, in the consolidated statements of operations and comprehensive income for the three months ended March 31, 2025. The net income or loss attributable to this acquisition cannot be identified on a stand-alone basis because it is in the process of being integrated into the Company’s operations.

Assets Acquired and Liabilities Assumed at Fair Value

The Acclarent acquisition has been accounted for using the acquisition method of accounting in accordance with ASC 805. This method requires that assets acquired and liabilities assumed in a business combination are recognized at their fair values as of the acquisition date.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

Dollars in thousands	<u>Estimated Fair Value</u>	<u>Estimated Useful Life</u>
Current assets:		
Cash	\$ —	
Trade accounts receivable, net of allowances of \$3,885	23,716	
Inventories, net	20,294	
Prepaid expenses	273	
Other current assets	476	
Total current assets	\$ 44,759	
Property, plant and equipment, net	7,716	
Right of use asset - operating leases	989	
Intangible assets, net		
Completed technology	202,000	12 years
Trademarks/brand names	3,000	5 years
All other	17,000	4 years
Goodwill	62,482	
Deferred tax assets	6,895	
Total assets acquired	\$ 344,841	
Current liabilities:		
Accounts payable, trade	3,989	
Contract liabilities	3,984	
Accrued compensation	1,037	
Accrued expenses and other current liabilities	2,278	
Current portion of lease liability - operating leases	365	
Total current liabilities	\$ 11,653	
Lease liability - operating leases	624	
Deferred tax liabilities	54,753	
Total liabilities assumed	67,030	
Net assets acquired	\$ 277,811	

The carrying value of trade accounts receivable, prepaid expenses, other current assets, accounts payable, contract liabilities, accrued compensation, accrued expenses and other current liabilities, as well as certain other current and non-current assets and liabilities, generally represented the fair value at the date of acquisition.

Intangible Assets

The estimated fair value of the intangible assets acquired was determined using the multi-period, excess earnings method of the income approach, which estimates value based on the present value of future economic benefits attributable to the intangible assets. The significant assumptions used in developing the valuation included the estimated annual net cash flows including application of revenue growth rates, cost of sales, the discount rate that appropriately reflects the risk inherent in each future cash flow stream, obsolescence rate, and an assessment of the asset's life cycle, as well as other factors. The assumptions used in the financial forecasts were based on historical data, supplemented by current and anticipated growth rates, management plans, and market-comparable information. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. The intangible assets acquired have a weighted average useful life of 11 years.

The Company used a discount rate of 12.2% to arrive at the present value for the acquired intangible assets to reflect the rate of return a market participant would expect to earn and incremental commercial uncertainty in the cash flow projections. No assurances can be given that the underlying assumptions used to prepare the discounted cash flow analysis will not change. For these and other reasons, actual results may vary significantly from estimated results.

Goodwill

Goodwill is the excess of the consideration transferred over the net assets recognized and represents the expected synergies of the combined company and assembled workforce. Goodwill has been allocated to the Codman Specialty Surgical segment, as shown in *Note 5. Goodwill and Other Intangible Assets*. Goodwill recognized as a result of this acquisition is non-deductible for income tax purposes.

Deferred Tax Liabilities

Deferred tax liabilities result from identifiable intangible assets' fair value adjustments. These adjustments create excess book basis over tax basis which is tax-effected by the statutory tax rates of applicable jurisdictions.

3. REVENUES FROM CONTRACTS WITH CUSTOMERS

Summary of Accounting Policies on Revenue Recognition

Revenue is recognized upon the transfer of control of promised products or services to the customers in an amount that reflects the consideration the Company expects to receive in exchange for those products and services.

Performance Obligations

The Company's performance obligations consist mainly of transferring control of goods and services identified in the contracts, purchase orders, or invoices. The Company has no significant multi-element contracts with customers.

Significant Estimates

Usage-based royalties and licenses are estimated based on the provisions of contracts with customers and recognized in the same period that the royalty-based products are sold by the Company's strategic partners. The Company estimates and recognizes royalty revenue based upon communication with licensees, historical information, and expected sales trends. Differences between actual reported licensee sales and those that were estimated are adjusted in the period in which they become known, which is typically the following quarter. Historically, such adjustments have not been significant.

The Company estimates returns, price concessions, and discount allowances using the expected value method based on historical trends and other known factors. Rebate allowances are estimated using the most likely method based on each customer contract.

The Company's return policy, as set forth in its product catalogs and sales invoices, requires review and authorization in advance prior to the return of product. Upon the authorization, a credit will be issued for the goods returned within a set amount of days from the shipment, which is generally 90 days.

The Company disregards the effects of a financing component if the Company expects, at contract inception, that the period between the transfer and customer payment for the goods or services will be one year or less. The Company has no significant revenues recognized on payments expected to be received more than one year after the transfer of control of products or services to customers.

Contract Assets and Liabilities

Revenues recognized from the Company's private label business that are not invoiced to the customers as a result of recognizing revenue over time are recorded as a contract asset included in the prepaid expenses and other current assets account in the consolidated balance sheet. Upon invoicing to the customer, the balance is recorded in trade receivable, net in the consolidated balance sheet.

Other operating revenues may include fees received under service agreements. Non-refundable fees received under multiple-period service agreements are recognized as revenue as the Company satisfies the performance obligations to the other party. A portion of the transaction price allocated to the performance obligations to be satisfied in the future periods is recognized as contract liability.

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The following table summarizes the changes in the contract asset and liability balances for the three months ended March 31, 2025:

Dollars in thousands	Total
Contract Asset	
Contract asset, January 1, 2025	\$ 6,146
Transferred to trade receivable from contract asset included in beginning of the year contract asset	\$ (6,146)
Contract asset, net of transferred to trade receivables on contracts during the period	\$ 5,115
Contract asset, March 31, 2025	<u>\$ 5,115</u>
Contract Liability	
Contract liability, January 1, 2025	\$ 19,669
Recognition of revenue included in beginning of year contract liability	\$ (3,387)
Contract liability, net of revenue recognized on contracts during the period	\$ 3,619
Foreign currency translation	\$ 40
Contract liability, March 31, 2025	<u>\$ 19,941</u>

At March 31, 2025, the short-term portion of the contract liability of \$10.5 million and the long-term portion of \$9.4 million are included in current liabilities and other liabilities, respectively, in the consolidated balance sheet.

As of March 31, 2025, the Company is expected to recognize revenue of approximately 53% of unsatisfied or partially unsatisfied performance obligations as revenue within 12 months, with the remaining balance to be recognized thereafter.

Shipping and Handling Fees

The Company elected to account for shipping and handling activities as a fulfillment cost rather than a separate performance obligation. Amounts billed to customers for shipping and handling are included as part of the transaction price and recognized as revenue when control of underlying products is transferred to the customer. The related shipping and freight charges incurred by the Company are included in the cost of goods sold.

Product Warranties

Certain of the Company's medical devices, including monitoring systems and neurosurgical systems, are designed to operate over long periods of time. These products are sold with warranties which may extend for up to two years from the date of purchase. The warranties are not considered a separate performance obligation. The Company estimates its product warranties using the expected value method based on historical trends and other known factors. The Company includes them in accrued expenses and other current liabilities in the consolidated balance sheet.

Taxes Collected from Customers

The Company elected to exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the entity from a customer.

Disaggregated Revenue

The following table presents revenues disaggregated by the major sources of revenues for the three months ended March 31, 2025 and 2024 (dollar amounts in thousands):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Neurosurgery	\$ 190,912	\$ 202,268
Instruments	50,950	44,373
ENT ⁽¹⁾	38,802	9,793
Total Codman Specialty Surgical	280,664	256,434
Wound Reconstruction and Care	74,779	80,877
Private Label	27,210	31,561
Total Tissue Technologies	101,989	112,438
Total revenue	\$ 382,653	\$ 368,872

(1) Prior period revenues included within our instruments business have been reclassified under the ENT business.

See Note 15. *Segment and Geographic Information*, for details of revenues based on the location of the customer.

4. INVENTORIES

Inventories, net consisted of the following:

Dollars in thousands	March 31, 2025	December 31, 2024
Finished goods	\$ 225,362	\$ 223,729
Work in process	92,638	79,423
Raw materials	127,418	125,938
Total inventories, net	\$ 445,418	\$ 429,090

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Changes in the carrying amount of goodwill for the three-month period ended March 31, 2025 were as follows:

Dollars in thousands	Codman Specialty Surgical	Tissue Technologies	Total
Goodwill at December 31, 2024	\$ 715,730	\$ 381,222	\$ 1,096,952
Foreign currency translation	5,503	2,931	8,434
Goodwill at March 31, 2025	\$ 721,233	\$ 384,153	\$ 1,105,386

In accordance with FASB Topic 350, *Intangibles—Goodwill and Other* (“ASC 350”), goodwill is not subject to amortization but is tested for impairment at the reporting unit level annually in the third quarter. Additionally, the Company may perform interim tests of goodwill for impairment if an event occurs or circumstances change that could potentially reduce the fair value of a reporting unit below its carrying amount. The carrying value of each reporting unit is determined by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units.

The Company tests for impairment by either performing a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors, including reporting unit specific operating results as well as industry, market and general economic conditions, to determine whether it is more likely than not that the fair values of a reporting unit is less than its carrying amount, including goodwill. The Company may elect to bypass this qualitative evaluation for some or all of its reporting units and perform a quantitative test. The quantitative test uses a combination of both an income approach and a market approach to determine the fair value of the reporting unit. The income approach utilizes the estimated discounted cash flows for the reporting unit, while the market approach utilizes comparable publicly-traded companies’ revenue and earnings before interest, taxes, depreciation, and amortization (“EBITDA”) multiples. Estimates and assumptions used in the income

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approach to calculate projected future discounted cash flows included revenue growth rates, cost of sales, terminal growth rates, and a discount rate for each reporting unit. Discount rates are determined using a weighted average cost of capital for risk factors specific to each reporting unit and other market and industry data. The assumptions used are inherently subject to uncertainty and slight changes in these assumptions could have a significant impact on the concluded value. The estimates and assumptions applied represent a Level 3 measurement in the fair value hierarchy. Level 3 inputs are supported by limited or no market activity and reflect the Company's assumptions in measuring fair value.

During the third quarter of 2024, the Company elected to bypass the qualitative evaluations of its Tissue Technologies, Neurosurgery, and Instruments and ENT reporting units and perform quantitative tests. The quantitative test for the Tissue Technologies reporting unit utilized a terminal growth rate of 2.5% and a discount rate of 12.5% in the income approach. The Company determined, after performing the quantitative analysis, that the fair value of the Tissue Technologies reporting unit was not less than its carrying amount, with 21.2% headroom. The quantitative test for the Neurosurgery reporting unit utilized a terminal growth rate of 2.5% and a discount rate of 12.0% in the income approach. The Company determined, after performing the quantitative analysis, that the fair value of the Neurosurgery reporting unit was not less than its carrying amount, with 11.7% headroom. The quantitative test for the Instruments and ENT reporting unit utilized a terminal growth rate of 2.5% and a discount rate of 11.5% in the income approach. The Company determined, after performing the quantitative analysis, that the fair value of the Instruments and ENT reporting unit was not less than its carrying amount, with 22.1% headroom. Based on the results of these quantitative tests, the Company recorded no impairment of goodwill for Tissue Technologies, Neurosurgery, or Instruments and ENT reporting units.

The Company performed a hypothetical sensitivity analysis of the fair value for each reporting unit by increasing the discount rate by 50 basis points, decreasing the terminal growth rate by 50 basis points, and holding all other assumptions constant, which resulted in a decrease to the estimated fair value of the Tissue Technology reporting unit by 4.5%, a decrease to the estimated fair value of the Neurosurgery reporting unit by 3.8%, and a decrease to the estimated fair value of the Instruments and ENT reporting unit by 3.5%. Based on the results of the hypothetical sensitivity analyses, the Company would still not have recorded an impairment of goodwill for Tissue Technologies, Neurosurgery, or Instruments and ENT reporting units.

During the first quarter of 2024, due to third-party audit findings and an update to the estimated timeframe to resume the commercial distribution of products manufactured in the Company's manufacturing facility located in Boston, Massachusetts (the "Boston facility"), the Company elected to perform a quantitative analysis of its Tissue Technologies reporting unit. The quantitative test utilized a terminal growth rate of 2.0% and a discount rate of 14.5% in the income approach. An impairment loss is recognized when the reporting unit's carrying amount exceeds its estimated fair value. The Company determined, after performing the quantitative analysis, that the fair value of the Tissue Technologies reporting unit was not less than its carrying amount, with 19.9% headroom.

Other Intangible Assets

The components of the Company's identifiable intangible assets were as follows:

	March 31, 2025			
Dollars in thousands	Weighted Average Life	Cost	Accumulated Amortization	Net
Completed technology	17 years	\$ 1,458,727	\$ (551,340)	\$ 907,387
Customer relationships	12 years	167,028	(139,286)	27,742
Trademarks/brand names	27 years	100,809	(43,541)	57,268
Codman tradename	Indefinite	170,320	—	170,320
Supplier relationships	30 years	30,211	(19,371)	10,840
All other	6 years	23,014	(9,036)	13,978
		\$ 1,950,109	\$ (762,574)	\$ 1,187,535

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December 31, 2024

Dollars in thousands	Weighted Average Life	Cost	Accumulated Amortization	Net
Completed technology	17 years	\$ 1,452,545	\$ (525,959)	\$ 926,586
Customer relationships	12 years	166,038	(137,186)	28,852
Trademarks/brand names	27 years	99,951	(42,173)	57,778
Codman tradename	Indefinite	168,202	—	168,202
Supplier relationships	30 years	30,211	(19,126)	11,085
All other	6 years	22,820	(7,735)	15,085
		<u>\$ 1,939,767</u>	<u>\$ (732,179)</u>	<u>\$ 1,207,588</u>

Intangible Assets with Indefinite Lives

The Company does not amortize intangible assets with indefinite lives but tests its intangible assets with indefinite lives for impairment annually in the third quarter in accordance with ASC 350. Additionally, the Company performs interim tests of its intangible assets with indefinite lives for impairment if an event occurs or circumstances change that could potentially reduce the fair value of a indefinite lived intangible asset below its carrying amount. The Company tests for impairment by either performing a qualitative evaluation or a quantitative test. The qualitative evaluation is an assessment of factors, including specific operating results as well as industry, market and general economic conditions, to determine whether it is more likely than not that the fair values of the intangible asset is less than its carrying amount. The Company may elect to bypass this qualitative evaluation and perform a quantitative test.

In the third quarter of 2024, the Company elected to bypass the qualitative evaluation for its Codman trade name intangible asset and perform a quantitative test. In performing this test, the Company utilized a discount rate of 13.0%. The assumptions used in evaluating the Codman trade name for impairment are subject to change and are tracked against historical results by management. Based on the results of the quantitative test, the Company recorded no impairment to the Codman trade name intangible asset.

Intangible Assets with Definite Lives

Developed technologies and other definite-lived intangible assets are amortized over their estimated useful lives either using the straight-line method or, if reliably determinable, based on the pattern of which the economic benefit of the asset is expected to be utilized. Definite-lived intangible assets are periodically evaluated for impairment in accordance with FASB Topic 360, *Property, Plant and Equipment* (“ASC 360”) whenever events or changes in circumstances indicate that a definite-lived intangible asset’s carrying value may not be recoverable.

Total amortization of intangible assets for the three months ended March 31, 2025 was \$26.5 million. Of this amount, \$22.8 million was related to amortization of technology based intangibles and included in cost of goods sold.

Total amortization of intangible assets for the three months ended March 31, 2024 was \$27.7 million. Of this amount, \$17.6 million was related to amortization of technology based intangibles and included in cost of goods sold. \$7.1 million related to the impairment of a customer relationship intangible and the remainder were included in intangible amortization in the statement of operations.

Based on quarter-end exchange rates, amortization expense (including amounts reported in cost of goods sold) is expected to be approximately \$79.6 million for the remainder of 2025, \$106.0 million in 2026, \$105.0 million in 2027, \$101.4 million in 2028, \$96.2 million in 2029, \$90.1 million in 2030 and \$439.2 million thereafter.

