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

FORM 10-Q

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

For the quarterly period ended: September 30, 2024

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 No.: 001-34634

ICU MEDICAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**33-0022692**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
951 Calle Amanecer , San Clemente , California	**92673**
(Address of principal executive offices)	(Zip Code)

(949) 366-2183
(Registrant's telephone number including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.10 per share	ICUI	The Nasdaq Stock Market LLC (Global Select Market)

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards 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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at November 5, 2024
Common	24,484,266

ICU MEDICAL, INC. AND SUBSIDIARIES
Form 10-Q
September 30, 2024

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of present and historical fact, contained in this Quarterly Report on Form 10-Q, including, without limitation, statements regarding: our future results of operations and financial position, business strategy and approach; the projected timeline as well as the anticipated benefits and costs associated with our purchase agreement with OPF (as defined below); expected capital expenditures; anticipated consumer demand; supply chain constraints; the expected impact of macroeconomic developments, such as inflation and interest rates, and new accounting and tax regulations; as well as plans and objectives of management for future operations, are forward-looking statements. Without limiting the foregoing, in some cases, you can identify forward-looking statements by terms such as "aim," "may," "will," "should," "expect," "exploring," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential," "seeks," or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. No forward-looking statement is a guarantee of future results, performance, or achievements, and one should avoid placing undue reliance on such statements.

The forward looking statements in this Quarterly Report on Form 10-Q are only predictions and are based largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of known and unknown risks, uncertainties and assumptions, including without limitation, the following:

- our failure to compete successfully with our competitors and maintain market share;
- significant decline in demand for our products;
- our inability to fund substantial investment in product development and recover such investment through commercial product sales;
- prolonged periods of inflation, rising interest rates and the impact of foreign currency exchange rates as a result of the current global macroeconomic and geopolitical conditions, for example, armed conflicts between Ukraine and Russia and in Israel;
- our exposure to risks related to foreign currency exchange rates;
- continuing pressures to reduce healthcare costs and inadequate coverage and reimbursement;
- disruptions at the FDA, other government agencies or notified bodies caused by funding shortages or global health concerns;
- failure to protect our information technology systems against security breaches, service interruptions, or misappropriation of data;
- damage to any of our manufacturing facilities or disruption to our supply chain network;
- our dependence on single and limited source third-party suppliers, which subjects our business and results of operations to risks of supplier business interruptions, and a loss or degradation in performance in our suppliers;
- our failure to achieve expected operating efficiencies or expense reductions associated with cost reduction and restructuring efforts;
- significant sales through our distributors;
- additional risks from international sales, related to competition with larger international companies and established local companies and our possibly higher cost structure;
- any significant changes in U.S. trade, tax or other policies that restrict imports or increase import tariffs;
- actual or perceived failures to comply with foreign, federal, and state data privacy and security laws, regulations and standards, or certain fraud and abuse and transparency laws;
- our failure to defend and enforce our patents or other proprietary rights and the cost of enforcing and of defending patent claims or claims of other proprietary rights; and expiration of our patents;
- our failure to effectively manage our growth and changes to our business resulting from the Smiths Medical acquisition or any other future acquisitions; and
- the actual impact of the Smiths Medical acquisition on our financial results and our use of a significant portion of our cash on hand and incurrence of a substantial amount of debt to finance the Smiths Medical acquisition, which could adversely affect our business, including by restricting our ability to engage in additional transactions or incur additional indebtedness.

For a more detailed discussion of these factors, see the information under the sections entitled "Summary Risk Factors," Part I. Item 1A. "Risk Factors" and Part II. Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Annual Report on Form 10-K") filed with the Securities and Exchange Commission (the "SEC"), and the sections in this Quarterly Report on Form 10-Q entitled Part II. Item 1A "Risk Factors" and Part I. Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case as updated by our periodic filings with the SEC.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

PART I - FINANCIAL INFORMATION
Item1. Financial Statements (Unaudited)

ICU MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value data and treasury shares)

	September 30, 2024	December 31, 2023
	(Unaudited)	(1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 312,512	$ 254,222
Short-term investment securities	—	501
TOTAL CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENT SECURITIES	312,512	254,723
Accounts receivable, net of allowance for doubtful accounts $9,553 at September 30, 2024 and $11,064 at December 31, 2023	173,983	161,566
Inventories	692,038	709,360
Prepaid income taxes	5,787	21,983
Prepaid expenses and other current assets	73,735	73,640
TOTAL CURRENT ASSETS	1,258,055	1,221,272
PROPERTY, PLANT AND EQUIPMENT, net	595,627	612,909
OPERATING LEASE RIGHT-OF-USE ASSETS	59,757	69,909
GOODWILL	1,478,293	1,472,446
INTANGIBLE ASSETS, net	785,823	870,588
DEFERRED INCOME TAXES	40,646	37,295
OTHER ASSETS	86,837	94,020
TOTAL ASSETS	$ 4,305,038	$ 4,378,439
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 168,562	$ 150,030
Accrued liabilities	325,728	268,215
Current portion of long-term debt	51,000	51,000
Income tax payable	2,767	7,714
Contingent earn-out liability	1,500	4,879
TOTAL CURRENT LIABILITIES	549,557	481,838
CONTINGENT EARN-OUT LIABILITY	—	3,991
LONG-TERM DEBT	1,543,342	1,577,770
OTHER LONG-TERM LIABILITIES	80,389	100,497
DEFERRED INCOME TAXES	48,538	55,873
INCOME TAX LIABILITY	34,625	35,060
COMMITMENTS AND CONTINGENCIES (Note 18)		
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, $1.00 par value; Authorized — 500 shares; Issued and outstanding — none	—	—
Common stock, $0.10 par value; Authorized — 80,000 shares; Issued — 24,461 shares at September 30, 2024 and 24,144 shares at December 31, 2023; and outstanding — 24,459 shares at September 30, 2024 and 24,141 shares at December 31, 2023	2,446	2,414
Additional paid-in capital	1,394,799	1,366,493
Treasury stock, at cost (1,392 and 2,428 shares, respectively)	(208)	(262)
Retained earnings	713,986	807,846
Accumulated other comprehensive loss	(62,436)	(53,081)
TOTAL STOCKHOLDERS' EQUITY	2,048,587	2,123,410
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,305,038	$ 4,378,439

(1) December 31, 2023 balances were derived from audited consolidated financial statements.