In the first quarter of 2024, due to third-party audit findings and an update to the estimated timeframe to resume the commercial distribution of products manufactured in the Boston facility, the Company elected to perform quantitative impairment testing on certain definite-lived intangible assets including completed technology and customer relationships in accordance with FASB ASC Topic 360, *Property, Plant and Equipment*. The Company recorded an impairment charge related to the definite-lived intangible asset associated with the customer relationships of \$7.1 million in intangible asset amortization in the consolidated statement of operations. With respect to the definite-lived intangible assets associated with the completed technology of SurgiMend® and PriMatrix®, the Company determined that the carrying amount of these definite-lived intangible assets were recoverable and, therefore, the intangible assets were not deemed to be impaired. In the second quarter of 2024, the Company approved a plan to transition the commercial distribution of SurgiMend and PriMatrix from the Boston facility to the Company’s manufacturing facility in Braintree, Massachusetts (the “Braintree facility”). The Company considered the impact to the update to the estimated timeframe to resume the commercial distribution of products manufactured in the Boston facility on the assumptions used in the quantitative assessment of the definite-lived intangible assets completed in the first quarter of 2024, which did not require further evaluation for impairment. The carrying values of SurgiMend and PriMatrix are \$31.0 million and \$23.3 million, respectively, as of March 31, 2025.

Potential Impact of Risks and Uncertainties on Management’s Estimates

The recent tariff changes imposed by the U.S. and other countries have created increased risks and uncertainties surrounding the Company’s future results of operations. In April 2025, President Trump announced reciprocal tariffs on many countries with additional tariffs on the pharmaceutical industry to be announced in the near future. Certain countries, such as China, have responded with retaliatory tariffs. The assumptions used by the Company in its quantitative tests of goodwill and intangible assets are inherently subject to uncertainty and slight changes in these assumptions, including the extent and duration of any subsequent changes in U.S. import tariffs and reciprocal measures by China and the resulting impact on general economic conditions and on the Company’s business, could have a significant impact on the concluded values.

6. DEBT

Amendment to the Seventh Amended and Restated Senior Credit Agreement

On March 24, 2023, the Company entered into the March 2023 Amendment of the Senior Credit Facility with a syndicate of lending banks with Bank of America, N.A., as Administrative Agent. The March 2023 Amendment extended the maturity date to March 24, 2028, amended the contractual repayments of the term loan component, and amended the interest rate from LIBOR to SOFR-indexed interest. The Company continues to have the aggregate principal amount of up to approximately \$2.1 billion available to it through the following facilities: (i) a \$775 million term loan facility, and (ii) a \$1.3 billion revolving credit facility, which includes a \$60 million sublimit for the issuance of standby letters of credit and a \$60 million sublimit for swingline loans. The terms of the Senior Credit Facility limit the amount of dividends the Company may pay.

The Company’s maximum Consolidated Total Leverage Ratio (as defined in the March 2023 Amendment) in the financial covenants is outlined below. Concurrent with the Durepair acquisition (see *Note 2. Acquisitions and Divestitures*), in accordance with the terms of the March 2023 Amendment, the Company elected to increase the maximum Consolidated Total Leverage Ratio to 5.00 from the fiscal quarter ending December 31, 2024 through the fiscal quarter ending September 30, 2025.

Fiscal Quarter Ending	Maximum Consolidated Total Leverage Ratio
December 31, 2024 through September 30, 2025	5.00 to 1.00
December 31, 2025 through June 30, 2026	4.25 to 1.00
September 30, 2026 and the last day of each fiscal quarter thereafter	4.00 to 1.00

Borrowings under the Senior Credit Facility bear interest, at the Company’s option, at a rate equal to the following:

- i. Term SOFR in effect from time to time plus 0.10% plus the applicable rate (ranging from 1.00% to 1.75%), or
- ii. The highest of:
 1. the weighted average overnight Federal funds rate, as published by the Federal Reserve Bank of New York, plus 0.50%;
 2. the prime lending rate of Bank of America, N.A.; or
 3. the one-month Term SOFR plus 1.00%.

The applicable rates are based on the Company’s Consolidated Total Leverage Ratio (defined, as of any date of determination, as the ratio of (a) Consolidated Funded Indebtedness as of such date (as defined in the Seventh Amended and Restated Credit Agreement (the “Credit Agreement”)) less cash that is not subject to any restriction on the use or investment thereof to (b) Consolidated EBITDA (as defined by the Credit Agreement)), for the period of four consecutive fiscal quarters ending on such date.

The Company will pay an annual commitment fee (ranging from 0.15% to 0.30%), based on the Company’s consolidated total leverage ratio, on the amount available for borrowing under the revolving credit facility component of the Senior Credit Facility.

The Senior Credit Facility is collateralized by substantially all of the assets of the Company’s U.S. subsidiaries, excluding intangible assets. The Senior Credit Facility is subject to various financial and negative covenants and, at March 31, 2025, the Company was in compliance with all such covenants. The Company capitalized \$7.6 million in deferred financing costs in connection with the modification of the Senior Credit Facility and wrote off \$0.2 million of previously capitalized financing costs during the first quarter of 2023.

At March 31, 2025 and December 31, 2024, there was \$415.0 million and \$365.0 million, respectively, outstanding under the revolving credit facility component of the Senior Credit Facility. At March 31, 2025 and December 31, 2024, there was \$755.6 million and \$760.5 million outstanding under the term loan component of the Senior Credit Facility at a weighted average interest rate of 5.9% and 6.0%, respectively. As of March 31, 2025 and December 31, 2024 there was \$38.8 million and \$33.9 million, respectively, of the term loan component of the Senior Credit Facility classified as current on the condensed consolidated balance sheet.

The fair value of the term loan and revolving portion of the Senior Credit Facility at March 31, 2025 was \$743.5 million, and \$407.8 million, respectively. The fair value was determined by using a discounted cash flow model based on current market interest rates available to the Company. These inputs are corroborated by observable market data for similar liabilities and therefore classified within Level 2 of the fair value hierarchy. Level 2 inputs represent inputs that are observable for the asset or liability, either directly or indirectly, and are other than active market observable inputs that reflect unadjusted quoted prices for identical assets or liabilities.

Letters of credit outstanding as of March 31, 2025 and December 31, 2024 totaled \$1.7 million. There were no amounts drawn under the letters of credit outstanding as of March 31, 2025.

Contractual repayments of the term loan component of the Senior Credit Facility are due as follows:

As of March 31, 2025	Principal Repayment
Dollars in thousands	
Remainder of 2025	\$ 29,063
2026	38,750
2027	53,281
2028	634,531
	<u>\$ 755,625</u>

Future interest payments on the term loan component of the Senior Credit Facility based on current interest rates are expected to approximate \$33.1 million for the remainder of 2025, \$42.2 million in 2026, \$39.7 million in 2027, and \$8.7 million in 2028. Interest is calculated on the term loan portion of the Senior Credit Facility based on SOFR plus the certain amounts set forth in the Credit Agreement. As the revolving credit facility and Securitization Facility (defined below) can be repaid at any time, no interest has been included in the calculation.

Any outstanding borrowings on the revolving credit facility component of the Senior Credit Facility are due on March 24, 2028.

Convertible Senior Notes

On February 7, 2020, the Company issued \$575.0 million aggregate principal amount of its 0.5% Convertible Senior Notes due 2025 (the “2025 Notes”) pursuant to an indenture, dated as of February 7, 2020 (the “Original Indenture”), between the Company and Citibank, N.A., as trustee. The 2025 Notes will mature on August 15, 2025 and bear interest at a rate of 0.5% per annum payable semi-annually in arrears, unless earlier converted, repurchased or redeemed in accordance with the terms of the 2025 Notes. In connection with this offering, the Company capitalized \$13.2 million of financing fees.

The 2025 Notes are senior, unsecured obligations of the Company, and are convertible into cash and shares of its common stock based on an initial conversion rate, subject to adjustment of 13.5739 shares per \$1,000 principal amounts of the 2025 Notes (which represents an initial conversion price of \$73.67 per share). The 2025 Notes convert only in the following circumstances: (1) if the closing price of the Company's common stock has been at least 130% of the conversion price during the period; (2) if the average trading price per \$1,000 principal amount of the 2025 Notes is less than or equal to 98% of the average conversion value of the 2025 Notes during a period specified in the Original Indenture; (3) if the Company calls the notes for optional redemption as described in the Original Indenture; or (4) if specified corporate transactions occur. As of March 31, 2025, none of these conditions existed and the 2025 Notes are classified as current convertible securities on the consolidated balance sheet, as they are due within one year.

On December 9, 2020, the Company entered into the first supplemental indenture to the Original Indenture (the "First Supplemental Indenture" and, together with Original Indenture, the "Indenture"), pursuant to which the Company irrevocably elected (1) to eliminate the Company's option to choose physical settlement on any conversion of the 2025 Notes that occurs on or after the date of the First Supplemental Indenture and (2) with respect to any Combination Settlement (as defined in the First Supplemental Indenture) for a conversion of the 2025 Notes, the Specified Dollar Amount (as defined in the First Supplemental Indenture) that will be settled in cash per \$1,000 principal amount of the 2025 Notes shall be no lower than \$1,000.

Holder of the 2025 Notes will have the right to require the Company to repurchase for cash all or a portion of their 2025 Notes at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of a fundamental change (as defined in the Indenture). The Company will also be required to increase the conversion rate for holders who convert their 2025 Notes in connection with certain Fundamental Changes (as defined in the Original Indenture) occurring prior to the maturity date or following delivery by the Company of a notice of redemption.

In connection with the issuance of the 2025 Notes, the Company entered into call transactions and warrant transactions, primarily with affiliates of the initial purchasers of the 2025 Notes (the "hedge participants"). The cost of the call transactions was \$104.2 million for the 2025 Notes. The Company received \$44.5 million of proceeds from the warrant transactions for the 2025 Notes. The call transactions involved purchasing call options from the hedge participants, and the warrant transactions involved selling call options to the hedge participants with a higher strike price than the purchased call options. The initial strike price of the call transactions was \$73.67, subject to anti-dilution adjustments substantially similar to those in the 2025 Notes. The initial strike price of the warrant transactions was \$113.34 for the 2025 Notes, subject to customary anti-dilution adjustments.

At March 31, 2025, the carrying amount of the liability of the 2025 Notes was \$575.0 million. The fair value of the 2025 Notes at March 31, 2025 was \$564.9 million. Factors that the Company considered when estimating the fair value of the 2025 Notes included recent quoted market prices or dealer quotes. The 2025 Notes are valued based on Level 1 measurements in the fair value hierarchy. Level 1 inputs represent quoted prices in active markets for identical assets or liabilities.

Securitization Facility

In 2018, the Company entered into an accounts receivable securitization facility (the “Securitization Facility”) under which accounts receivable of certain domestic subsidiaries are sold on a non-recourse basis to a special purpose entity (“SPE”), which is a bankruptcy-remote, consolidated subsidiary of the Company. Accordingly, the assets of the SPE are not available to satisfy the obligations of the Company or any of its subsidiaries. From time to time, the SPE may finance such accounts receivable with a revolving loan facility secured by a pledge of such accounts receivable. The amount of outstanding borrowings on the Securitization Facility at any one time is limited to \$150.0 million. The Securitization Facility Agreement (“Securitization Agreement”) governing the Securitization Facility contains certain covenants and termination events. An occurrence of an event of default or a termination event under this Securitization Agreement may give rise to the right of its counterparty to terminate this facility. As of March 31, 2025, the Company was in compliance with the covenants and none of the termination events had occurred.

On December 15, 2023, the Company entered into an amendment (the “December 2023 Amendment”) of the Securitization Facility which extended the maturity date from May 28, 2024 to December 15, 2026. The Company incurred approximately \$0.3 million of new issuance costs associated with the December 2023 Amendment which will be amortized over 3 years, the length of the Securitization Agreement as amended by the December 2023 Amendment. Due to the increase in borrowing capacity, the remaining \$0.1 million of unamortized costs from the previous agreement will also be amortized over the length of the amended agreement, three years. In addition, on April 17, 2023 the Company entered into an amendment (the “April 2023 Amendment”) of the Securitization Facility and amended the interest rate from LIBOR to SOFR-indexed rate. The December 2023 Amendment and April 2023 Amendment did not increase the Company’s total indebtedness.

At March 31, 2025 and December 31, 2024, the Company had \$102.1 million and \$108.1 million, respectively, of outstanding borrowings under its Securitization Facility at an interest rate of 5.4% and 5.4%, respectively. The fair value of the outstanding borrowing of the Securitization Facility at March 31, 2025 was \$100.0 million. These fair values were determined by using a discounted cash flow model based on current market interest rates available to the Company. These inputs are corroborated by observable market data for similar liabilities and therefore classified within Level 2 of the fair value hierarchy. Level 2 inputs represent inputs that are observable for the asset or liability, either directly or indirectly, and are other than active market observable inputs that reflect unadjusted quoted prices for identical assets or liabilities.

Estimated Fair Value of Debt Measurements

The carrying amounts and the estimated fair values of debt as of March 31, 2025 and December 31, 2024 are as follows:

	Fair Value Measurement	March 31, 2025		December 31, 2024	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Dollars in thousands					
Senior credit facility - term loan	Level 2	\$ 755,625	\$ 743,524	\$ 760,469	\$ 751,143
Senior credit facility - revolving component	Level 2	415,000	407,798	365,000	360,144
2025 Notes	Level 1	575,000	564,938	575,000	555,594
Securitization	Level 2	102,100	100,049	108,100	105,831
Subtotal		\$ 1,847,725	\$ 1,816,309	\$ 1,808,569	\$ 1,772,712
Debt issuance costs		(4,435)		(5,476)	
Total debt		\$ 1,843,290	\$ 1,816,309	\$ 1,803,093	\$ 1,772,712

7. DERIVATIVE INSTRUMENTS

Interest Rate Hedging

The Company's interest rate risk relates to U.S. dollar denominated variable interest rate borrowings. The Company uses interest rate swap derivative instruments to manage earnings and cash flow exposure resulting from changes in interest rates. These interest rate swaps apply a fixed interest rate on a portion of the Company's expected SOFR-indexed borrowings. Additionally, the Company entered into a basis swap where the Company receives Term SOFR and pays daily compounded SOFR to convert the portfolio of swaps from daily compounded SOFR to Term SOFR.

The Company held the following interest rate swaps as of March 31, 2025 and December 31, 2024 (dollar amounts in thousands):

Hedged Item	March 31, 2025	December 31, 2024	Designation Date	Effective Date	Termination Date	Fixed Interest Rate	March 31, 2025	December 31, 2024
	Notional Amount						Estimated Fair Value	
							Asset (Liability)	
1-month Term SOFR Loan	75,000	75,000	October 10, 2018	July 1, 2020	June 30, 2025	3.220 %	224	421
1-month Term SOFR Loan	75,000	75,000	October 10, 2018	July 1, 2020	June 30, 2025	3.199 %	208	502
1-month Term SOFR Loan	75,000	75,000	October 10, 2018	July 1, 2020	June 30, 2025	3.209 %	215	403
1-month Term SOFR Loan	100,000	100,000	December 18, 2018	December 30, 2022	December 31, 2027	2.885 %	2,178	3,406
1-month Term SOFR Loan	100,000	100,000	December 18, 2018	December 30, 2022	December 31, 2027	2.867 %	2,313	3,507
1-month Term SOFR Loan	575,000	575,000	December 15, 2020	July 31, 2025	December 31, 2027	1.415 %	29,856	34,537
1-month Term SOFR Loan	125,000	125,000	December 15, 2020	July 1, 2025	December 31, 2027	1.404 %	6,796	7,848
Basis Swap ⁽¹⁾	—	—	March 31, 2023	March 24, 2023	December 31, 2027	N/A	(1,885)	(1,829)
	<u>\$ 1,125,000</u>	<u>\$ 1,125,000</u>					<u>\$ 39,905</u>	<u>\$ 48,795</u>

⁽¹⁾ The notional of the basis swap amortizes to match the total notional of the interest rate swap portfolio over time

The interest rate swaps were carried on the consolidated balance sheet at fair value and changes in the fair values were recorded as unrealized gains or losses in accumulated other comprehensive income ("AOCI"). For the three months ended March 31, 2025 and 2024 the Company recorded a loss of \$(7.5) million and a gain of \$14.7 million, respectively, in AOCI related to the change in fair value of the interest rate swaps.

For the three months ended March 31, 2025 and 2024, the Company recorded gains of \$1.4 million and \$5.2 million, respectively, in the consolidated statements of operations related to the interest rate differential of the interest rate swaps. The estimated gain that is expected to be reclassified to interest income from AOCI as of March 31, 2025 within the next twelve months is \$13.9 million.

The Company has designated these derivative instruments as cash flow hedges. The Company assesses the effectiveness of these derivative instruments and has recorded the changes in the fair value of the derivative instrument designated as a cash flow hedge as unrealized gains or losses in AOCI, net of tax, until the hedged item affected earnings, at which point any gain or loss was reclassified to earnings. If the hedged cash flow does not occur, or if it becomes probable that it will not occur, the Company will reclassify the remaining amount of any gain or loss on the related cash flow hedge recorded in AOCI to interest expense at that time.

Foreign Currency Hedging

From time to time, the Company enters into foreign currency hedge contracts intended to protect the U.S. dollar value of certain forecasted foreign currency denominated transactions. The Company assesses the effectiveness of the contracts that are designated as hedging instruments. The changes in fair value of foreign currency cash flow hedges are recorded in AOCI, net of tax. Those amounts are subsequently reclassified to earnings from AOCI as impacted by the hedged item when the hedged item affects earnings. If the hedged forecasted transaction does not occur or if it becomes probable that it will not occur, the Company will reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time. For contracts not designated as hedging instruments, the changes in fair value of the contracts are recognized in other income, net in the consolidated statements of operation, along with the offsetting foreign currency gain or loss on the underlying assets or liabilities.

The success of the Company’s hedging anticipated currency exchange gains or losses to the extent that there are differences between forecasted and actual activities during periods of currency volatility. In addition, changes in currency exchange rates related to any unhedged transactions may affect earnings and cash flows.

Cross-Currency Rate Swaps

The objective of these cross-currency swaps is to reduce volatility of earnings and cash flows associated with changes in the foreign currency exchange rate. Under the terms of these contracts, which have been designated as cash flow hedges, the Company will make interest payments in Swiss francs (“CHF”) and receive interest in U.S. dollars. Upon the maturity of these contracts, the Company will pay the principal amount of the loans in CHFs and receive U.S. dollars from the counterparties.

In December 2020, the Company entered into cross-currency swap agreements to convert a notional amount of \$471.6 million equivalent to 420.1 million of a CHF-denominated intercompany loan into U.S. dollars. The CHF-denominated intercompany loan was the result of an intra-entity transfer of certain intellectual property rights to a subsidiary in Switzerland completed during the fourth quarter of 2020. The intercompany loan requires quarterly principal payments of CHF 5.8 million plus accrued interest. As a result, the aggregate notional amount of the related cross-currency swaps will decrease by a corresponding amount.

In February 2025, the Company amended the CHF-denominated intercompany loan to extend the maturity to December 2030. Concurrently, the Company amended the cross-currency swap agreement, with a notional amount of \$368.4 million, equivalent to CHF 328.1 million, to extend the maturity to December 2030.

The Company held the following cross-currency rate swaps as of March 31, 2025 and December 31, 2024 (dollar amounts in thousands):

	Effective Date	Termination Date	Fixed Rate		March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
					Aggregate Notional Amount		Fair Value Asset (Liability)	
Pay CHF	December 21, 2020	February 19, 2025	3.00%	CHF	—	328,136	—	(4,367)
Receive U.S.\$			3.98%	\$	—	368,362		
Pay CHF	February 20, 2025	December 20, 2030	3.25%	CHF	322,387	—	(16,092)	—
Receive U.S.\$			6.14%	\$	361,907	—		
Total							\$ (16,092)	\$ (4,367)

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The cross-currency swaps designated as cash flow hedges are carried on the consolidated balance sheet at fair value, and changes in the fair values are recorded as unrealized gains or losses in AOCI. For the three months ended March 31, 2025 and 2024 the Company recorded a loss of \$(10.0) million and a gain of \$29.5 million, respectively, in AOCI related to change in fair value of the cross-currency swaps.

For the three months ended March 31, 2025 and 2024 the Company recorded a loss of \$(9.4) million and a gain of \$30.1 million, respectively, in other income, net related to change in fair value related to the foreign currency rate translation to offset the gains and losses, respectively, recognized on the intercompany loans.

For the three months ended March 31, 2025 and 2024 the Company recorded gains of \$1.2 million and \$1.3 million, respectively, in other income, net included in the consolidated statements of operations related to the interest rate differential of the cross-currency swaps.

The estimated gain that is expected to be reclassified to other income (expense), net from AOCI as of March 31, 2025 within the next twelve months is \$7.8 million. As of March 31, 2025, the Company does not expect any gains or losses will be reclassified into earnings because the original forecasted transactions will not occur.

Net Investment Hedges

The Company manages certain foreign exchange risks through a variety of strategies, including hedging. The Company is exposed to foreign exchange risk from its international operations through foreign currency purchases, net investments in foreign subsidiaries, and foreign currency assets and liabilities created in the normal course of business.

In February 2025, the Company entered into a cross-currency swap agreement with a notional amount of CHF 67.8 million equivalent to \$75.0 million, where the Company agreed with third-parties to sell CHF in exchange for U.S. dollars at a specified rate at the maturity of the contract. The new cross-currency swap agreement was designated as a net investment hedge to partially offset the effects of foreign currency on foreign subsidiaries.

The Company held the following cross-currency rate swaps designated as net investment hedges as of March 31, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	Effective Date	Termination Date	Fixed Rate		March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
					Aggregate Notional Amount		Fair Value Asset (Liability)	
Pay EUR Receive U.S.\$	October 3, 2018	September 30, 2025	—% 2.19%	EUR \$	38,820 45,000	38,820 45,000	3,026	4,827
Pay CHF Receive U.S.\$	May 26, 2022	December 16, 2028	—% 1.94%	CHF \$	240,175 250,000	240,175 250,000	(30,561)	(27,951)
Pay CHF Receive U.S.\$	November 17, 2023	December 17, 2029	—% 2.54%	CHF \$	66,525 75,000	66,525 75,000	(3,208)	(3,248)
Pay CHF Receive U.S.\$	May 6, 2024	December 18, 2030	—% 2.74%	CHF \$	68,483 75,000	68,483 75,000	(4,694)	(4,741)
Pay CHF Receive U.S.\$	February 21, 2025	December 15, 2031	—% 3.24%	CHF \$	67,800 75,000	— —	(1,742)	—
Total							(37,179)	(31,113)

The cross-currency swaps were carried on the consolidated balance sheet at fair value and changes in the fair values were recorded as unrealized gains or losses in AOCI. For the three months ended March 31, 2025 and 2024, the Company recorded a loss of \$(3.4) million and a gain of \$24.9 million, respectively, in AOCI related to the change in fair value of the cross-currency swaps.

For the three months ended March 31, 2025 and 2024, the Company recorded gains of \$2.6 million and \$2.2 million, respectively, in interest income included in the consolidated statements of operations related to the interest rate differential of the cross-currency swaps.

The estimated gain that is expected to be reclassified to interest income from AOCI as of March 31, 2025 within the next twelve months is \$10.9 million.

Foreign Currency Forward Contracts

The Company has entered into forward contracts designated as cash flow hedges for forecasted purchases in foreign currencies, primarily CHF denominated intercompany purchases. To the extent these forward contracts meet hedge accounting criteria, changes in their fair value are not included in accumulated comprehensive loss. These changes in fair value will be recognized into earnings as a component of cost of sales when the forecasted-transaction occurs. These contracts typically settle at various dates within twelve months of execution. As of March 31, 2025 the notional amount of foreign currency forward contracts was CHF 15.5 million.

For the three months ended March 31, 2025 and 2024, the Company recorded a gain of \$0.4 million and a loss of \$(0.6) million, respectively, in AOCI related to the change in fair value of the foreign currency forward contracts.

For the three months ended March 31, 2025 and 2024, the Company recorded an immaterial gain and a loss of \$(0.1) million, respectively, in other income and cost of goods sold included in the consolidated statements of operations related to the amortization of forward points and rate translation on the foreign currency forward contracts.

Counterparty Credit Risk

The Company manages its concentration of counterparty credit risk on its derivative instruments by limiting acceptable counterparties to a group of major financial institutions with investment grade credit ratings, and by actively monitoring their credit ratings and outstanding positions on an ongoing basis. Therefore, the Company considers the credit risk of the counterparties to be low. Furthermore, none of the Company's derivative transactions are subject to collateral or other security arrangements, and none contain provisions that depend upon the Company's credit ratings from any credit rating agency.

Fair Value of Derivative Instruments

The Company has classified all of its derivative instruments within Level 2 of the fair value hierarchy because observable inputs are available for substantially the full term of the derivative instruments. The fair values of the interest rate swaps and cross-currency swaps were developed using a market approach based on publicly available market yield curves and the terms of the swap. The Company performs ongoing assessments of counterparty credit risk.

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The following table summarizes the fair value for derivatives designated as hedging instruments in the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024:

<u>Location on Balance Sheet ⁽¹⁾:</u>	<u>Fair Value as of</u>	
Dollars in thousands	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Derivatives designated as hedges — Assets:		
Prepaid expenses and other current assets		
<u>Cash Flow Hedges</u>		
Interest rate swap	\$ 14,855	\$ 12,320
Cross-currency swap	7,813	—
Foreign currency forward contracts	9	—
<u>Net Investment Hedges</u>		
Cross-currency swap	8,895	8,605
Other assets		
<u>Cash Flow Hedges</u>		
Interest rate swap	26,935	38,302
Total derivatives designated as hedges — Assets	\$ 58,507	\$ 59,227
Derivatives designated as hedges — Liabilities:		
Accrued expenses and other current liabilities		
<u>Cash Flow Hedges</u>		
Interest rate swap	\$ 936	\$ 684
Cross-currency swap	—	4,367
Foreign currency forward contracts	—	914
<u>Net Investment Hedges</u>		
Cross-currency swap	1,269	210
Other liabilities		
<u>Cash Flow Hedges</u>		
Interest rate swap	949	1,145
Cross-currency swap	23,905	—
<u>Net Investment Hedges</u>		
Cross-currency swap	44,805	39,507
Total derivatives designated as hedges — Liabilities	\$ 71,864	\$ 46,827

⁽¹⁾The Company classifies derivative assets and liabilities as current based on the cash flows expected to be incurred within the following 12 months.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

The following presents the effect of derivative instruments designated as cash flow hedges and net investment hedges on the accompanying condensed consolidated statement of operations during the three months ended March 31, 2025 and 2024:

Dollars in thousands	Balance in AOCI Beginning of Quarter	Amount of Gain (Loss) Recognized in AOCI	Amount of Gain (Loss) Reclassified from AOCI into Earnings	Balance in AOCI End of Quarter	Location in Statements of Operations
Three Months Ended March 31, 2025					
<u>Cash Flow Hedges</u>					
Interest rate swap	\$ 48,794	\$ (7,463)	\$ 1,426	\$ 39,905	Interest expense
Cross-currency swap	(11,621)	(10,032)	(8,230)	(13,423)	Other income, net
Foreign Currency Forward Contract	(624)	436	23	(211)	Cost of Sales
<u>Net Investment Hedges</u>					
Cross-currency swap	(31,130)	(3,435)	2,633	(37,198)	Interest income
	<u>\$ 5,419</u>	<u>\$ (20,494)</u>	<u>\$ (4,148)</u>	<u>\$ (10,927)</u>	
Three Months Ended March 31, 2024					
<u>Cash Flow Hedges</u>					
Interest rate swap	\$ 43,556	\$ 14,723	\$ 5,219	\$ 53,060	Interest expense
Cross-currency swap	(15,763)	29,532	31,473	(17,704)	Other income, net
Foreign Currency Forward Contract	\$ —	\$ (629)	\$ (110)	\$ (519)	
<u>Net Investment Hedges</u>					
Cross-currency swap	(45,498)	24,920	2,202	(22,780)	Interest income
	<u>\$ (17,705)</u>	<u>\$ 68,546</u>	<u>\$ 38,784</u>	<u>\$ 12,057</u>	

Derivative Instruments not Designated Hedges:

During 2024 and 2025 the Company entered into foreign currency forward contracts to mitigate risk from the fluctuations in foreign currency exchange rates associated with intercompany balances in Chinese yuan (“CNH”) and CHF. These contracts typically settle at various dates within twelve months of execution. As of March 31, 2025, the notional amounts totaled CNH 150.0 million and CHF 20.0 million, equivalent to \$20.8 million and \$22.9 million, respectively.

In 2021, the Company entered into a foreign currency swap, with a notional amount of 800.0 million JPY, equivalent to \$7.3 million, to mitigate the risk from fluctuations in foreign currency exchange rates associated with an intercompany loan denominated in Japanese yen. In a foreign currency swap transaction, the Company agrees with another party to exchange, at specified intervals, the difference between one currency and another currency at a fixed exchange rate, generally set at inception, calculated by reference to an agreed upon notional amount. The notional amount of each currency is exchanged at the inception and termination of the currency swap by each party. The Company subsequently paid down a portion of this swap, bringing the notional amount down to JPY 500.0 million, equivalent to \$4.6 million as of March 31, 2025.

The fair value of the foreign currency swaps not designated as hedges was \$1.6 million and \$1.7 million as of March 31, 2025 and December 31, 2024, respectively.

The following table summarizes the gains on derivative instruments not designated as hedges on the condensed consolidated statements of income, which was included in other income:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Foreign currency forward contracts	174	—
Foreign currency swaps	169	\$ 273
Total	<u>\$ 343</u>	<u>\$ 273</u>

8. STOCK-BASED COMPENSATION

As of March 31, 2025, the Company had stock options, restricted stock awards, performance stock awards, contract stock awards and restricted stock unit awards outstanding under the Integra LifeSciences Holdings Corporation Fifth Amended and Restated 2003 Equity Incentive Plan, as amended (the “2003 Plan”).

Stock options issued under the 2003 Plan become exercisable over specified periods, generally within four years from the date of grant for officers and employees, within one year from date of grant for directors which generally expire eight years from the grant date for employees, and from six to ten years for directors and certain executive officers, except in certain instances that result in accelerated vesting due to death, disability, retirement age or change in-control provisions within their grant agreements. The Company values stock option grants using the binomial distribution model. Restricted stock issued under the 2003 Plan vests over specified periods, generally three years after the date of grant. The vesting of performance stock issued under the 2003 Plan is subject to service and performance conditions.

Stock Options

As of March 31, 2025, there were approximately \$4.6 million of total unrecognized compensation costs related to unvested stock options. These costs are expected to be recognized over a weighted-average period of approximately three years. There were 395,252 stock options granted during the three months ended March 31, 2025. For the three months ended March 31, 2025, the weighted average grant date fair value for stock options granted was \$10.77 per option.

Awards of Restricted Stock and Performance Stock

Performance stock and restricted stock awards generally have requisite service periods of three years, except in certain instances that result in accelerated vesting due to death, disability, retirement age provision or change in-control provisions in their grant agreements. Performance stock units are subject to graded vesting conditions based on revenue goals of the Company. The Company expenses the fair value of restricted stock awards on a straight-line basis over the requisite service period. As of March 31, 2025, there was approximately \$46.6 million of total unrecognized compensation costs related to these unvested awards. The Company expects to recognize these costs over a weighted-average period of approximately two years. The Company granted 752,668 restricted stock awards and 395,781 performance stock awards during the three months ended March 31, 2025. For the three months ended March 31, 2025, the weighted average grant date fair value for restricted stock awards and performance stock units granted was \$23.76 and \$23.95 per award, respectively.

The Company also maintains an Employee Stock Purchase Plan (the “ESPP”), which provides eligible employees with the opportunity to acquire shares of common stock at periodic intervals by means of accumulated payroll deductions. The ESPP is a non-compensatory plan based on its terms.

9. RETIREMENT PLANS

The Company has various defined benefit plans which cover certain employees in France, Japan, Germany and Switzerland.