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

ICU MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(In thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
TOTAL REVENUES	$ 589,131	$ 553,311	$ 1,752,241	$ 1,671,270
COST OF GOODS SOLD	384,279	369,391	1,154,717	1,102,982
GROSS PROFIT	204,852	183,920	597,524	568,288
OPERATING EXPENSES:				
Selling, general and administrative	162,707	148,609	479,913	452,076
Research and development	21,028	20,870	66,260	62,933
Restructuring, strategic transaction and integration	16,828	7,160	50,069	30,527
Change in fair value of contingent earn-out	(3,947)	(15,572)	(3,991)	(12,256)
TOTAL OPERATING EXPENSES	196,616	161,067	592,251	533,280
INCOME FROM OPERATIONS	8,236	22,853	5,273	35,008
INTEREST EXPENSE, NET	(24,683)	(24,175)	(72,296)	(70,811)
OTHER EXPENSE, NET	(1,481)	(4,044)	(7,206)	(5,815)
LOSS BEFORE INCOME TAXES	(17,928)	(5,366)	(74,229)	(41,618)
(PROVISION) BENEFIT FOR INCOME TAXES	(15,055)	12,604	(19,631)	29,110
NET (LOSS) INCOME	$ (32,983)	$ 7,238	$ (93,860)	$ (12,508)
NET (LOSS) INCOME PER SHARE				
Basic	$ (1.35)	$ 0.30	$ (3.85)	$ (0.52)
Diluted	$ (1.35)	$ 0.30	$ (3.85)	$ (0.52)
WEIGHTED AVERAGE NUMBER OF SHARES				
Basic	24,438	24,132	24,353	24,075
Diluted	24,438	24,368	24,353	24,075

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

ICU MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (Unaudited)
(In thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
NET (LOSS) INCOME	$ (32,983)	$ 7,238	$ (93,860)	$ (12,508)
Other comprehensive (loss) income, net of tax:				
Cash flow hedge adjustments, net of tax of $6,428 and $(514) for the three months ended September 30, 2024 and 2023, respectively, and $6,453 and $(457) for the nine months ended September 30, 2024 and 2023, respectively.	(20,232)	1,659	(20,254)	1,356
Foreign currency translation adjustment, net of tax of $0 for all periods	49,581	(37,557)	10,899	(5,005)
Other adjustments, net of tax of $0 for all periods	—	(35)	—	(100)
Other comprehensive income (loss), net of tax	29,349	(35,933)	(9,355)	(3,749)
COMPREHENSIVE LOSS	$ (3,634)	$ (28,695)	$ (103,215)	$ (16,257)

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

ICU MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)
(Amounts in thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount					
Balance, January 1, 2024	**24,144**	**$ 2,414**	**$ 1,366,493**	**$ (262)**	**$ 807,846**	**$ (53,081)**	**$ 2,123,410**
Issuance of restricted stock and exercise of stock options	378	27	(6,847)	6,970	—	—	150
Tax withholding payments related to net share settlement of equity awards	(110)	—	—	(11,400)	—	—	(11,400)
Stock compensation	—	—	11,598	—	—	—	11,598
Other comprehensive loss, net of tax	—	—	—	—	—	(16,457)	(16,457)
Net loss	—	—	—	—	(39,471)	—	(39,471)
Balance, March 31, 2024	**24,412**	**$ 2,441**	**$ 1,371,244**	**$ (4,692)**	**$ 768,375**	**$ (69,538)**	**$ 2,067,830**
Issuance of restricted stock and exercise of stock options	21	2	(1,537)	4,459	—	—	2,924
Tax withholding payments related to net share settlement of equity awards	(3)	—	—	(285)	—	—	(285)
Stock compensation	—	—	10,998	—	—	—	10,998
Other comprehensive loss, net of tax	—	—	(2)	—	—	(22,247)	(22,249)
Net loss	—	—	—	—	(21,406)	—	(21,406)
Balance, June 30, 2024	**24,430**	**$ 2,443**	**$ 1,380,703**	**$ (518)**	**$ 746,969**	**$ (91,785)**	**$ 2,037,812**
Issuance of restricted stock and exercise of stock options	32	3	2,314	492	—	—	2,809
Tax withholding payments related to net share settlement of equity awards	(1)	—	—	(182)	—	—	(182)
Stock compensation	—	—	11,770	—	—	—	11,770
Other comprehensive income, net of tax	—	—	12	—	—	29,349	29,361
Net loss	—	—	—	—	(32,983)	—	(32,983)
Balance, September 30, 2024	**24,461**	**$ 2,446**	**$ 1,394,799**	**$ (208)**	**$ 713,986**	**$ (62,436)**	**$ 2,048,587**

ICU MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)(Continued)
(Amounts in thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount					
Balance, January 1, 2023	**23,995**	**$ 2,399**	**$ 1,331,249**	**$ (243)**	**$ 837,501**	**$ (80,978)**	**$ 2,089,928**
Issuance of restricted stock and exercise of stock options	172	12	(503)	662	—	—	171
Tax withholding payments related to net share settlement of equity awards	(53)	—	—	(8,425)	—	—	(8,425)
Stock compensation	—	—	9,158	—	—	—	9,158
Other comprehensive income, net of tax	—	—	4	—	—	19,375	19,379
Net loss	—	—	—	—	(9,812)	—	(9,812)
Balance, March 31, 2023	**24,114**	**$ 2,411**	**$ 1,339,908**	**$ (8,006)**	**$ 827,689**	**$ (61,603)**	**$ 2,100,399**
Issuance of restricted stock and exercise of stock options	2	—	(4,626)	6,688	—	—	2,062
Tax withholding payments related to net share settlement of equity awards	(2)	—	—	(293)	—	—	(293)
Stock compensation	—	—	9,773	—	—	—	9,773
Other comprehensive income, net of tax	—	—	2	—	—	12,809	12,811
Net loss	—	—	—	—	(9,934)	—	(9,934)
Balance, June 30, 2023	**24,114**	**$ 2,411**	**$ 1,345,057**	**$ (1,611)**	**$ 817,755**	**$ (48,794)**	**$ 2,114,818**
Issuance of restricted stock and exercise of stock options	34	3	344	1,442	—	—	1,789
Tax withholding payments related to net share settlement of equity awards	(4)	—	—	(503)	—	—	(503)
Stock compensation	—	—	10,947	—	—	—	10,947
Other comprehensive loss, net of tax	—	—	—	—	—	(35,933)	(35,933)
Net income	—	—	—	—	7,238	—	7,238
Balance, September 30, 2023	**24,144**	**$ 2,414**	**$ 1,356,348**	**$ (672)**	**$ 824,993**	**$ (84,727)**	**$ 2,098,356**