Net periodic benefit costs for the Company’s defined benefit pension plans for the three months ended March 31, 2025 were \$0.4 million. The components of the net periodic benefit costs other than the service cost component of \$0.8 million for the three months ended March 31, 2025 are included in other income, net in the consolidated statements of operations.

Net periodic benefit costs for the Company’s defined benefit pension plans for the three months ended March 31, 2024 were \$0.4 million. The components of the net periodic benefit costs other than the service cost component of \$0.8 million for the three months ended March 31, 2024 are included in other income, net in the consolidated statements of operations.

The estimated fair values of plan assets were \$54.4 million and \$51.8 million as of March 31, 2025 and December 31, 2024, respectively. The net plan assets of the pension plans are invested in common trusts as of March 31, 2025 and December 31, 2024. Common trusts are classified as Level 2 in the fair value hierarchy. The fair value of common trusts is valued at the net asset value based on the fair values of the underlying investments of the trusts as determined by the sponsor of the trusts. The investment strategy of the Company’s defined benefit plans is both to meet the liabilities of the plans as they fall due and to maximize the return on invested assets within an appropriate risk profile.

Deferred Compensation Plan

The Company maintains a deferred compensation plan in which certain employees of the Company may defer the payment and taxation of up to 75% of their base salary and up to 100% of bonus amounts and other eligible cash compensation.

This deferred compensation is invested in funds offered under this plan and is valued based on Level 1 measurements in the fair value hierarchy. Assets of the Company's deferred compensation plan are included in other current assets and recorded at fair value based on their quoted market prices. The fair value of these assets were \$6.8 million and \$6.7 million as of March 31, 2025 and December 31, 2024, respectively. Offsetting liabilities relating to the deferred compensation plan are included in other liabilities.

10. LEASES AND RELATED PARTY LEASES

The Company leases administrative, manufacturing, research and distribution facilities, and vehicles through operating lease agreements. The Company has no finance leases as of March 31, 2025. Many of the Company's leases include both lease (e.g., fixed payments including rent) and non-lease components (e.g., common-area or other maintenance costs). For vehicles, the Company has elected the practical expedient to group lease and non-lease components.

Most facility leases include one or more options to renew. The exercise of lease renewal options is typically at the Company's sole discretion, therefore, the majority of renewals to extend the lease terms are not included in the Right of Use ("ROU") assets and lease liabilities as they are not reasonably certain of exercise. The Company regularly evaluates renewal options and when they are reasonably certain of exercise, the renewal period is included in the lease term.

As most of the Company's leases do not provide an implicit rate, the Company uses a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments.

Total operating lease expense for the three months ended March 31, 2025 and March 31, 2024 was \$5.9 million and \$6.3 million, respectively, which includes \$0.1 million, in related party operating lease expense.

Supplemental balance sheet information related to operating leases were as follows:

Dollars in thousands, except lease term and discount rate	March 31, 2025	December 31, 2024
ROU assets	\$ 138,463	\$ 144,042
Current lease liabilities	14,171	14,540
Non-current lease liabilities	161,476	166,930
Total lease liabilities	<u>\$ 175,647</u>	<u>\$ 181,470</u>
Weighted average remaining lease term (in years):		
Leased facilities	16.0 years	16.1 years
Leased vehicles	2.3 years	2.3 years
Weighted average discount rate:		
Leased facilities	5.3 %	5.4 %
Leased vehicles	2.8 %	2.8 %

Supplemental cash flow information related to leases for the three months ended March 31, 2025 and 2024 were as follows:

Dollars in thousands	March 31, 2025	March 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 5,890	\$ 5,734
ROU assets obtained in exchange for lease liabilities, net of modifications:		
Operating leases	\$ 958	\$ 746

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Future minimum lease payments under operating leases at March 31, 2025 were as follows:

Dollars in thousands	Related Parties	Third Parties	Total
Remainder of 2025	\$ 222	\$ 17,011	\$ 17,233
2026	296	19,584	19,880
2027	296	19,256	19,552
2028	296	17,230	17,526
2029	246	17,021	17,267
2030	—	16,828	16,828
Thereafter	—	150,848	150,848
Total minimum lease payments	<u>\$ 1,356</u>	<u>\$ 257,778</u>	<u>\$ 259,134</u>
Less: Imputed interest			83,487
Total lease liabilities			175,647
Less: Current lease liabilities			14,171
Long-term lease liabilities			161,476

There were no future minimum lease payments under finance leases at March 31, 2025.

Related Party Leases

The Company leases one of its manufacturing facilities in Plainsboro, New Jersey, from a general partnership that is 50% owned by a principal stockholder of the Company. The term of the current lease agreement is through October 31, 2029 at an annual rate of approximately \$0.3 million. The current lease agreement also provides (i) a 5-year renewal option for the Company to extend the lease from November 1, 2029 through October 31, 2034 at the fair market rental rate of the premises, and (ii) another 5-year renewal option to extend the lease from November 1, 2034 through October 31, 2039 at the fair market rental rate of the premises.

11. TREASURY STOCK

As of March 31, 2025 and December 31, 2024, there were 14.4 million and 14.4 million shares of treasury stock outstanding with a cost of \$690.4 million and \$691.4 million, at a weighted average cost per share of \$47.86 and \$47.86, respectively.

In 2024, the Company entered into a \$50 million accelerated share repurchase (“the 2024 ASR”) and received 1.3 million shares of common stock at inception of the 2024 ASR, which represented approximately 70% of the expected total shares under the 2024 ASR. The early exercise provision was exercised by the 2024 ASR counterparty. The Company received an additional 0.4 million shares determined using the volume-weighted average price of the Company’s common stock during the term of the 2024 ASR.

On July 18, 2023, the Board of Directors authorized a new \$225 million share repurchase program. As of March 31, 2025, \$50 million remained authorized. The program, which was authorized in July 2023 and expires on December 31, 2025, allows the Company to repurchase its shares opportunistically from time to time. The Company may utilize various methods to effect any repurchases, including open market transactions, privately negotiated transactions, transactions structured through investment banking institutions, including accelerated share repurchases, or a combination of the foregoing, some of which may be effected through Rule 10b5-1 plans. The price and timing of any future purchases under the share repurchase program will depend on factors such as levels of cash generation from operations, the volume of stock option exercises by employees, cash requirements for acquisitions, dividends, economic and market conditions and stock price, and such repurchases may be discontinued at any time.

12. INCOME TAXES

The following table provides a summary of the Company’s effective tax rate:

	Three Months Ended March 31,	
	2025	2024
Reported tax rate	15.8 %	37.3 %

The Company’s effective income tax rates for the three months ended March 31, 2025 and 2024 were 15.8% and 37.3%, respectively. For the three months ended March 31, 2025, the Company’s effective tax rate was driven by federal, state, and international tax benefits generated from operating losses in certain jurisdictions, offset by the inclusion of Global Intangible Low-Taxed Income (“GILTI”) and additional taxes to meet the global minimum tax in certain foreign jurisdictions. For the three months ended March 31, 2024, the Company’s effective tax rate was driven by a \$1.5 million shortfall from stock based compensation, offset by a tax benefit for intangible asset impairment.

Changes to income tax laws and regulations, in any of the tax jurisdictions in which the Company operates, could impact the effective tax rate. Various governments, both U.S. and non-U.S., are increasingly focused on tax reform and revenue-raising legislation. The current U.S. administration and legislators are considering new tax legislation, which may impact the Company’s income tax provision. Further, legislation in foreign jurisdictions may be enacted, in continued response to the base erosion and profit-sharing (“BEPS”) project begun by the Organization for Economic Cooperation and Development (“OECD”).

The OECD released model rules related to a new 15% global minimum tax regime (“Pillar 2”). A number of the jurisdictions that the Company operates in have adopted some form of the model rules, which became effective beginning in 2024. The Pillar 2 rules are complex and provide for delays for implementing the tax during the early transition years, if certain conditions are met. The Company is calculating a \$2.7 million expense related to Pillar 2 tax liability for the year ending December 31, 2025. Related changes in U.S. and non-U.S. jurisdictions could have an adverse effect on the Company’s effective tax rate. The Company will continue to monitor legislative activity across its U.S. and non-U.S. jurisdictions.

13. NET LOSS PER SHARE

Basic and diluted net loss per share was as follows:

Dollars in thousands, except per share amounts	Three Months Ended March 31,	
	2025	2024
Basic net loss per share:		
Net loss	\$ (25,293)	\$ (3,281)
Weighted average common shares outstanding	76,463	77,735
Basic net loss per common share	\$ (0.33)	\$ (0.04)
Diluted net loss per share:		
Net loss	\$ (25,293)	\$ (3,281)
Weighted average common shares outstanding — Basic	76,463	77,735
Effect of dilutive securities:		
Stock options and restricted stock	—	—
Weighted average common shares for diluted earnings per share	76,463	77,735
Diluted net loss per common share	\$ (0.33)	\$ (0.04)

Basic earnings per share is computed by dividing net income by the weighted-average common shares outstanding during the period. Diluted earnings per share is computed based on the weighted-average common shares outstanding plus the effect of dilutive potential common shares outstanding during the period calculated using the treasury stock method. Dilutive potential common shares include employee equity share options, non-vested shares, and similar equity instruments granted by the Company. Potential common share equivalents have been excluded where their inclusion would be anti-dilutive. For periods in which the Company generated a net loss, the Company does not include the potential impact of dilutive securities in diluted net loss per share, as the impact of these items is anti-dilutive.

Common stock of approximately 1.6 million and 1.3 million shares at March 31, 2025 and 2024, respectively, were not included in the computation of diluted net loss per share because their effect would have been anti-dilutive.

14. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

Comprehensive (loss) income for the three months ended March 31, 2025 and 2024:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Net loss	\$ (25,293)	\$ (3,281)
Foreign currency translation adjustment	11,631	730
Change in unrealized (gain) loss on derivatives, net of tax	(8,016)	3,735
Pension liability adjustment, net of tax	(150)	(5)
Comprehensive (loss) income, net	\$ (21,828)	\$ 1,179

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Changes in accumulated other comprehensive (loss) income by component between December 31, 2024 and March 31, 2025 are presented in the table below, net of tax:

Dollars in thousands	Gains and Losses on Derivatives	Defined Benefit Pension Items	Foreign Currency Items	Total
Balance at January 1, 2025	\$ 26,612	\$ 4,028	\$ (58,211)	\$ (27,571)
Other comprehensive (loss) gain	(14,101)	—	13,655	(446)
Less: Amounts reclassified from accumulated other comprehensive income, net	(6,085)	150	2,024	(3,911)
Net current-period other comprehensive (loss) gain	(8,016)	(150)	11,631	3,465
Balance at March 31, 2025	<u>\$ 18,596</u>	<u>\$ 3,878</u>	<u>\$ (46,580)</u>	<u>\$ (24,106)</u>

For the three months ended March 31, 2025, the Company reclassified a loss of \$(7.0) million and a gain of \$3.1 million from accumulated other comprehensive income to other income, net and interest income, respectively.

15. SEGMENT AND GEOGRAPHIC INFORMATION

The Company is organized primarily on the basis of products and operates two global reportable segments. Resources are allocated and performance is assessed by the Company's President and Chief Executive Officer, which the Company has determined to be the Chief Operating Decision Maker ("CODM").

The two reportable segments and their activities are described below.

- The Codman Specialty Surgical segment operations consist of (i) the Neurosurgery business, which sells a full line of products for neurosurgery and neuro critical care such as tissue ablation equipment, dural repair products, cerebral spinal fluid management devices, intracranial monitoring equipment, and cranial stabilization equipment and (ii) the Instruments business, which sells more than 40,000 instrument patterns and surgical and lighting products to hospitals, surgery centers, dental, podiatry, and veterinary offices; and (iii) the ENT business, which includes instrumentation, balloon technologies for sinus dilation and eustachian tube dilation, as well as surgical navigation systems.
- The Tissue Technologies segment operations consist of such offerings as skin and wound repair, plastics and surgical reconstruction products, bone grafts, and nerve and tendon repair products. The Tissue Technologies segment includes the Company's private label business.

The Corporate and Other category includes (i) various executive, finance, human resource, information systems and legal functions, (ii) brand management, and (iii) share-based compensation costs, which are not allocated to the reportable segments.

For both segments, the CODM uses segment revenue and segment operating income to assess the performance for each segment and in the annual budgeting and forecasting process. The CODM considers budget-to-actual variances on a quarterly basis for segment revenue and segment operating income when making decisions about allocating capital and personnel to the segments.

The operating results of the reportable segments as presented are not comparable to one another because (i) certain operating segments are more dependent than others on corporate functions for unallocated general and administrative and/or operational manufacturing functions and (ii) the Company does not allocate certain manufacturing costs and general and administrative costs to the reportable segments.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

Net sales and profit by each reportable segment for the three months ended March 31, 2025 and 2024 are as follows:

Dollars in thousands	Three Months Ended March 31, 2025			Total
	Codman Specialty Surgical	Tissue Technologies	Corporate and Other	
Total revenue, net	\$ 280,664	\$ 101,989	\$ —	\$ 382,653
Cost of goods sold	92,682	45,063	50,476	188,221
Research and development	7,945	3,719	13,064	24,728
Selling, general and administrative	69,674	37,161	74,662	181,497
Intangible asset amortization	—	—	3,704	3,704
Total cost and expenses	<u>170,301</u>	<u>85,943</u>	<u>141,906</u>	<u>398,150</u>
Operating income (loss)	<u>\$ 110,363</u>	<u>\$ 16,046</u>	<u>\$ (141,906)</u>	<u>(15,497)</u>
Interest income				4,420
Interest expense				(18,815)
Other income, net				(144)
Loss before income taxes				<u>\$ (30,036)</u>

Dollars in thousands	Three Months Ended March 31, 2024			Total
	Codman Specialty Surgical	Tissue Technologies	Corporate and Other	
Total revenue, net	\$ 256,434	\$ 112,438	\$ —	\$ 368,872
Cost of goods sold	92,973	37,538	31,527	162,038
Research and development	5,765	4,901	16,299	26,965
Selling, general and administrative	54,204	39,333	72,261	165,798
Intangible asset amortization	—	—	10,107	10,107
Total cost and expenses	<u>152,942</u>	<u>81,772</u>	<u>130,194</u>	<u>364,908</u>
Operating income (loss)	<u>\$ 103,492</u>	<u>\$ 30,666</u>	<u>\$ (130,194)</u>	<u>3,964</u>
Interest income				5,040
Interest expense				(13,624)
Other income, net				(610)
Loss before income taxes				<u>\$ (5,230)</u>

The Company does not allocate any assets to the reportable segments. No asset information is reported to the CODM and disclosed in the financial information for each segment. The Company attributes revenues to geographic areas based on the location of the customer. Total revenue by major geographic area consisted of the following:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
United States	\$ 282,217	\$ 256,229
Europe	35,326	41,596
Asia Pacific	45,105	49,545
Rest of World	20,005	21,502
Total Revenues	<u>\$ 382,653</u>	<u>\$ 368,872</u>

16. COMMITMENTS AND CONTINGENCIES

In consideration for certain technology, manufacturing, distribution, and selling rights and licenses granted to the Company, the Company has agreed to pay royalties on sales of certain products that it sells. The royalty payments that the Company made under these agreements were not significant for any of the periods presented.

In the ordinary course of its business, the Company is involved in, from time to time, various legal actions, including any matters described below, involving product liability, employment, intellectual property and commercial disputes, shareholder related matters, environmental proceedings, tax disputes, and governmental proceedings and investigations, some of which have been settled by the Company. In the opinion of management, such matters are either adequately covered by insurance or otherwise indemnified, or are not expected, individually or in the aggregate, to result in a material, adverse effect on the Company's financial condition. However, it is possible that the Company's results of operations, financial position and cash flows in a particular period could be materially affected by these contingencies.

The Company accrues for loss contingencies when it is deemed probable that a loss has been incurred and that loss is estimable. If the reasonable estimate of a probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is recorded. In most cases, significant judgment is required to estimate the amount and timing of a loss to be recorded and actual results may differ from these estimates. The amounts accrued are based on the full amount of the estimated loss before considering insurance proceeds and do not include an estimate for legal fees expected to be incurred in connection with the loss contingency. The Company consistently accrues legal fees expected to be incurred in connection with loss contingencies as those fees are incurred by outside counsel as a period cost.