ICU MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Nine months ended September 30,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (93,860)	$ (12,508)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	166,519	171,615
Noncash lease expense	16,008	16,543
Provision for doubtful accounts	1,381	865
Provision for warranty, returns and field action	1,801	5,597
Stock compensation	34,366	29,878
Loss on disposal of property, plant and equipment and other assets	184	1,757
Debt issuance costs amortization	5,111	5,108
Change in fair value of contingent earn-out liability	(3,991)	(12,256)
Usage of spare parts	13,965	13,587
Other	7,256	4,407
Changes in operating assets and liabilities, net of amounts acquired:		
Accounts receivable	(11,517)	43,086
Inventories	9,416	(66,662)
Prepaid expenses and other current assets	(11,188)	11,295
Other assets	(17,540)	(18,860)
Accounts payable	21,086	(65,049)
Accrued liabilities	20,484	(10,532)
Income taxes, including excess tax benefits and deferred income taxes	4,360	(42,939)
Net cash provided by operating activities	163,841	74,932
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(55,292)	(53,956)
Proceeds from sale of assets	695	1,481
Intangible asset additions	(8,317)	(7,742)
Proceeds from sale and maturities of investment securities	500	2,920
Net cash used in investing activities	(62,414)	(57,297)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments of long-term debt	(38,250)	(22,250)
Proceeds from exercise of stock options	5,883	4,022
Payments on finance leases	(775)	(681)
Payments of contingent earn-out liability	(2,600)	—
Tax withholding payments related to net share settlement of equity awards	(11,867)	(9,221)
Net cash used in financing activities	(47,609)	(28,130)
Effect of exchange rate changes on cash	4,472	(1,097)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	58,290	(11,592)
CASH AND CASH EQUIVALENTS, beginning of period	254,222	208,784
CASH AND CASH EQUIVALENTS, end of period	$ 312,512	$ 197,192

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

ICU MEDICAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) - CONTINUED
(In thousands)

	Nine months ended September 30,	
	2024	**2023**
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment in accounts payable	$ 4,022	$ 3,712

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

Note 1: Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements of ICU Medical, Inc., ("ICU" or the "Company"), a Delaware corporation, have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S.") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and reflect all adjustments, consisting of only normal recurring adjustments, which are, in the opinion of management, necessary for a fair statement of the consolidated results for the interim periods presented. Results for the interim period are not necessarily indicative of results for the full year. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K of ICU for the year ended December 31, 2023.

We develop, manufacture and sell innovative medical products used in infusion therapy, vascular access, and vital care applications. ICU's product portfolio includes ambulatory, syringe, and large volume IV pumps and safety software; dedicated and non-dedicated IV sets, needlefree IV connectors, peripheral IV catheters, and sterile IV solutions; closed system transfer devices and pharmacy compounding systems; as well as a range of respiratory, anesthesia, patient monitoring, and temperature management products. We sell the majority of our products globally through our direct sales force and through independent distributors throughout the U.S. and internationally. We also sell certain products on an original equipment manufacturer basis to other medical device manufacturers. All subsidiaries are wholly owned and are included in the condensed consolidated financial statements. All intercompany balances and transactions have been eliminated.

Certain reclassifications have been made to the prior year cash flows from operating activities within the condensed consolidated statements of cash flows to conform to the presentation used in the current year. We reclassified bond premium amortization to other. The reclassification had no impact on cash flows from operating activities as previously reported.

Note 2: New Accounting Pronouncements

Recently Issued Accounting Standards Not Yet Adopted

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. The amendments in this update modify the disclosure or presentation requirements of a variety of Topics in the Accounting Standards Codification ("ASC") in response to the SEC's Release No. 33-10532, Disclosure Update and Simplification Initiative, and align the ASC's requirements with the SEC's regulations. For entities within the scope, the guidance will be applied prospectively with the effective date for each amendment to be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. If the SEC has not removed the related disclosure from its regulations by June 30, 2027, the amendments will be removed from the Codification and will not become effective. We are currently assessing what impact this guidance will have on the Company's consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures. The amendments in this update expand disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's significant expenses, interim segment profit or loss, and a description of how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The amendments clarify that a single reportable segment entity must apply ASC 280 in its entirety. The update will be effective for annual periods beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. This ASU is applicable to our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and subsequent interim periods. We are currently assessing the effect of this update on the Company's consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures. The amendments in this update expand disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid information. The update will be effective for annual periods beginning after December 15, 2024 and is applicable to our Annual Report on Form 10-K for the fiscal year December 31, 2025, with early application permitted. We are currently assessing the effect of this update on the Company's consolidated financial statements and related disclosures.

Note 3: Restructuring, Strategic Transaction and Integration

Restructuring, strategic transaction and integration expenses were $16.8 million and $50.1 million for the three and nine months ended September 30, 2024, respectively, as compared to $7.2 million and $30.5 million for the three and nine months ended September 30, 2023, respectively.

Restructuring

During the three and nine months ended September 30, 2024, restructuring charges were $3.6 million and $16.6 million, respectively, as compared to $1.1 million and $5.1 million, respectively, for the three and nine months ended September 30, 2023 and were primarily related to severance costs for all periods. The restructuring charges for the three and nine months ended September 30, 2023 are net of $0.2 million related to facility closures costs that were reversed in the third quarter of 2023.

The following table summarizes the activity in our restructuring-related accrual by major type of cost for the nine months ended September 30, 2024 (in thousands), which is included in accrued liabilities on the condensed consolidated balance sheets:

	Severance Pay and Benefits	Retention and Facility Closure Costs	Total
Accrued balance, January 1, 2024	$ 2,811	$ 757	$ 3,568
Charges incurred	5,065	295	5,360
Payments	(2,760)	(184)	(2,944)
Other[1]	(41)	—	(41)
Currency translation	(13)	(7)	(20)
Accrued balance, March 31, 2024	$ 5,062	$ 861	$ 5,923
Charges incurred	7,712	—	7,712
Payments	(3,678)	—	(3,678)
Currency translation	(33)	—	(33)
Accrued balance, June 30, 2024	$ 9,063	$ 861	$ 9,924
Charges incurred	3,385	187	3,572
Payments	(2,119)	(658)	(2,777)
Other[2]	(134)	—	(134)
Currency translation	136	42	178
Accrued balance, September 30, 2024	$ 10,331	$ 432	$ 10,763

[1] Relates to prior year accrued restructuring charges for estimated severances costs that will not be utilized and were reversed during the three months ended March 31, 2024.
[2] Relates to prior year accrued restructuring charges for estimated severances costs that will not be utilized and were reversed during the three months ended September 30, 2024.

Strategic Transaction and Integration Expenses

We incurred and expensed $13.2 million and $33.5 million in strategic transaction and integration expenses during the three and nine months ended September 30, 2024, respectively, as compared to $6.1 million and $25.4 million in strategic transaction and integration expenses during the three and nine months ended September 30, 2023, respectively, which are included in restructuring, strategic transaction and integration expenses in our condensed consolidated statements of operations. The strategic transaction and integration expenses during the three and nine months ended September 30, 2024 and 2023 were primarily related to consulting expenses and employee costs incurred to integrate our Smiths Medical business acquired in 2022.

Related-party Transition Services Expenses

Smiths Group plc ("Smiths") became a related party to us when we issued 2.5 million shares of our common stock as partial consideration to Smiths for the acquisition of Smiths Medical 2020 Limited ("Smiths Medical"). Additionally, we entered into a transition services agreement ("TSA") with certain Smiths legal entities. The TSA included certain information technology, human resource and tax support services for an initial term of twelve months with the option to extend up to 24 months. During the three and nine months ended September 30, 2023, we expensed $0.3 million and $8.3 million, respectively, for services provided by Smiths under the TSA. Since December 31, 2023, there were no services being provided under the TSA and we had no remaining related-party open payables as of December 31, 2023.

Note 4: Revenue

Revenue Recognition

Our business units are Consumables, Infusion Systems and Vital Care. The vast majority of our sales of products within these business units are made on a stand-alone basis to hospitals and distributors. Revenue is typically recognized upon transfer of control of the products, which we deem to be at point of shipment. Our software license renewals are considered to be transferred to a customer at a point in time at the start of each renewal period, therefore revenue is recognized at that time.

Payment is typically due in full within 30 days of delivery or the start of the contract term. Revenue is recorded in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We include variable consideration in net sales only to the extent that a significant reversal in revenue is not probable when the uncertainty is resolved. Our variable consideration includes distributor chargebacks, product returns and end customer rebates. Distributor chargebacks represent the majority and are subject to the greatest judgment.

Chargebacks are the difference between the prices we charge our distribution customers at the time they purchase our products and the contracted prices we have with the end customer, most often in the U.S. and Canada. When a distributor sells our products to one of our contracted end customers, the distributor typically will claim a refund from us for the chargeback amount which we process as a credit to the distributor.

In estimating the transaction price to present as net revenue for sales to distributors, we must estimate the expected chargeback amount that we will refund to the distributor after they sell our product to a contracted end customer. Determining the appropriate chargeback reserve requires judgment around the following assumptions:

(i) The estimated chargeback amount (the difference between the price we invoice the distributor and the contractually agreed price with specified end customers); and

(ii) The estimated period of time between the sale to the distributor and the receipt of a chargeback claim.

For purposes of estimating the expected chargeback amount, we utilize actual recent historical chargebacks paid to the specific distributor for similar products as determined at either a product or product-family level. While individual chargeback rates can vary significantly depending on the product and contracted prices with distributors and end customers, our chargeback reserve estimate is not overly sensitive to those individual price changes due to the long-term nature of our distributor and end customer contracts as well as consistency in purchasing patterns. Additionally, the use of the actual chargeback history to calculate an average chargeback rate has historically resulted in a reasonable estimation of overall current contract rates.

For purposes of estimating the period of time between the sale to the distributor and the receipt of a chargeback claim, we utilize several sources of information including actual inventory quantities of our products on hand at distributors. This inventory on hand information is received from the distributors or, when specific quantities are not provided, estimated by using the targeted days of inventory on hand for distributors. Historical experience of actual chargebacks paid has indicated that use of this information has reasonable predictive value of outstanding chargebacks and accounts for the variability of purchasing patterns and expected timing and volume of sales to end customers. The value of the chargeback reserve generally represents approximately two months of obligation due to the timing difference between the initial sale to a distributor and the processing of a chargeback claim after the product is sold to the end customer.

The chargeback reserve estimates change from period-to-period primarily based on changes in revenue from/and the inventory levels of distributors. Our judgments regarding the information used to calculate the chargeback reserve are consistent from period to period; however, on a regular basis, we evaluate the adequacy of the chargeback reserve to reassess and ensure

that the variable consideration is appropriately constrained, and the likelihood of future revenue reversal is not probable. We use metrics including chargeback provision as a percentage of gross revenue, movements in inventory on hand at distributors, trends in accrued versus paid chargebacks and impacts from price changes and similar metrics.

The chargeback reserve reflects a reasonable estimate of the amount of consideration using the expected value method and is recorded as a reduction of accounts receivable, net on the consolidated balance sheets.