On February 21, 2025, a derivative lawsuit captioned *Grabowsky v. Integra LifeSciences Holding Corp. et al*, No. 3:25-cv-01399 (D.N.J.) was filed in the United States District Court for the District of New Jersey. The action purports to assert derivative claims on behalf of the Company against its current Board of Directors and certain of its current or former officers and directors. The action asserts claims that the individual defendants breached their fiduciary duties and harmed the Company by making false and misleading statements and omissions relating to certain quality systems issues identified by the U.S. Food and Drug Administration ("FDA") at the Company's Boston, Massachusetts manufacturing facility, the Company's efforts to remediate those issues, and the Company's forecasts for certain products in its Tissue Technologies segment. On March 28, 2025, the derivative lawsuit was voluntarily dismissed by the plaintiff.

On December 21, 2023, Fortis Advisors, LLC (representative of the security holders of ACell, Inc. ("ACell")) filed for arbitration against Integra LifeSciences before the Court of International Arbitration of the International Chamber of Commerce claiming breach of contract related to the earnout consideration from the 2021 acquisition of ACell. Refer to the "Contingent Consideration" subheading of this Note for additional information on the ACell contingent consideration. The Company believes that it has strong defenses to the allegations in the arbitration and intends to defend the matter vigorously.

On September 12, 2023, a securities class action complaint, captioned *Pembroke Pines Firefighters & Police Officers Pension Fund v. Integra LifeSciences Holdings Corporation*, No. 23-cv-20321 (D.N.J.), was filed by a purported stockholder of the Company in the United States District Court for the District of New Jersey (the "Pembroke Litigation") against the Company and certain of the Company's current and former executive officers. The Pembroke Litigation, filed on behalf of a putative class of stockholders who purchased or acquired the Company's common stock between March 11, 2019 and May 22, 2023, inclusive, alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder, on the basis of purportedly materially false and misleading statements and omissions relating to certain quality systems issues identified by the FDA at the Company's Boston, Massachusetts manufacturing facility, the Company's efforts to remediate those issues, and the Company's forecasts for certain products in its Tissue Technologies segment. The complaint seeks, among other things, compensatory damages, attorneys' fees, expert fees, and other costs. The Company believes that it has strong defenses to the allegations in the Pembroke Litigation, and intends to defend the matter vigorously.

Contingent Consideration

The Company determined the fair value of contingent consideration during the three month period ended March 31, 2025 and March 31, 2024 to reflect the change in estimate, additions, payments, transfers and the time value of money during each period.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

A reconciliation of the opening balances to the closing balances of these Level 3 measurements for the three months ended March 31, 2025 and March 31, 2024 is as follows (in thousands):

	Contingent Consideration Liability Related to Acquisition of:			
	Arkis ⁽¹⁾	Derma Sciences ⁽²⁾	ACell ⁽²⁾	Surgical Innovations Associates (SIA), Inc. ⁽²⁾
Three Months Ended March 31, 2025				
Balance as of January 1, 2025	\$ 12,968	\$ 2,686	\$ 3	\$ 54,000
Payment	(5,000)	—	—	—
Change in fair value of contingent consideration liabilities	(812)	50	—	600
Balance, March 31, 2025	<u>7,156</u>	<u>2,736</u>	<u>3</u>	<u>54,600</u>
Short-Term - Accrued expenses and other liabilities	\$ 3,598	\$ —	\$ —	\$ 35,000
Long-Term - Other liabilities	3,558	2,736	3	19,600
Total	<u>7,156</u>	<u>2,736</u>	<u>3</u>	<u>54,600</u>

	Contingent Consideration Liability Related to Acquisition of:			
	Arkis ⁽¹⁾	Derma Sciences ⁽²⁾	ACell ⁽²⁾	Surgical Innovations Associates (SIA), Inc. ⁽²⁾
Three Months Ended March 31, 2024				
Balance as of January 1, 2024	\$ 15,755	\$ 2,557	\$ 300	\$ 68,700
Change in fair value of contingent consideration liabilities	(83)	39	—	500
Balance as of March 31, 2024	<u>15,672</u>	<u>2,596</u>	<u>300</u>	<u>69,200</u>
Short-Term - Accrued expenses and other liabilities	\$ 7,562	\$ —	\$ —	\$ 29,300
Long-Term - Other liabilities	8,110	2,596	300	39,900
Total	<u>15,672</u>	<u>2,596</u>	<u>300</u>	<u>69,200</u>

(1) Location in financial statements: Research and development

(2) Location in financial statements: Selling, general and administrative

Arkis BioSciences Inc.

As part of the acquisition of Arkis BioSciences Inc. (“Arkis”), the Company is required to pay the former shareholders of Arkis up to \$25.5 million based on the timing of certain development milestones of \$10.0 million and commercial sales milestones of \$15.5 million, respectively. The Company used a probability weighted income approach to calculate the fair value of the contingent consideration that considered the possible outcomes of scenarios related to each specified milestone. The Company estimated the fair value of the contingent consideration to be \$13.1 million at the acquisition date. In the first quarter of 2025, the Company paid out a development milestone related to design verification procedures for \$5.0 million.

Derma Sciences, Inc.

The Company assumed contingent consideration incurred by Derma Sciences, Inc. (“Derma Sciences”) related to its acquisitions of BioD, LLC and the intellectual property related to Medihoney® products. The Company accounted for the contingent liabilities by recording the fair value on the date of the acquisition based on a probability weighted income approach. The Company has already paid \$33.3 million related to the aforementioned contingent liabilities. One contingent milestone remains, which relates to net sales of Medihoney products exceeding certain amounts defined in the agreement between the Company and Derma Sciences. The potential maximum undiscounted payment amounts to \$3.0 million.

ACell, Inc.

As part of the acquisition of ACell, the Company is required to make payments to the former shareholders of ACell up to \$100 million in total for years 2022, 2023, and 2025 based on the achievement by the Company of certain revenue-based performance milestones. The Company estimated the fair value of the contingent consideration to be \$23.9 million at the acquisition date. The 2022 and 2023 milestones were not achieved, leaving only one contingent milestone remaining. The Company used iterations of the Monte Carlo simulation to calculate the fair value of the contingent consideration that considered the possible outcomes of scenarios related to each specific milestone.

Surgical Innovations Associates, Inc.

As part of the acquisition of Surgical Innovations Associates, Inc. ("SIA"), the Company is required to pay to the former shareholders of SIA up to \$90.0 million for two separate payments, which are dependent on (1) achieving certain revenue-based performance milestones in 2023, 2024, and 2025 (up to \$50.0 million in additional payments), as well as (2) the approval by the FDA of the pre-market approval ("PMA") application for DuraSorb for certain uses by certain timing targets (up to \$40.0 million in additional payments). The Company estimated the fair value of the contingent consideration for the revenue based milestone to be \$32.6 million at the acquisition date and \$25.0 million for the PMA approval milestone at the acquisition date. In the second quarter of 2024, the Company paid out \$12.4 million related to the 2023 performance year. The Company used iterations of the Monte Carlo simulation to calculate the fair value of the contingent consideration for the revenue-based milestone that considered the possible outcomes of scenarios related to each specific milestone for the revenue based performance milestone. The Company used probabilities of achieving the conditions to calculate the fair value of the contingent consideration for the PMA approval milestone.

17. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability.

Valuation techniques used to measure fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 establishes a three-level hierarchy of the inputs (i.e., assumptions that market participants would use in pricing an asset or liability) used to measure fair value, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable inputs in measuring fair value. The categorization within the valuation hierarchy is based on the lowest level of input that is significant to the entire fair value measurement. The three levels of the valuation hierarchy are defined as follows:

Level 1: Inputs to the valuation methodology are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable inputs that are supported by little or no market activity and are based on management's best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company has investments in time deposits that are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, as well as certain debt obligations that are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The investments in time deposits are classified as cash and cash equivalents and short-term investments on the consolidated balance sheets which is determined based on maturities at the time of purchase and re-evaluated at each balance sheet date.

The Company also has investments in derivative instruments, which are comprised of interest rate swaps, cross currency swaps, net investment hedges, and forward foreign currency contracts that are classified within Level 2 of the fair value hierarchy because they are valued using analyses obtained from independent third-party valuation specialists based on market observable inputs. The fair values of these derivative contracts represent the estimated amounts the Company would receive or pay to terminate the contracts. Refer to *Note 7. Derivative Instruments* for further discussion and information on these derivative contracts.

In addition, the Company has contingent consideration liabilities that are classified within Level 3 of the fair value hierarchy because they are measured at fair value using significant unobservable inputs, including management's forecast of future revenues for the acquired businesses as well as management's estimates of the likelihood of achieving the other specified criteria. Refer to *Note 16. Commitments and Contingencies* for additional information on these contingent consideration liabilities.

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Assets and liabilities measured and recorded at fair value on a recurring basis as of March 31, 2025 and December 31, 2024 consisted of the following:

Dollars in thousands	Fair Value Measurement	March 31, 2025	December 31, 2024
Assets:			
Cash and cash equivalents	Level 1	\$ 239,104	\$ 246,375
Short-term investments	Level 1	34,191	27,192
Interest rate swaps	Level 2	39,905	48,795
Foreign currency forward contracts	Level 2	9	—
Foreign currency forward contracts (not designated as hedges)	Level 2	1,608	1,700
Total Assets:		\$ 314,817	\$ 324,062
Liabilities:			
Cross currency rate swaps	Level 2	\$ 16,092	\$ 4,367
Net investment hedges	Level 2	37,179	31,113
Foreign currency forward contracts	Level 2	—	914
Contingent consideration	Level 3	64,495	69,657
Total Liabilities:		\$ 117,766	\$ 106,051

A roll forward of the fair value of the contingent consideration liabilities, as determined by Level 3 unobservable inputs, during the three months ended March 31, 2025 and 2024 were as follows:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Balance at beginning of period	\$ 69,657	\$ 87,312
Change in fair value	(162)	456
Payments	(5,000)	—
Balance at end of period	\$ 64,495	\$ 87,768

There were no transfers into or out of Level 3 during the three months ended March 31, 2025 and 2024.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company remeasures the fair value of certain assets and liabilities, including property, plant and equipment; operating lease - right of use assets; and goodwill and other intangible assets, upon the occurrence of certain events. The amounts recognized were recorded to remeasure the carrying amount of assets to the assets' fair values, which were generally estimated, based upon a market participant's perspective, using Level 3 measurements, including values estimated using the income approach.

Other than the fair value estimates disclosed in *Note 2. Acquisitions and Divestitures*, *Note 5. Goodwill and Other Intangible Assets*, and *Note 10. Leases and Related Party Leases*, there were no non-recurring fair value measurements during the three months ended March 31, 2025 and 2024.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report") and our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

We have made statements in this Quarterly Report that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical fact contained in this Quarterly Report, including, but not limited to, statements regarding our business strategy and plans, our growth and growth strategies, developments in the markets for our products and services, financial results, our planned product launches and effectiveness, our research and development strategy, regulatory approvals, our competitive strengths, objectives of management for future operations and current expectations or forecasts of future results, our expectations regarding the Boston facility and plans to operationalize the Company's

manufacturing facility in Braintree, Massachusetts (“the Braintree facility”), our transition of the manufacture of SurgiMend® and PriMatrix® to the Braintree facility, our ability to obtain a pre-market approval (“PMA”) of SurgiMend PRS in implant-based breast reconstruction and to obtain a PMA for Durasorb® in 2026 for multiple indications for implant-based breast reconstruction, our expectations regarding the Compliance Master Plan (“the CMP”) implementation and engagement, our restructuring and cost-saving initiatives, our intellectual property rights, litigation and tax matters, governmental proceedings and investigations, mergers and acquisitions, divestitures, market acceptance of our products and services, accounting estimates, financing activities, ongoing contractual obligations and compliance with restrictive and financial covenants of our outstanding indebtedness, working capital adequacy, value of our investments, our effective tax rate, estimates regarding the impact of tariffs adopted or implemented by the U.S. or other countries on our business, financial condition and results of operations, our expected returns to shareholders, and our sales efforts, are forward-looking statements. In some cases, these forward-looking statements may be identified by forward-looking words such as “believe,” “may,” “might,” “could,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “seek,” “plan,” “expect,” “should,” “would” or the negative version of these words or other similar words and expressions in this Quarterly Report.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions about the Company and other matters that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. We believe these risks include but are not limited to those described under the headings “Risk Factors” and “Special Note Regarding Forward-Looking Statements” in our Annual Report on Form 10-K for the year ended December 31, 2024 and in this Quarterly Report, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (the “SEC”), which are accessible on the SEC’s website at <https://www.sec.gov>. Such risks and uncertainties include, but are not limited, to the following: the ongoing and possible future effects of global challenges, including macroeconomic uncertainties, inflation, supply chain disruptions, trade regulation and tariffs, political instability, violent conflicts, and other macroeconomic disruptions and U.S. and global recession concerns, on the Company’s customers and on the Company’s business, financial condition, results of operations and cash flows; the Company’s ability to execute its operating plan effectively; the Company’s ability to successfully integrate acquired businesses; the Company’s ability to achieve sales growth in a timely fashion; the Company’s ability to manufacture and ship sufficient quantities of its products to meet its customers’ demands; the ability of third-party suppliers to supply us with raw materials and finished products; the Company’s ability to manage its direct sales channels effectively; the sales performance of third-party distributors on whom the Company relies to generate revenue for certain products and geographic regions; the Company’s ability to access and maintain relationships with customers of acquired entities and businesses; physicians’ willingness to adopt and third-party payors’ willingness to provide or maintain reimbursement for the Company’s recently launched, planned and existing products; initiatives launched by the Company’s competitors; downward pricing pressures from customers; the Company’s ability to secure regulatory approval for products in development; the Company’s ability to remediate quality systems violations; difficulties or delays in obtaining and maintaining required regulatory approvals related to the transition of manufacturing SurgiMend and PriMatrix to the Braintree facility and obtain pre-market approval of SurgiMend PRS in implant-based breast reconstruction; the possibility that costs or difficulties related to building and the operationalization of the Braintree facility or the transition of manufacturing activities from the Company’s Boston facility to the Braintree facility will be greater than expected; fluctuations in hospitals’ spending for capital equipment; the Company’s ability to comply with regulations regarding products of human origin and products containing materials derived from animal source; the impact of changes in management or staff levels; the impact of goodwill and intangible asset impairment charges if future operating results of acquired businesses are significantly less than the results anticipated at the time of the acquisitions, the Company’s ability to leverage its existing selling organizations and administrative infrastructure; the Company’s ability to increase product sales and gross margins, and control both product and non-product costs and expenses; the amount and timing of divestiture, acquisition and integration-related costs; the geographic distribution of where the Company generates its taxable income; new U.S. and foreign government laws and regulations, and changes in existing laws, regulations and enforcement guidance, which affect areas of our operations including, but not limited to, those affecting the health care industry, including the EU Medical Devices Regulation (“EU MDR”); the scope, duration and effect of additional U.S. and international governmental, regulatory, fiscal, monetary and public health responses to public health crises; fluctuations in foreign currency exchange rates; the amount of our bank borrowings outstanding and other factors influencing liquidity; our ability to comply with the covenants under the agreements governing our indebtedness and the potential negative consequences caused by non-compliance; potential negative impacts resulting from environmental, social and governance matters; disruptions at the FDA, including due to a reduction in the FDA’s and CMS’ workforce and/or inadequate funding for the FDA or CMS; and the potential impact of our compliance with governmental regulations and accounting guidance.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, results of operations, financial condition, and/or cash flows. These forward-looking statements speak only as of the date of this Quarterly Report and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law. You should carefully consider forward-looking statements and understand that such forward-

looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, and involve a variety of risks and uncertainties.