We also offer certain volume-based rebates to both our distribution and end customers, which is recorded as variable consideration when calculating the transaction price. Rebates are offered on both a fixed and tiered/variable basis. In both cases, we use information available at the time, including current contractual requirements, our historical experience with each customer and forecasted customer purchasing patterns, to estimate the most likely rebate amount.

We also warrant products against defects and have a policy permitting the return of defective products, for which we accrue and expense at the time of sale using information available at that time and our historical experience. We also provide for extended service-type warranties, which we consider to be separate performance obligations. We allocate a portion of the transaction price to the extended service-type warranty based on its estimated relative stand-alone selling price, and recognize revenue over the period the warranty service is provided.

Arrangements with Multiple Performance Obligations

We also enter into arrangements which include multiple performance obligations. The most significant judgments related to these arrangements include:

- Identifying the various performance obligations of these arrangements.
- Estimating the relative standalone selling price of each performance obligation, typically using a directly observable method or calculated on a cost plus margin basis method.

Revenue Disaggregated

The following table represents our revenues disaggregated by product line (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
Product line	**2024**	**2023**	**2024**	**2023**
Consumables	$ 264,875	$ 242,010	$ 770,730	$ 715,108
Infusion Systems	159,769	148,981	480,745	463,836
Vital Care	164,487	162,320	500,766	492,326
Total Revenues	$ 589,131	$ 553,311	$ 1,752,241	$ 1,671,270

For the three and nine months ended September 30, 2024, net sales to Medline made up approximately 18% and 17% of total revenues, respectively. For the three and nine months ended September 30, 2023, net sales to Medline made up approximately 18% and 16% of total revenues, respectively.

The following table represents our revenues disaggregated by geography (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
Geography	**2024**	**2023**	**2024**	**2023**
United States	$ 369,515	$ 355,984	$ 1,118,810	$ 1,063,037
Europe, the Middle East and Africa	101,710	88,014	295,409	276,994
APAC	60,288	59,064	173,365	177,719
Other Foreign	57,618	50,249	164,657	153,520
Total Revenues	$ 589,131	$ 553,311	$ 1,752,241	$ 1,671,270

Contract Balances

The following table presents the changes in our contract balances for the nine months ended September 30, 2024 and 2023 (in thousands), which is included in accrued liabilities and other long-term liabilities on the condensed consolidated balance sheets:

	Contract Liabilities
Beginning balance, January 1, 2024	$ 42,177
Equipment revenue recognized	(41,392)
Equipment revenue deferred due to implementation	38,825
Software revenue recognized	(23,591)
Software revenue deferred due to implementation	24,559
Government grant income recognized[1]	(1,551)
Government grant income deferred	—
Other deferred revenue	503
Other deferred revenue recognized	(2,562)
Ending balance, September 30, 2024	$ 36,968
Beginning balance, January 1, 2023	$ 45,866
Equipment revenue recognized	(24,872)
Equipment revenue deferred due to implementation	25,620
Software revenue recognized	(13,546)
Software revenue deferred due to implementation	12,797
Government grant income deferred	944
Government grant income recognized[1]	(3,164)
Other deferred revenue	1,674
Other deferred revenue recognized	(4,748)
Ending balance, September 30, 2023	$ 40,571

[1] The government grant income deferred is amortized over the life of the related depreciable asset as a reduction to depreciation expense.

Our contract liabilities are included in accrued liabilities or other long-term liabilities in our condensed consolidated balance sheet based on the expected timing of revenue recognition.

As of September 30, 2024, revenue from remaining performance obligations is as follows:

	Recognition Timing	
(in thousands)	**< 12 Months**	**> 12 Months**
Equipment deferred revenue	$ 14,641	$ 1,713
Software deferred revenue	10,185	459
Government grant deferred income[1]	2,064	7,864
Other deferred revenue[2]	42	—
Total	$ 26,932	$ 10,036

[1] The government grant deferred income is amortized over the life of the related depreciable asset as a reduction to depreciation expense.

[2] Other deferred revenue includes pump development programs, purchased training and extended warranty.

Note 5: Leases

We determine if an arrangement is a lease at inception. Our operating lease assets are separately stated in operating lease right-of-use ("ROU") assets and our financing lease assets are included in other assets on our condensed consolidated balance sheets. Our lease liabilities are included in accrued liabilities and other long-term liabilities on our condensed consolidated balance sheets. We have elected not to recognize an ROU asset and lease liability for leases with terms of twelve months or less.

Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Most of our leases do not provide an implicit rate; therefore, we use our incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term based on the information available at commencement date. Our lease ROU assets exclude lease incentives and initial direct costs incurred. Our lease terms include options to extend when it is reasonably certain that we will exercise that option. All of our leases have stated lease payments, which may include fixed rental increases. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Our leases are for corporate, research and development and sales and support offices, manufacturing and distribution facilities, device service centers and certain equipment. Our leases have original lease terms of one year to fifteen years, some of which include options to extend the leases for up to an additional five years. For all of our leases, we do not include optional periods of extension in our current lease terms because we determined the exercise of options to extend is not reasonably certain.

The following table presents the components of our lease cost (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Operating lease cost	$ 5,786	$ 5,968	$ 17,239	$ 18,162
Finance lease cost — interest	45	32	126	91
Finance lease cost — reduction of ROU asset	292	279	847	757
Short-term lease cost	3	3	3	29
Total lease cost	$ 6,126	$ 6,282	$ 18,215	$ 19,039

Interest expense on our finance leases is included in interest expense, net in our condensed consolidated statements of operations. The reduction of the operating and finance ROU assets is included as noncash lease expense in costs of goods sold and selling, general and administrative expenses in our condensed consolidated statements of operations.

The following table presents the supplemental cash flow information related to our leases (in thousands):

	Nine months ended September 30,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 19,175	$ 18,477
Operating cash flows from finance leases	$ 126	$ 91
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 10,340	$ 14,423
Finance leases	$ 1,257	$ 932

The following table presents the supplemental balance sheet information related to our operating leases (in thousands, except lease term and discount rate):

	As of	
	September 30, 2024	December 31, 2023
Operating leases		
Operating lease right-of-use assets	$ 59,757	$ 69,909
Accrued liabilities	$ 17,094	$ 20,161
Other long-term liabilities	45,328	52,972
Total operating lease liabilities	$ 62,422	$ 73,133
Weighted-Average Remaining Lease Term		
Operating leases	5.8 years	5.6 years
Weighted-Average Discount Rate		
Operating leases	4.80 %	4.31 %

The following table presents the supplemental balance sheet information related to our finance leases (in thousands, except lease term and discount rate):

	As of	
	September 30, 2024	December 31, 2023
Finance leases		
Finance lease right-of-use assets	$ 3,144	$ 2,707
Accrued liabilities	$ 1,039	$ 860
Other long-term liabilities	2,240	1,954
Total finance lease liabilities	$ 3,279	$ 2,814
Weighted-Average Remaining Lease Term		
Finance leases	3.7 years	4.1 years
Weighted-Average Discount Rate		
Finance leases	5.52 %	4.93 %

As of September 30, 2024, the maturities of our operating and finance lease liabilities for each of the next five years and thereafter are approximately (in thousands):

	Operating Leases	Finance Leases
Remainder of 2024	$ 5,885	$ 301
2025	17,697	1,130
2026	13,988	981
2027	9,396	632
2028	6,863	307
2029	5,143	194
Thereafter	11,625	47
Total Lease Payments	70,597	3,592
Less imputed interest	(8,175)	(313)
Total	$ 62,422	$ 3,279

Note 6: Net (Loss) Income Per Share

Basic (loss) earnings per share is computed by dividing net (loss) income by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net (loss) income by the weighted-average number of common shares outstanding during the period plus dilutive securities. Dilutive securities include outstanding common stock options and unvested restricted stock units, less the number of shares that could have been purchased with the proceeds from the exercise of the options, using the treasury stock method. Options and restricted stock units that are anti-dilutive are not included in the treasury stock method calculation. A net loss for the three and nine months ended September 30, 2024 and 2023, causes all of the potentially dilutive common shares to be antidilutive, and accordingly, they were not included in the computation of diluted earnings per share and basic and diluted net loss per share are equal for each of these periods.

The following table presents the calculation of net earnings per common share ("EPS") — basic and diluted (in thousands, except per share data):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net (loss) income	$ (32,983)	$ 7,238	$ (93,860)	$ (12,508)
Weighted-average number of common shares outstanding (basic)	24,438	24,132	24,353	24,075
Dilutive securities[(1)]	—	236	—	—
Weighted-average common and common equivalent shares outstanding (diluted)	24,438	24,368	24,353	24,075
EPS — basic	$ (1.35)	$ 0.30	$ (3.85)	$ (0.52)
EPS — diluted	$ (1.35)	$ 0.30	$ (3.85)	$ (0.52)
Total anti-dilutive stock options and restricted stock awards	89	248	112	106

(1) Due to the net loss for the three and nine months ended September 30, 2024 and nine months ended September 30, 2023, there are no potentially dilutive common shares included in the computation of diluted earnings per share.

Note 7: Derivatives and Hedging Activities

Hedge Accounting and Hedging Program

The purposes of our cash flow hedging programs are to manage the foreign currency exchange rate risk on forecasted revenues and expenses denominated in currencies other than the functional currency of the operating unit, and to manage

floating interest rate risk associated with future interest payments on the variable-rate term loans issued in 2022. We do not issue derivatives for trading or speculative purposes.

To receive hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedge, and the hedges must be highly effective in offsetting changes to future cash flows on hedged transactions. The derivative instruments we utilize, including various foreign exchange contracts and interest rate swaps, are designated and qualify as cash flow hedges. Our derivative instruments are recorded at fair value on the condensed consolidated balance sheets and are classified based on the instrument's maturity date. We record gains or losses from changes in the fair values of the derivative instruments as a component of other comprehensive income (loss) and we reclassify those gains or losses into earnings in the same line item associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings. If the underlying forecasted transaction does not occur, or it becomes probable that it will not occur, we reclassify the gain or loss on the related derivative instrument from accumulated other comprehensive loss into earnings immediately.

Foreign Currency Exchange Rate Risk

Foreign Exchange Forward Contracts

We enter into foreign exchange forward contracts to hedge a portion of our forecasted foreign currency-denominated revenues and expenses to minimize the effect of foreign exchange rate movements on the related cash flows. These contracts are agreements to buy or sell a quantity of a currency at a predetermined future date and at a predetermined exchange rate. Our foreign exchange forward contracts hedge exposures principally denominated in Mexican Pesos ("MXN"), Euros, Czech Koruna ("CZK"), Japanese Yen ("JPY"), Swedish Krona ("SEK"), Danish Krone ("DKK"), Chinese Renminbi ("CNH"), Canadian Dollar ("CAD"), U.S. Dollar ("USD") and Australian Dollar ("AUD") and have varying maturities with an average term of approximately thirteen months. The total notional amount of these outstanding derivative contracts as of September 30, 2024 was $162.3 million, which included the notional equivalent of $14.5 million in Euros, $7.2 million in JPY, $7.4 million in CAD, $8.8 million in AUD, $71.1 million in MXN, $6.5 million in CZK, $41.4 million in USD and $5.4 million in other foreign currencies, with terms currently through December 2025.

Floating Interest Rate Risk

In 2022, we entered into interest rate swaps to reduce the interest rate volatility on our variable-rate term loan A and variable-rate term loan B (see Note 16: Long-Term Debt). We exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional amount. Effective March 30, 2022, the term loan A swap, as amended, has an initial notional amount of $300.0 million, reducing to $150.0 million evenly on a quarterly basis excluding its final maturity on March 30, 2027. We pay a fixed rate of 1.32% and will receive the greater of 3-months USD Secured Overnight Financing Rate ("SOFR") or (0.15)%. The total notional amount of this outstanding derivative as of September 30, 2024 was approximately $221.1 million. Effective March 30, 2022, the term loan B swap, as amended, has an initial notional amount of $750.0 million, reducing to $46.9 million evenly on a quarterly basis through its final maturity on March 30, 2026. We pay a fixed rate of 1.17% and will receive the greater of 3-months USD SOFR or 0.35%. The total notional amount of this outstanding derivative as of September 30, 2024 was approximately $281.3 million.