GENERAL

Integra LifeSciences Holdings Corporation was founded in 1989 and is a leading global medical technology company innovating treatment pathways to advance patient outcomes and set new standards of surgical, neurologic, ear, nose, and throat (“ENT”) and regenerative care. Our common stock trades on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “IART.” We have developed numerous product lines from our technologies for applications ranging from burn and deep tissue wounds to the repair of dura mater in the brain, as well as nerves and tendons. We have expanded our base regenerative technology business to include ENT, surgical instruments, neurosurgical products and advanced wound care through global acquisitions and product development to meet the evolving needs of our customers and enhance patient care.

Integra products are sold in more than 120 countries through a direct sales force as well as distributors and wholesalers. We manufacture and sell medical technologies and products in two reportable business segments: Codman Specialty Surgical (“CSS”) and Tissue Technologies (“TT”). The CSS segment, which represents approximately two-thirds of our total revenue, consists of market-leading technologies and instrumentation used for a wide range of specialties, such as neurosurgery, neurocritical care and otolaryngology. We are the world leader in neurosurgery and one of the top three providers in the U.S. in instruments used in precision, specialty, and general surgical procedures. Our TT segment generates about one-third of our overall revenue and focuses on three main areas: complex wound surgery, surgical reconstruction, and peripheral nerve repair.

We have key manufacturing and research facilities located in California, Maryland, Massachusetts, New Jersey, Ohio, Puerto Rico, Tennessee, Utah, France, Germany, Ireland, Israel and Switzerland. We source most of our handheld surgical instruments and dural sealant products through specialized third-party vendors.

Our strategies are focused around five pillars. Of these five pillars, three are core growth drivers: (1) innovating for outcomes, (2) growing internationally, and (3) broadening our impact on care pathways. Our execution of the core growth drivers is enabled by two additional pillars: (4) driving operational and customer excellence and (5) cultivating a high-performance culture. As outlined in greater detail below, we believe these five pillars will enable us to realize and advance our integrated growth strategy.

To this end, our executive leadership team has established the following key priorities aligned to our five pillars:

Innovating for Outcomes. An important part of Integra’s growth strategy is introducing new products to strengthen and expand our portfolio through clinical evidence to support regulatory approval and strong reimbursement of our product portfolio around the world, including new indications for existing technologies. In 2021, we filed a PMA application for a specific indication for SurgiMend in the use of post-mastectomy implant-based breast reconstruction (“IBBR”). We currently anticipate PMA approval following the completion of the construction, FDA approval and operationalization of our Braintree facility, which is expected in the first half of 2026. We are also pursuing a PMA for DuraSorb for multiple indications in the use in IBBR. We completed enrollment for the DuraSorb U.S. investigational device exemption (“IDE”) clinical trial for two-stage breast reconstruction in 2023 and we continue to advance the PMA application. Currently, we hope to secure PMA approval for DuraSorb in 2026.

In 2024 we expanded our urinary bladder matrix platform with the U.S. launch of MicroMatrix® Flex, a dual-syringe system enabling the convenient mixing and precise delivery of MicroMatrix paste to provide convenient access to hard-to-reach spaces and to help prepare an even wound surface in challenging wound areas.

Additionally, in 2024, we successfully re-launched our CereLink® intracranial pressure (“ICP”) monitor system. CereLink provides advanced continuous ICP monitoring when treating patients with traumatic brain injuries and offers enhanced accuracy, usability and advanced data presentation compared to other leading ICP monitoring systems.

Growing Internationally. Over the years, we have been significantly expanding our global footprint through investments in our commercial and manufacturing organizations, the expansion and development of international markets and new product introductions. As part of our In-China-For-China strategy, we continue to build out our assembly capabilities in our facility in Suzhou, China. Several new products were introduced in select international markets in 2023 and 2024, including MicroMatrix and Certas Plus® Programmable Valve, which were launched in Europe, and CUSA Clarity laparoscopic tip, which was launched in Australia, New Zealand, Japan, Canada, South Africa and Israel. In addition, DuraGen® Secure received approval in Japan, while DuraGen Plus, an absorbable and sutureless collagen onlay indicated as a dura substitute for the repair of dura mater, and Certas Plus were approved in China.

Broadening Impact on Care Pathways. We seek ways to develop and acquire products and technologies that impact the lives of patients, starting with the journey that a patient takes from diagnosis and treatment planning to surgery and postoperative care. We are well-established in acute care in the hospital setting and continue to leverage that strong position to grow in this segment and shape treatment pathways into preoperative care and additional sites of care. In April 2024, we successfully completed the acquisition of Acclarent, Inc. (“Acclarent”). Acclarent is an innovator and market leader in ENT procedures and the acquisition of Acclarent has positioned Integra as one of the leading providers of ENT products and technologies. Furthermore, we believe that, owing to the ENT business being an anatomical adjacency to neurosurgery, the acquisition will allow Integra to deliver future innovation both within the ENT business and across our other CSS technology platforms.

Driving Operations and Customer Excellence. We have been making investments to build more responsive and scalable processes, enhance the reliability of our quality systems and supply chain, and drive productivity initiatives to further supply and lower costs. We continue to invest in technologies, systems and processes to enhance the customer experience. We also continue to invest in our capacity expansion. This includes ongoing projects of transferring manufacturing from our Boston facility to our Braintree facility in Massachusetts and further investing in capacity and validating manufacturing processes in our manufacturing facility in Plainsboro, New Jersey. We are implementing the CMP, a systematic and holistic approach to improving our quality management system across our manufacturing and supply network. The primary objectives of the CMP are to remediate quality system gaps, harmonize the quality management system across the Company, and enhance the quality culture at the Company.

Cultivating a High-Performance Culture. In seeking to sustain a culture of excellence and accountability, we focus on employee empowerment, professional development and building an environment where all employees can contribute to their fullest potential. These efforts have been recognized through our inclusion in several best workplace lists globally. Additionally, we continue to advance our broader organizational sustainability initiatives and published our third annual environmental, social and governance (“ESG”) report. For more information on our ESG strategy, goals, performance, and achievements, please visit “Our Company—ESG Report” at <https://www.integralife.com/esg-report>. Information on our website is not incorporated by reference herein and is not part of this Quarterly Report on Form 10-Q.

New Product Introductions and Research and Development Updates

We continue to invest in collecting clinical evidence to support our existing products and new product launches, and to ensure that we obtain market access for broader and more cost-effective solutions.

Neurosurgical Solutions, Surgical Instruments, and ENT Solutions. The CSS neurosurgical business consists of a broad portfolio of market-leading brands, such as Codman®, DuraGen, DuraSeal®, CUSA®, CereLink, Mayfield®, Bactiseal®, and Certas Plus, which are used for the management of multiple disease states, including brain tumors, traumatic brain injury, hydrocephalus and other neurological conditions. The growth in this business in recent years has been fueled by geographic expansion and new product registrations in markets, such as China, Japan, and Europe, which we expect to continue in the near-to-long term. Because our electromechanical products and instruments address significant needs in surgical procedures and limit uncertainty for surgeons, we continue to invest in registrations, clearances, and approvals for new indications and next generation improvements to our market-leading products. We have several active programs focused on life cycle management and innovation for capital and disposable products in our portfolio. Our product development efforts are focused on core clinical applications in cerebrospinal fluid management, neuro-critical care monitoring, minimally invasive instruments and electrosurgery and ultrasonic medical technologies, as well as our ambition to transform the standard of care in neurosurgery with product advancements in minimally invasive surgery and the surgical management of intracerebral hemorrhage. Our lighting franchise is among the most dynamic in the industry.

We continue to advance the early-stage technology platforms we acquired in 2019. Through the acquisition of Arkis Biosciences, Inc. (“Arkis”) we added a platform technology, CerebroFlo® external ventricular drainage (“EVD”), a catheter with Endexo® technology, a permanent additive which has shown to be effective in reducing platelet adhesion in-vitro, reducing thrombus accumulation in-vitro and in vivo, and reducing the clinical incidence of thrombus formation. The CerebroFlo EVD catheter has demonstrated an average of 99% less thrombus accumulation onto its surface, in vitro, compared to a market leading EVD catheter. Our work to combine our Bactiseal antimicrobial technology with the Endexo anti-occlusive technology continues to progress for both a silicone-based hydrocephalus and EVD product.

We also continue to advance our innovation from the Rebound Therapeutics Corporation (“Rebound Therapeutics”), which was acquired in 2019. Rebound Therapeutics specializes in a single-use medical device, known as the Aurora® Surgiscope, which is the only tubular retractor system designed for cranial surgery with an integrated access channel, camera and lighting. The 15mm x 60mm and 15mm x 80mm Aurora Surgiscope System received 510(k) clearance from the FDA in 2025.

In 2024 we acquired Acclarent, expanding our capabilities in the U.S. ENT market. Acclarent pioneered the balloon sinuplasty market and has a broad portfolio including the RELIEVA SPINPLUS® Balloon Sinuplasty System. Acclarent also pioneered eustachian tube balloon dilation and currently markets the AERA® Eustachian Tube Dilation System, which received 510(k)

clearance for expanded pediatric indications in 2023. Acclarent also sells the TruDi® Navigation System, which includes a portfolio of navigated surgical instrumentation.

Regenerative Technologies. We were the first company to receive FDA approval for regeneration of dermal tissue and are a world leader in regenerative technology. Our regenerative technology development program applies our expertise in bioengineering to a range of biomaterials including natural materials such as purified collagen, intact human or animal tissues, honey as well as resorbable synthetic polymers with our DuraSorb and DuraSeal product lines. These unique product designs are used for neurosurgical and reconstructive surgical applications, as well as dermal regeneration, including the management of chronic and acute wounds, tendon and nerve repair. Our regenerative technology platform includes our legacy Integra® Dermal Regeneration Template (“IDRT”) products and complementary technologies that we have acquired. Our collagen manufacturing capability, combined with our history of innovation, provides us with strong platform technologies for multiple indications.

In 2021, we filed a PMA application for a specific indication for SurgiMend for use in post-mastectomy IBBR and in 2024 received approvable pending GMP status from FDA, which approved and closed out the clinical portion of this PMA application. We anticipate PMA approval following FDA approval and operationalization of the Braintree facility, which is expected in the first half of 2026.

In 2022, we acquired SIA, which also submitted a PMA application for multiple indications for DuraSorb for use in IBBR. In 2023 we completed enrollment in the DuraSorb U.S. IDE clinical trial for two-stage breast reconstruction; and continue to advance the PMA application. Currently, we hope to secure PMA approval for DuraSorb for use in IBBR in 2026. By offering two distinct product solutions for multiple indications for use in IBBR, we believe we have the opportunity to build a leading position in the IBBR market.

In 2024, MicroMatrix Flex, used in the management of wounds with hard-to-reach geometries, such as deep wounds that present with tunneling or undermining, became commercially available in the U.S.

In 2024, we also acquired the product rights for Durepair Dural Regeneration Matrix, which is expected to strengthen our dural repair product portfolio and will be manufactured at the Braintree facility.

European Union Medical Device Regulation Updates

We continue to work towards certifying our products under the EU MDR. In recent years, we received EU MDR certification in our CSS segment for Hakim Programmable Valves, Certas Plus with and without Bactiseal catheters, Surgical Patties & Strips, DuraSeal Dural, and DuraGen Suturable, as well as IDRT, BioPatch, MicroMatrix, and Cytal in our TT segment. Although we do not currently anticipate any disruption to our commercial activities in Europe related to EU MDR, we cannot provide assurance of our ability to timely comply with all applicable requirements of EU MDR and our failure to meet the applicable EU MDR requirements could adversely impact our business in the EU and other regions that tie their product registrations to the EU requirements.

FDA Matters

On December 19, 2024, a subsidiary of the Company received a warning letter from the FDA (the “2024 Warning Letter”). The 2024 Warning Letter relates to quality system issues identified during FDA inspections at three of the Company’s facilities located in Mansfield, Massachusetts; Plainsboro, New Jersey; and Princeton, New Jersey. The 2024 Warning Letter did not identify any new observations that had not already been provided in the Form 483s previously issued to the Company by the FDA at the conclusion of its three inspections in June and August of 2024 (the “2024 Form 483s”). In the 2024 Form 483s, the FDA deemed certain of the Company's devices, including cranial perforators, disposable cottonoid patties and strips, and collagen-based products, to be out of compliance with respect to quality system regulations. At that time, the Company took a number of voluntary actions including the initiation of shipping holds for several products and a voluntary recall of the disposable patties and strips. The 2024 Warning Letter does not restrict the Company’s ability to manufacture or ship products, require recall of any products, nor restrict the Company’s ability to seek FDA 510(k) clearance of products. The 2024 Warning Letter states that premarket approval applications for Class III devices to which the quality system regulation violations are reasonably related will not be approved until the violations have been corrected. The Company has submitted several responses to the 2024 Form 483s issued to each of the three manufacturing facilities to the FDA and has submitted two updates to the 2024 Warning Letter in the first quarter of 2025.

On March 7, 2019, TEI Biosciences, Inc. (“TEI”), one of our wholly-owned subsidiaries, received a Warning Letter (the “2019 Warning Letter”), dated March 6, 2019, from the FDA. The 2019 Warning Letter was related to quality systems issues at TEI’s manufacturing facility located in Boston, Massachusetts (the “Boston facility”). The Boston facility manufactures extracellular bovine matrix products in our TT segment that are sold both in wound reconstruction and care and in private label channels. The letter resulted from an inspection held at that facility in October and November 2018 and did not identify any new observations that were not already provided in the Form 483 that followed the inspection. We submitted our initial response to the 2019 Warning Letter on March 28, 2019 and provide regular progress reports to the FDA as to our corrective actions. On October 28, 2021, the FDA initiated an inspection of the facility and at the conclusion of the inspection, issued an FDA Form 483 on November 12, 2021 (the “2021 Form 483”). We provided an initial response to the inspection observations. On March 1, 2023, the FDA commenced an inspection of the Boston facility and issued an FDA Form 483 at the conclusion of this inspection (the “2023 Form 483”). In May 2023, after consultation with the FDA, the Company initiated a voluntary global recall of all products manufactured at the Boston facility, including PriMatrix, SurgiMend, Revize™, and TissueMend™, distributed between March 1, 2018 and May 22, 2023. On July 19, 2023, TEI received a Warning Letter, dated July 17, 2023, from the FDA related to quality system issues at the Boston facility (the “2023 Warning Letter”). The 2023 Warning Letter did not identify any new observations that had not already been provided in the 2023 Form 483. The Company has submitted periodic responses to the FDA for both the 2023 Form 483 and the 2023 Warning Letter. We are committed to resolving the matters identified in the warning letters and Form 483s and are continuing our significant efforts to remediate the observations.

Although the warning letters do not restrict the Company’s ability to seek FDA 510(k) clearance of products, PMAs for Class III devices to which the quality system regulation violations are reasonably related will not be approved until the violations have been addressed. Following its assessment of the results of a third-party audit of the Boston facility, the Company announced in the second quarter of 2024 that it no longer plans to restart the manufacture of PriMatrix and SurgiMend at its Boston facility and will, instead, restart manufacturing of these products at its new tissue manufacturing at the Braintree facility. In addition, the Company also plans to manufacture Durepair Dural Regeneration Matrix at the Braintree facility. The Company anticipates the Braintree facility to be operational with FDA approval in the first half of 2026.

We cannot give any assurances that the FDA will be satisfied with our response to the issues identified by the FDA in any of the foregoing Form 483s or warning letters or as to the expected date of the resolution of such issues. Until the issues cited by the FDA are resolved to the FDA’s satisfaction, the FDA may initiate additional regulatory action without further notice. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively manufacturing, marketing and selling our products and could have a material adverse effect on our business, financial condition and results of operations.

Optimization and Integration Activities

As a result of our ongoing acquisition strategy and significant growth in recent years, we have undertaken cost-saving initiatives to consolidate manufacturing operations, distribution facilities and transfer activities, eliminate duplicative positions, realign various sales and marketing activities, and expand and upgrade production capacity for our regenerative technology products. These efforts are expected to continue and while we expect a positive impact from ongoing restructuring, integration, and manufacturing transfer and expansion activities, such results remain uncertain.

As a result of both audits by regulatory agencies as well as our own reviews of the Company’s quality management system, we are in the process of implementing the CMP, a systematic and holistic approach to improving our quality management system across our manufacturing and supply network. The primary objectives of the CMP are to remediate quality system gaps, harmonize the quality management system across the Company, and enhance the quality culture at the Company.

RESULTS OF OPERATIONS

Executive Summary

Net loss for the three months ended March 31, 2025 was \$(25.3) million, or \$(0.33) per diluted share, as compared to net loss of \$(3.3) million or \$(0.04) per diluted share for the three months ended March 31, 2024. The decrease in net income for the three months ended March 31, 2025, was primarily driven by the impact of quality and operational issues on revenue and associated costs.

Special Charges

Income before taxes includes the following special charges:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Acquisition, divestiture and integration-related charges	\$ 6,224	\$ 4,723
Structural optimization charges	10,663	4,440
EU medical device regulation	10,944	12,023
Boston recall / Braintree transition ⁽¹⁾	14,810	9,044
Total	\$ 42,641	\$ 30,230

⁽¹⁾ This primarily includes idle capacity charges, inventory write offs, site transfer costs, quality remediation costs, right of use and fixed asset impairments.

The items reported above are reflected in the condensed consolidated statements of operations as follows:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Cost of goods sold	\$ 20,709	\$ 13,021
Research and development	3,976	5,843
Selling, general and administrative	17,492	11,411
Other income	464	(45)
Total	\$ 42,641	\$ 30,230

We typically define special charges as items for which the amounts and/or timing of such expenses may vary significantly from period to period, depending upon our acquisition, divestiture, integration and restructuring activities; items for which the amounts are non-cash in nature; and items which are not expected to recur at the same magnitude. We believe that given our ongoing strategy of seeking acquisitions, our continuing focus on rationalizing our existing manufacturing and distribution infrastructure and our continuing review of various product lines in relation to our current business strategy, some of the special charges discussed above could recur with similar materiality in the future.

We believe that the separate identification of these special charges provides important supplemental information to investors regarding financial and business trends relating to our financial condition and results of operations. Investors may find this information useful in assessing the comparability of our operating performance from period to period, against the business model objectives that management has established, and against other companies in our industry. We provide this information to investors so that they can analyze our operating results in the same way that management does and to use this information in their assessment of our core business and valuation of the Company.

Revenues and Gross Margin

The Company's revenues and gross margin on product revenues were as follows:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Segment Net Sales		
Codman Specialty Surgical	\$ 280,664	\$ 256,434
Tissue Technologies	101,989	112,438
Total revenues	\$ 382,653	\$ 368,872
Cost of goods sold	188,221	162,038
Gross margin on total revenues	\$ 194,432	\$ 206,834
Gross margin as a percentage of total revenues	50.8 %	56.1 %

Three Months Ended March 31, 2025 as Compared to Three Months Ended March 31, 2024

Revenues and Gross Margin

For the three months ended March 31, 2025, total revenues increased by \$13.8 million to \$382.7 million from \$368.9 million for the same period in 2024. Excluding the impacts of the Acclarent acquisition and foreign currency impact, revenues declined low single digits compared to the same period in the previous year, driven by impacts from quality and operational issues.

In the CSS segment, revenues were \$280.7 million which was an increase of \$24.2 million, or 9% as compared to the prior-year period, inclusive of \$29.1 million related to the Acclarent acquisition. Excluding the impact of the Acclarent acquisition, the Neurosurgery portfolio decreased low single digits, primarily driven by a decline in Dural Access and Repair, Advanced Energy and Neuro Monitoring, offset by strong performance in our Instrument business.

In the TT segment, revenues were \$102.0 million which was a decrease of \$10.4 million, or 9% as compared to the prior-year period. This is primarily attributable to declines in Integra Skin and our private label business due to production and supply challenges, partially offset by growth in MicroMatrix & Cytal, and Durasorb.

Gross margin was \$194.4 million for the three months ended March 31, 2025, a decrease of \$12.4 million from \$206.8 million for the same period in 2024. Gross margin as a percentage of revenues was 50.8% for the three months ended March 31, 2025 and 56.1% for the same period in 2024. For the three months ended March 31, 2025, gross margins were impacted by expenses associated with quality and operational issues. For the three months ended March 31, 2024, gross margins were impacted by expenses associated with the Boston recall, as well as additional manufacturing expenses across our manufacturing sites.

Operating Expenses

The following is a summary of operating expenses as a percent of total revenues:

	Three Months Ended March 31,	
	2025	2024
Research and development	6.5 %	7.3 %
Selling, general and administrative	47.4 %	44.9 %
Intangible asset amortization	1.0 %	2.7 %
Total operating expenses	54.9 %	54.9 %

Total operating expenses, which consist of research and development, selling, general and administrative, and amortization expenses, increased by \$7.1 million, or 3.5%, to \$209.9 million in the three months ended March 31, 2025, compared to \$202.9 million in the same period in 2024.

Research and Development

Research and development expenses for the three months ended March 31, 2025 decreased by \$2.2 million as compared to the same period in the prior year, primarily attributable to lower spend on EU MDR and other research and development projects.

Selling, General and Administrative

Selling, general and administrative costs for the three months ended March 31, 2025 increased by \$15.7 million as compared to the same period in the prior year, primarily driven by Acclarent commercial costs.

Intangible Asset Amortization

Amortization expense (which does not include amounts reported in cost of product revenues for technology-based intangible assets) for the three months ended March 31, 2025 was \$3.7 million compared to \$10.1 million for the same period in the prior year. The decrease is primarily due to the impairment of customer relationship intangible related to our Boston facility, which was recorded during the three months ended March 31, 2024.

Non-Operating Income and Expenses

The following is a summary of non-operating income and expense:

	Three Months Ended March 31,	
	2025	2024
Dollars in thousands		
Interest income	\$ 4,420	\$ 5,040
Interest expense	(18,815)	(13,624)
Other expense, net	(144)	(610)
Total non-operating income and expense	\$ (14,539)	\$ (9,194)

Interest Income

Interest income for the three months ended March 31, 2025 decreased by \$0.6 million as compared to the same period in the prior year.

Interest Expense

Interest expense for the three months ended March 31, 2025 increased by \$5.2 million as compared to the same period in the prior year primarily due to the expiration of interest rate swap derivative instruments with a notional value of \$350.0 million during 2024 that are no longer hedging interest expense in 2025.

Other Expense, net

Other expense, net for the three months ended March 31, 2025 decreased by \$0.5 million compared to the same period in the prior year, primarily driven by foreign exchange impact.

Income Taxes

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Loss before income taxes	\$ (30,036)	\$ (5,230)
Benefit provision for income taxes	(4,743)	(1,949)
Effective tax rate	15.8 %	37.3 %

The Company's effective income tax rates for the three months ended March 31, 2025 and 2024 were 15.8% and 37.3%, respectively. For the three months ended March 31, 2025, the Company's effective tax rate was driven by federal, state, and international tax benefits generated from operating losses in certain jurisdictions, offset by the inclusion of U.S. Global Intangible Low-Taxed Income ("GILTI") and additional taxes to meet the global minimum tax in certain foreign jurisdictions. For the three months ended March 31, 2024, the Company's effective tax rate was driven by a \$1.5 million shortfall from stock based compensation, offset by a tax benefit for intangible asset impairment.

The effective tax rate may vary from period to period depending on, among other factors, the geographic and business mix of taxable earnings and losses, tax planning and settlements with various taxing authorities. We consider these factors and others, including the Company's history of generating taxable earnings, in assessing our ability to realize tax assets on a quarterly basis.

Additionally, changes to income tax laws and regulations, in any of the tax jurisdictions in which the Company operates, could impact the effective tax rate. Various governments, both U.S. and non-U.S., are increasingly focused on tax reform and revenue-raising legislation. The current U.S. administration and legislators are considering new tax legislation, which may impact the Company's income tax provision. Further, legislation in foreign jurisdictions may be enacted, in continued response to the base erosion and profit-sharing project begun by the Organization for Economic Cooperation and Development ("OECD").

The OECD released model rules related to a new 15% global minimum tax regime ("Pillar 2"). Several of the jurisdictions in which we operate have already adopted some form of the model rules, which could impact the amount of taxes that the Company pays during 2025 and future taxable periods. The rules are complex and provide for delays for implementing the tax during the early transition years, if certain conditions are met. At this time, the Company is projecting a \$2.7 million expense related to Pillar 2 tax liability for the 2025 year. The Company will continue to analyze the new Pillar 2 laws and any related guidance to determine potential impacts. Such changes in U.S. and non-U.S. jurisdictions could have an adverse effect on the Company's effective tax rate. The Company will continue to monitor legislative activity across its U.S. and non-U.S. jurisdictions.

While it is often difficult to predict the outcome or the timing of the resolution of a particular matter with the various federal, state, and foreign tax authorities, we believe that our reserves reflect the most probable outcome of known tax contingencies. Settlement of a particular issue would usually require the use of cash. A favorable resolution would be recognized as a reduction to our annual effective tax rate in the year of resolution. The Company's tax reserves are presented in the balance sheet within other liabilities, except for amounts relating to items that we expect to pay in the coming year, which would be classified as current income taxes payable.

GEOGRAPHIC PRODUCT REVENUES AND OPERATIONS

We attribute revenues to geographic areas based on the location of the customer. Total revenue by major geographic area consisted of the following:

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
United States	\$ 282,217	\$ 256,229
Europe	35,326	41,596
Asia Pacific	45,105	49,545
Rest of World	20,005	21,502
Total Revenues	<u>\$ 382,653</u>	<u>\$ 368,872</u>

We generate significant revenues outside the U.S., a portion of which are U.S. dollar-denominated transactions conducted with customers that generate revenue in currencies other than the U.S. dollar. As a result, currency fluctuations between the U.S. dollar and the currencies in which those customers do business could have an impact on the demand for our products in foreign countries. Local economic conditions, regulatory compliance or political considerations, the effectiveness of our sales representatives and distributors, local competition and changes in local medical practice all may combine to affect our sales into markets outside the U.S.

Domestic revenues increased by \$26.0 million for the three months ended March 31, 2025 compared to the same period in the prior year. European sales decreased by \$6.3 million for the three months ended March 31, 2025 compared to the same period in the prior year. Sales to customers in Asia Pacific decreased by \$4.4 million for the three months ended March 31, 2025. Sales to customers in the Rest of World for the three months ended March 31, 2025 decreased by \$1.5 million compared to the same period in the prior year.

The increase in domestic revenues for the three months ended March 31, 2025 is primarily the result of the Acclarent acquisition, partially offset by a decline in sales of Integra Skin and our private label business. The decrease in international revenues for the three months ended March 31, 2025 was the result of a decline in sales of Dural Access & Repair, Advanced Energy and Neuro Monitoring.

LIQUIDITY AND CAPITAL RESOURCES***Working Capital***

Working capital consists of total current assets less total current liabilities as presented in the consolidated balance sheets. The Company's working capital as of March 31, 2025 and December 31, 2024 was \$188.8 million and \$159.6 million, respectively.

Cash and Marketable Securities

The Company had cash and cash equivalents totaling approximately \$239.1 million and \$246.4 million at March 31, 2025 and December 31, 2024, respectively, which are valued based on Level 1 measurements in the fair value hierarchy. At March 31, 2025, our non-U.S. subsidiaries held approximately \$182.7 million of cash and cash equivalents that are available for use outside the U.S. The Company asserts that it has the ability and intends to indefinitely reinvest the undistributed earnings from its foreign operations unless there is no material tax cost to remit the earnings into the U.S.

Short Term Investments

The Company had short term investments, primarily consisting of time deposits, which are valued based on Level 1 measurements in the fair value hierarchy, totaling approximately \$34.2 million at March 31, 2025 compared to \$27.2 million at December 31, 2024.

Cash Flows

Dollars in thousands	Three Months Ended March 31,	
	2025	2024
Net cash (used in) provided by operating activities	\$ (11,257)	\$ 15,756
Net cash used in investing activities	(35,920)	(53,965)
Net cash used in financing activities	35,377	358,676
Effect of exchange rate fluctuations on cash	4,529	(4,963)

Cash Flows Provided by or Used in Operating Activities

Operating cash flows for the three months ended March 31, 2025 decreased by \$27.0 million compared to the same period in 2024. Within operating cash flows, net income less non-cash adjustments decreased for the three months ended March 31, 2025 by approximately \$25.7 million as compared to the same period in 2024 due to the impact of quality and operational issues on revenue and associated costs.

The changes in assets and liabilities for the three months ended March 31, 2025, net of business acquisitions, decreased cash flows by \$24.7 million, mainly attributable to decreases in accrued expenses and other current liabilities due to payment of employee bonuses.

The changes in assets and liabilities for the three months ended March 31, 2024, net of business acquisitions, decreased cash flows by \$23.4 million, mainly attributable to increases in inventory, and decreases in other current liabilities and accounts receivable.

Cash Flows Used in Investing Activities

Uses of cash from investing activities for the three months ended March 31, 2025 were \$28.9 million paid for capital expenditures to support improvement initiatives at a number of our manufacturing facilities, and other technology investments, as well as \$7.0 million related to short term investments.

There were no sources of cash from investing activities for the three months ended March 31, 2025.

Uses of cash from investing activities during the three months ended March 31, 2024 related to \$38.5 million related to short term investments, and \$15.5 million paid for capital expenditures to support operations improvement initiatives at a number of our manufacturing facilities and other information technology investments.

There were no sources of cash from investing activities during the three months ended March 31, 2024.

Cash Flows Provided by or Used in Financing Activities

Uses of cash from financing activities in the three months ended March 31, 2025 related to the repayments of \$15.2 million under our Senior Credit Facility and Securitization Facility, as well as \$2.6 million related to payment of contingent consideration in connection with our acquisition of Arkis. In addition, the Company had \$2.1 million in cash taxes paid for net equity settlements.

Sources of cash from financing activities for the three months ended March 31, 2025 were \$54.4 million of proceeds from borrowings of long term indebtedness and \$1.0 million related to the proceeds from the exercise of stock options.

Uses of cash from financing activities in the three months ended March 31, 2024 related to the repayments of \$15.1 million under our Senior Credit Facility and Securitization Facility. In addition, the Company had \$3.1 million in cash taxes paid for net equity settlements.

Sources of cash from financing activities for the three months ended March 31, 2024 were \$370.5 million of proceeds from borrowings of long-term indebtedness and \$6.4 million related to the proceeds from the exercise of stock options.

Tariffs and Macroeconomic Environment

In April 2025, the U.S. government announced new tariffs on goods imported into the U.S. from dozens of countries, including China and the European Union member states. In response, governments have threatened or imposed reciprocal tariffs or taken other measures, and the United States is in the process of negotiating trade agreements with certain governments. Uncertainty remains with respect to trade policies and treaties between the U.S. and other countries and we continue to monitor and evaluate the situation. Tariffs could result in an increase in certain product costs or have adverse impacts on, among other things, demand for our products and supply chains. Any tariff costs will be reported within our cost of goods sold and will be capitalized in inventory and recognized as those products are sold. Particularly, the U.S. import tariffs and reciprocal measures by China, are expected to increase the Company's cost of goods sold. The Company anticipates that some of its suppliers will incur incremental tariff-related costs, which may be passed on to the Company. Approximately half of our global revenue is generated from products manufactured in the United States. In China, which accounts for approximately 5 percent of our total revenue, roughly half of the products we sell are manufactured in the United States.

The overall macroeconomic and geopolitical environment, including tariffs or changes in trade policies, slower economic growth or recession, market volatility and inflation, and uncertainty regarding all of the foregoing, pose risks that could impact our business, results of operations, financial condition and cash flows. The extent and duration of the tariffs and the resulting impact on general economic conditions and on the business are uncertain and are expected to be impacted by various factors, such as negotiations between the U.S. and affected countries, the responses of other countries or regions, exemptions or exclusions that already exist or may be granted, availability and cost of alternative sources of our products and materials, and our ability to offset the effects of any tariffs that might be imposed. For additional information on the risks that tariffs pose to the Company, please see *Part II, Item 1A. "Risk Factors"* of this Quarterly Report and *Part I, Item 1A. "Risk Factors"* of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Credit Agreement, Convertible Senior Notes, Securitization and Related Hedging Activities

See *Note 6. Debt*, to the Notes to Unaudited Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for a discussion of our Credit Agreement, the 2025 Notes and Securitization Facility and *Note 7. Derivative Instruments*, to the Notes to Unaudited Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for discussion of our hedging activities.