In June 2023, we entered into an additional interest rate swap that hedges both term loan A and term loan B interest payments. The total notional amount of the swap is $300.0 million. The hedge matures on June 30, 2028. We pay a fixed rate of 3.88% and will receive 3-months USD SOFR.

These swaps effectively convert the relevant portion of the floating-rate term loans to fixed rates.

The following table presents the fair values of our derivative instruments included within the Condensed Consolidated Balance Sheets (in thousands):

Condensed Consolidated Balance Sheet Location	Derivatives Designated as Cash Flow Hedging Instruments: Foreign Exchange Contracts	Derivatives Designated as Cash Flow Hedging Instruments: Interest Rate Swaps	Gross Derivatives
As of September 30, 2024			
Prepaid expenses and other current assets	$ 5,356	$ 10,940	$ 16,296
Other assets	177	—	177
Total assets	$ 5,533	$ 10,940	$ 16,473
Accrued liabilities	$ 9,878	$ —	$ 9,878
Other long-term liabilities	226	1,399	1,625
Total liabilities	$ 10,104	$ 1,399	$ 11,503
As of December 31, 2023			
Prepaid expenses and other current assets	$ 6,785	$ 23,065	$ 29,850
Other assets	673	4,876	5,549
Total assets	$ 7,458	$ 27,941	$ 35,399
Accrued liabilities	$ 2,590	$ —	$ 2,590
Other long-term liabilities	240	—	240
Total liabilities	$ 2,830	$ —	$ 2,830

We recognized the following (losses) gains on our derivative instruments designated as cash flow hedges in other comprehensive income before reclassifications to net loss (income) (in thousands):

	(Losses) Gains Recognized in Other Comprehensive Income			
	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Derivatives designated as cash flow hedging instruments:				
Foreign exchange forward contracts	$ (5,713)	$ 1,757	$ (4,738)	$ 10,260
Interest rate swaps	(14,030)	12,496	3,874	21,236
Total derivatives designated as cash flow hedging instruments	$ (19,743)	$ 14,253	$ (864)	$ 31,496

The following table presents the effects of our derivative instruments designated as cash flow hedges on the Condensed Consolidated Statements of Operations (in thousands):

		Gains (Losses) Reclassified From Accumulated Other Comprehensive (Loss) Income into Net Loss			
		Three months ended September 30,		Nine months ended September 30,	
	Location of Gains (Losses) Recognized in Net Loss	2024	2023	2024	2023
Derivatives designated as cash flow hedging instruments:					
Foreign exchange forward contracts	Total revenues	$ 740	$ 1,019	$ 2,073	$ (
Foreign exchange forward contracts	Cost of goods sold	(843)	2,247	1,497	6,
Foreign exchange forward contracts	Other expense, net (1)	—	—	—	
Foreign exchange forward contracts	Interest expense (2)	—	—	—	
Interest rate swaps	Interest expense	7,020	8,813	22,273	23,
Total derivatives designated as cash flow hedging instruments		$ 6,917	$ 12,079	$ 25,843	$ 29,

(1) Represents location of gain reclassified from accumulated other comprehensive loss into other expense, net as a result of ineffectiveness.
(2) Represents location of gain reclassified from accumulated other comprehensive loss into interest expense as a result of forecasted transactions no longer probable of occurring.

As of September 30, 2024, we expect an estimated $4.5 million in deferred losses on the outstanding foreign exchange contracts and an estimated $11.2 million in deferred gains on the interest rate swaps will be reclassified from accumulated other comprehensive loss to net income during the next 12 months concurrent with the underlying hedged transactions also being reported in net income.

Note 8: Fair Value Measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three levels of inputs that may be used to measure fair value:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets or liabilities.

Contingent Earn-out Liabilities

In 2022, we acquired Smiths Medical with a combination of cash consideration and share consideration issued at closing. Total consideration for the acquisition included a potential earn-out payment of $100.0 million in cash contingent on our common stock achieving a certain volume-weighted average price (the "Price Targets") from the closing date to either the third or fourth anniversary of closing and provided Smiths beneficially owns at least 50.0% of the shares of common stock issued at closing at the time the Price Target is achieved. The initial estimated fair value of the earn-out was determined to be $53.5 million. The initial fair value of the earn-out was determined using a Monte Carlo simulation model. The model utilized several assumptions including volatility and the risk-free interest rate. The assumed volatility is based on the average of the historical volatility of our common stock price and the implied volatility of certain at-the-money traded options. The risk-free interest rate is equal to the yield on U.S. Treasury securities at constant maturity for the period commensurate with the term of the earn-out. At each reporting date subsequent to the acquisition, we remeasured the earn-out liability and recognized any changes in its fair value in the Company's consolidated statements of operations. If the probability of achieving the Price Targets during their respective measurement periods was significantly greater than initially anticipated, the realization of an additional liability and related expense would have had a significant impact on the Company's consolidated financial statements in the period recognized. As of December 31, 2023, the estimated fair value of the contingent earn-out was $4.0 million. During July 2024, Smiths sold 1.2 million common shares of ICU Medical, Inc. The sale of shares when combined with other sales in

prior periods renders Smiths unable to achieve the contingent consideration based on certain price targets during the third and fourth anniversary of closing as Smiths no longer meets the required minimum beneficial ownership percentage. Accordingly, the valuation of the contingent earn-out liability as of September 30, 2024 has been reduced to zero.

In November 2021, we acquired a small foreign infusion systems supplier. Total consideration for the acquisition included a potential earn-out payment of up to $2.5 million, consisting of (i) a cash payment of $1.0 million contingent on the achievement of certain revenue targets for the annual period ended December 31, 2022 and, separately, (ii) a cash payment of $1.5 million contingent upon obtaining certain product-related regulatory certifications. As of December 31, 2022, the measurement period related to the contingent earn-out based on certain revenue targets ended and based on the actual revenue achieved during the measurement period the fair value of the contingent earn-out was determined to be zero as the minimum threshold for earning the earn-out was not met. As of September 30, 2024, the estimated fair value of the contingent consideration related to certain product-related regulatory certifications was estimated to be $1.5 million.