The Senior Credit Facility is subject to various financial and negative covenants and, at March 31, 2025, the Company was in compliance with all such covenants. Our Consolidated Total Leverage Ratio was 4.30, with the covenant requirement at 5.00 at the end of March 31, 2025. As outlined in the table in *Note 6. Debt*, the covenant requirement will drop from 5.00 to 4.25 for the fiscal quarter ended December 31, 2025.

The recent tariff changes imposed by the U.S. and other countries have created increased risks and uncertainties surrounding the Company's future results of operations. The impact of tariffs in the first quarter of 2025 was not material. However, should universal tariffs be implemented as initially announced in April 2025, the Company anticipates a significant adverse impact on its future costs of revenue, which will impact its results of operations.

Based on the Company's current financial projections and assuming the successful implementation of management's plans to mitigate the risks and uncertainties regarding the impact of tariffs on the Company's future results of operations described in *Note 1. Basis of Presentation*, management believes the Company will maintain compliance with its financial covenants and the Company's existing cash, projected operating cash flows, and available borrowing capacity under its revolving credit facility component of the Senior Credit Facility (as defined in *Note 6. Debt*) are adequate to meet its operating needs, liabilities and commitments over the next twelve months from the issuance of the accompanying interim unaudited condensed consolidated financial statements.

The 2025 Notes are scheduled to mature on August 15, 2025. We have sufficient capacity under the revolving credit facility of the Senior Credit Facility to repay the outstanding principal and accrued interest on the 2025 Notes upon maturity.

Share Repurchase Plan

See *Note 11. Treasury Stock*, to the Notes to Unaudited Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for further details of our share repurchase programs.

Dividend Policy

We have not paid any cash dividends on our common stock since our formation. Our Senior Credit Facility limits the amount of dividends that we may pay. Any future determinations to pay cash dividends on our common stock will be at the discretion of the Board of Directors and will depend upon our financial condition, results of operations, cash flows and other factors deemed relevant by the Board of Directors.

Capital Resources

We believe that our cash, cash equivalents, short term investments and available borrowings under the Senior Credit Facility are sufficient to finance our operations, capital expenditures and potential repayment of the 2025 Notes for the next twelve months and foreseeable future. Our future capital requirements will depend on many factors, including the growth of our business, the timing and introduction of new products and investments, strategic plans and acquisitions, and the potential impact of tariffs on our cost of goods sold and consumer demand for our products, among others. Additional sources of liquidity available to us include short term borrowings and the issuance of long term debt and equity securities.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements during the three months ended March 31, 2025 that have or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our interests.

Contractual Obligations and Commitments

We will continue to have cash requirements to support seasonal working capital needs and capital expenditures, to pay interest, to service debt, and to fund acquisitions. As part of our ongoing operations, we enter into contractual arrangements that obligate us to make future cash payments.

Our primary obligations include principal and interest payments on the revolving credit facility and term loan component of the Senior Credit Facility, Securitization Facility and 2025 Notes. See *Note 6. Debt*, to the Notes to Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for details. The Company also leases some of our manufacturing facilities and office buildings which have required future minimum lease payments. See *Note 10. Leases and Related Party Leases*, to the Notes to Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for a schedule of our future minimum lease payments. Amounts related to the Company's other obligations, including employment agreements and purchase obligations were not material.

The Company has contingent consideration obligations related to prior and current year acquisitions and future pension contribution obligations. See *Note 9. Retirement Plans*, and *Note 16. Commitments and Contingencies*, to the Notes to Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for details. The associated obligations are not fixed. The Company also has a liability for uncertain tax benefits including interest and penalties.

See *Note 12. Income Taxes* to the Notes to Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for details. The Company cannot make a reliable estimate of the period in which the uncertain tax benefits may be realized.

OTHER MATTERS

Critical Accounting Estimates

We based the discussion and analysis of our financial condition and results of operations upon our consolidated financial statements, which have been prepared in conformity with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. The critical accounting estimates discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 did not materially change in the three months ended March 31, 2025.

Recently Issued Accounting Standards

Information regarding new accounting pronouncements is included in *Note 1. Basis of Presentation*, to the Notes to Unaudited Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report), and is applicable to the current period's unaudited condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including changes in foreign currency exchange rates and interest rates that could adversely affect our results of operations and financial condition. To manage the volatility relating to these typical business exposures, we may enter into various derivative transactions when appropriate. We do not hold or issue derivative instruments for trading or other speculative purposes.

Foreign Currency Exchange and Other Rate Risks

We operate on a global basis and are exposed to the risk that changes in foreign currency exchange rates could adversely affect our financial condition, results of operations and cash flows. We are primarily exposed to foreign currency exchange rate risk with respect to transactions and net assets denominated in Euros, British pounds, Swiss francs, Canadian dollars, Japanese yen, Israeli shekel, Australian dollars and Chinese yuan. We manage the foreign currency exposure centrally, on a combined basis, which allows us to net exposures and to take advantage of any natural offsets. To mitigate the impact of currency fluctuations on transactions denominated in nonfunctional currencies, we periodically enter into derivative financial instruments in the form of foreign currency exchange forward contracts with major financial institutions. We temporarily record realized and unrealized gains and losses on these contracts that qualify as cash flow hedges in other comprehensive income, and then recognize them in other income or expense when the hedged item affects net earnings.

From time to time, we enter into foreign currency forward exchange contracts to manage currency exposures for transactions denominated in a currency other than an entity's functional currency. As a result, the impact of foreign currency gains/losses recognized in earnings are partially offset by gains/losses on the related foreign currency forward exchange contracts in the same reporting period. Refer to *Note 7. Derivative Instruments*, to the Notes to Unaudited Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for further information.

We maintain written policies and procedures governing our risk management activities. With respect to derivatives, changes in hedged items are generally expected to be completely offset by changes in the fair value of hedge instruments. Consequently, foreign currency exchange contracts would not subject us to material risk due to exchange rate movements, because gains and losses on these contracts offset gains and losses on the assets, liabilities or transactions being hedged.

The results of operations discussed herein have not been materially affected by inflation.

Interest Rate Risk

Cash and Cash Equivalents - We are exposed to the risk of interest rate fluctuations on the interest income earned on our cash and cash equivalents. A hypothetical 100 basis points increase or decrease in interest rates applicable to our cash and cash equivalents outstanding at March 31, 2025 would impact interest income by approximately \$2.3 million on an annual basis. We are subject to foreign currency exchange risk with respect to cash balances maintained in foreign currencies.

Short-Term Investments- We are exposed to the risk of interest rate fluctuations on the interest income earned on our short-term investments. A hypothetical 100 basis points movement in interest rates applicable to our short-term investments outstanding at March 31, 2025 would increase or decrease interest income by approximately \$0.3 million on an annual basis.

Debt - Our interest rate risk relates primarily to U.S. dollar SOFR-indexed borrowings. We use interest rate swap derivative instruments to manage our earnings and cash flow exposure to changes in interest rates. These interest rate swaps fix the interest rate on a portion of our expected SOFR-indexed floating-rate borrowings. These interest rate swaps were designated as cash flow hedges as of March 31, 2025. The total notional amounts related to the Company's interest rate swaps were \$1,125.0 million with \$425.0 million effective as of March 31, 2025. Based on our outstanding borrowings at March 31, 2025, a 100 basis points change in interest rates would have impacted interest expense on the unhedged portion of the debt by \$8.1 million on an annualized basis. See *Note 7. Derivative Instruments*, to the Notes to Unaudited Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for further information regarding interest rate swaps.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Management has designed our disclosure controls and procedures to provide reasonable assurance of achieving the desired control objectives.

As required by Exchange Act Rule 13a-15(b), we have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2025. Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2025 to provide such reasonable assurance.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

In response to business integration activities, we have and will continue to further align and streamline the design and operation of the financial control environment to be responsive to the changing business model.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Please refer to *Note 16. Commitments and Contingencies*, to the Notes to Unaudited Condensed Consolidated Financial Statements (Part I, Item 1 of this Quarterly Report) for further details on current legal proceedings.

ITEM 1A. RISK FACTORS

Except for as set forth below, there have been no material changes in our risk factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 pursuant to the Exchange Act.

The current tensions in international trade and rising international political tensions and uncertainties may materially adversely affect our business, financial condition, and results of operations, including our ability to continue to comply with the financial covenants of our outstanding indebtedness.

Our operations and performance are significantly impacted by global, regional and U.S. economic and geopolitical conditions and increased trade barriers, including tariffs, from the U.S., China, the European Union or other nations could materially adversely affect our business. The U.S. government announced changes to its trade policies, including increasing tariffs on imports, in some cases significantly, such as the April 2025 announcement of a universal baseline tariff and additional country-specific tariffs (which includes escalating tariffs on Chinese imports), and potentially negotiating or terminating existing trade agreements. The current tariff environment is dynamic and uncertain, as the U.S. government has imposed, modified and paused tariffs multiple times since the beginning of 2025. Changes to tariffs and other trade restrictions can be announced at any time with little or no notice. Additionally, potential tariffs or other U.S. trade policy measures have already prompted, and may prompt further, retaliatory actions by other countries, including by countries that are significant markets for our products, such as China. For example, in response to the recent tariffs announced by the U.S. government, on April 12, 2025, China imposed a 125% tariff on goods imported from the U.S., which could significantly increase our expenses on some of our products sold in China.

The use of tariffs as a policy tool has created significant uncertainty about the future trading relationship among the U.S., China, the European Union, Canada, Mexico and other exporting countries, including with respect to trade policies, treaties, government regulations and tariffs, and has led to concerns regarding the potential for extended trade barriers. The escalation of trade tensions could impact us in a variety of ways, including increases in manufacturing costs, disruptions or delays to our global supply chain, limitations on our ability to sell our products; and reductions in sales volumes and gross margins for our products, any of which could materially affect our business, financial condition and results of operations. Political uncertainty surrounding trade and other international disputes could also have a negative effect on customer confidence and spending, including capital equipment purchases by hospitals and some of our other customers. Changing our operations in accordance with new or changed trade restrictions may be expensive, time-consuming, disruptive to our operations and distracting to management. Further, such trade barriers could also lead to fluctuations in both the U.S. dollar and foreign currencies and our financial results may be materially adversely affected by such fluctuations.

Tariffs or other trade restrictions may lead to continuing uncertainty and volatility in U.S. and global financial and commodity markets and economic conditions which may ultimately reduce demand for our products and could have a materially adverse impact on our business, financial condition and results of operations. Also, disruptions and volatility in the financial markets may lead to adverse changes in the availability, terms and cost of capital. Such tariffs or other trade restrictions and a deterioration of economic conditions could make it more difficult to comply with the covenants of our existing outstanding indebtedness, including the Credit Agreement (as defined above), increase our costs of capital and limit our access to external financing sources to fund acquisitions, capital expenditures, or refinancing of debt maturities on similar terms, which could in turn reduce our cash flows and limit our ability to pursue growth opportunities.

The Credit Agreement requires us to, among other things, comply with certain financial covenants, including a requirement to maintain a maximum consolidated total leverage ratio and to deliver year-end financial statements with an audit opinion that is not subject to any “going concern” or like qualification. Failure to meet such covenant requirements would constitute an event of default (as defined in the Credit Agreement) and there is no certainty we would be able to obtain waivers or amendments with the requisite lenders party thereto in order to maintain compliance. Our ability to maintain compliance with such financial covenants can be affected by events beyond our control, including, for example, recent tariff changes imposed by the U.S. and China.

If an event of default occurs and we are unable to obtain necessary waivers or amendments, the requisite lenders may elect to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. Further, if an event of default occurs, the lenders will have the right to proceed against the collateral granted to them to secure that debt. If our debt were to be accelerated, our assets may not be sufficient to repay in full that debt that becomes due as a result of that acceleration. We could seek replacement financing at prevailing market rates or raise additional capital by issuing equity or debt securities; however, this may not be on terms favorable to us, or available at all.

We are required to assess our ability to continue as a going concern as part of our preparation of financial statements at each quarter-end. This assessment includes, among other things, our ability to comply with the financial covenants and other requirements under the Credit Agreement. A determination of substantial doubt about our ability to continue as a going concern may materially harm our business and reputation and may make it more difficult for us to obtain financing for the continuation

of our operations, which, in turn, may adversely impact our financial condition, results of operations and cash flows. For more information concerning the Credit Agreement and our compliance with the financial covenants thereunder, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources*” above.

As of the date of this quarterly report, there is still a high degree of uncertainty surrounding the tariff policy of the U.S., how it will be implemented, and how other countries will react to it. It also remains uncertain whether increased tariffs and trade tensions will create further disruptions and uncertainties to international trade and lead to a downturn to the global economy. The ultimate impact of any tariffs or other trade restrictions will depend on various factors, including the manner in which tariffs are implemented, the timing of implementation, exemptions, if any, to such tariffs and the amount, scope, and nature of retaliatory tariffs.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sale of Unregistered Securities:

None.

Purchases of Equity Securities:

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, Michael McBreen, the Company’s Executive Vice President, President, Codman Specialty Surgical, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Exchange Act on March 14, 2025 to sell up to 12,000 shares of our common stock between June 13, 2025 and June 10, 2026, the date this plan expires. The sales will be made in accordance with the prices and formulas set forth in the plan and such plan terminates on the earlier of the date all the shares under the plan are sold and June 10, 2026.

Other than as disclosed above, none of the Company’s directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” (as defined in Item 408(c) of Regulation S-K) during the three months ended March 31, 2025.

ITEM 6. EXHIBITS

Exhibits

3.1(a)	Amended and Restated Certificate of Incorporation of the Company dated February 16, 1993 (Incorporated by reference to Exhibit 3.1(a) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005)
3.1(b)	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company dated May 22, 1998 (Incorporated by reference to Exhibit 3.1(b) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998)
3.1(c)	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company dated May 17, 1999 (Incorporated by reference to Exhibit 3.1(c) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004)
3.1(d)	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company dated December 21, 2016 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 22, 2016)
3.1 (e)	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company dated May 9, 2024 (Incorporated by reference to Exhibit 3.1(e) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024)
3.2	Third Amended and Restated Bylaws of Integra LifeSciences Holdings Corporation, effective as of February 21, 2023 (Incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed on February 22, 2023)
31.1+	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2+	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS+#	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH+#	Inline XBRL Taxonomy Extension Schema Document
101.CAL+#	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF+#	Inline XBRL Definition Linkbase Document
101.LAB+#	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE+#	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Indicates a management contract or compensatory plan or arrangement.

+ Indicates this document is filed as an exhibit herewith.

The financial information of Integra LifeSciences Holdings Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 filed on May 5, 2025 formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations and Comprehensive Income, (ii) the Condensed Consolidated Balance Sheets, (iii) Parenthetical Data to the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements, is furnished electronically herewith.

SIGNATURES

Pursuant to the requirements 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.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

Date: May 5, 2025

/s/ Mojdeh Poul
Mojdeh Poul
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 5, 2025

/s/ Lea Knight
Lea Knight
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: May 5, 2025

/s/ Jeffrey A. Mosebrook
Jeffrey A. Mosebrook
Senior Vice President, Finance
(Principal Accounting Officer)

**Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Mojdeh Poul, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integra LifeSciences Holdings Corporation;
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 we have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2025

/s/ Mojdeh Poul

Mojdeh Poul

President and Chief Executive Officer

**Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Lea Knight, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integra LifeSciences Holdings Corporation;
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 we have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2025

/s/ Lea Knight

Lea Knight

Executive Vice President and Chief Financial Officer

**Certification of Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Integra LifeSciences Holdings Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2025 as filed with the Securities Exchange Commission on the date hereof (the "Report"), I, Mojdeh Poul, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirement of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2025

/s/ Mojdeh Poul

Mojdeh Poul

President and Chief Executive Officer

**Certification of Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Integra LifeSciences Holdings Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2025 as filed with the Securities Exchange Commission on the date hereof (the "Report"), I, Lea Knight, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirement of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2025

/s/ Lea Knight

Lea Knight

Executive Vice President and Chief Financial Officer