In August 2021, we entered into an agreement with one of our international distributors whereby that distributor would not compete with us in a specific territory for a three-year period that ended September 2024. The terms of the agreement included a contingent earn-out payment. The contingent earn-out payment could not exceed $6.0 million and was to be earned based on certain revenue targets over a twelve-month measurement period determined by the highest four consecutive quarters commencing over a two-year period starting on the closing date of the agreement and provided that the distributor is in compliance with its obligations under the agreement. As of December 31, 2023, the fair value of the contingent earn-out was determined to be $3.4 million and was paid out during the three months ended March 31, 2024.

Our contingent earn-out liabilities are separately stated on our condensed consolidated balance sheets.

The following tables provide a reconciliation of the Level 3 earn-out liabilities measured at estimated fair value (in thousands):

	Earn-out Liability
Accrued balance, January 1, 2024	$ 5,491
Change in fair value of earn-out (included in income from operations as a separate line item)[1]	295
Accrued balance, March 31, 2024	5,786
Change in fair value of earn-out (included in income from operations as a separate line item)[1]	(339)
Accrued balance, June 30, 2024	5,447
Change in fair value of earn-out (included in income from operations as a separate line item)[1]	(3,947)
Accrued balance, September 30, 2024	$ 1,500

	Earn-out Liability
Accrued balance, January 1, 2023	$ 25,572
Change in fair value of earn-out (included in income from operations as a separate line item)[1]	(700)
Currency translation	33
Accrued balance, March 31, 2023	24,905
Change in fair value of earn-out (included in income from operations as a separate line item)[2]	4,016
Other	11
Currency translation	1
Accrued balance, June 30, 2023	28,933
Change in fair value of earn-out (included in income from operations as a separate line item)[1]	(15,572)
Other	58
Currency translation	(58)
Accrued balance, September 30, 2023	$ 13,361

[1] Relates to the change in fair value of our Smiths Medical earn-out.

[2] Relates to the change in fair value of our Smiths Medical earn-out and the earn-out with one of our international distributors.

The following tables provide quantitative information about Level 3 inputs for fair value measurement of our earn-out liabilities related to Smiths Medical:

Smiths Medical Earn-out Liability

Simulation Input	As of December 31, 2023
Volatility	47.00 %
Risk-Free Rate	4.18 %

Investments, Foreign Exchange Contracts and Interest Rate Contracts

As of September 30, 2024, we do not have any investment securities. Our investments historically consisted of corporate, government bonds and U.S. treasury securities. The fair value of our corporate and government bonds were estimated using observable market-based inputs such as quoted prices, interest rates and yield curves or Level 2 inputs. The fair value of our U.S. treasury securities were based on quoted market prices in active markets and are included in the Level 1 fair value hierarchy.

The fair value of our Level 2 foreign exchange contracts is estimated using observable market inputs such as known notional value amounts, spot and forward exchange rates. These inputs relate to liquid, heavily traded currencies with active markets which are available for the full term of the derivative.

The fair value of our Level 2 interest rate swaps is estimated using a pricing model that reflects the terms of the contracts, including the period to maturity, and relies on observable market inputs such as known notional value amounts and USD interest rate curves.

Our assets and liabilities measured at fair value on a recurring basis consisted of the following Level 1, 2 and 3 inputs as defined above (in thousands):

	Fair value measurements as of September 30, 2024			
	Total carrying value	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets:				
Foreign exchange contracts:				
Prepaid expenses and other current assets	$ 5,356	$ —	$ 5,356	$ —
Other assets	177	—	177	—
Interest rate contracts:				
Prepaid expenses and other current assets	10,940	—	10,940	—
Other assets	—	—	—	—
Total Assets	$ 16,473	$ —	$ 16,473	$ —
Liabilities:				
Contingent earn-out liability - ST	$ 1,500	$ —	$ —	$ 1,500
Foreign exchange contracts:				
Accrued liabilities	9,878	—	9,878	—
Other long-term liabilities	226	—	$ 226	—
Interest rate swaps:				
Other long-term liabilities	1,399	—	1,399	—
Total Liabilities	$ 13,003	$ —	$ 11,503	$ 1,500

	Fair value measurements as of December 31, 2023			
	Total carrying value	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Assets:				
Available-for-sale debt securities:				
Short-term corporate bonds	$ 501	$ —	$ 501	$ —
Foreign exchange forwards:				
Prepaid expenses and other current assets	6,785	—	6,785	—
Other assets	673	—	673	—
Interest rate contracts:				
Prepaid expenses and other current assets	23,065	—	23,065	—
Other assets	4,876	—	4,876	—
Total Assets	$ 35,900	$ —	$ 35,900	$ —
Liabilities:				
Contingent earn-out liability - ST	$ 4,879	$ —	$ 3,379	$ 1,500
Contingent earn-out liability - LT	3,991	—	—	3,991
Foreign exchange contracts:				
Accrued liabilities	2,590	—	2,590	—
Other long-term liabilities	240	—	240	—
Total Liabilities	$ 11,700	$ —	$ 6,209	$ 5,491

Note 9: Investment Securities

Investments in Available-for-sale Securities

Our available-for-sale investment securities historically consisted of corporate bonds, government bonds and U.S. treasury securities and were considered "investment grade" and were carried at fair value.

As of September 30, 2024, we did not have any investment securities. As of December 31, 2023, the amortized cost, unrealized holding gains (losses) and fair value of our available-for-sale investment securities were as follows (in thousands):

	As of December 31, 2023		
	Amortized Cost	Unrealized Holding Gains (Losses)	Fair Value
Short-term corporate bonds	$ 501	$ —	$ 501

The amortized cost of the debt securities are adjusted for the amortization of premiums computed under the effective interest method. Such amortization is included in interest expense, net in our condensed consolidated statements of operations.

We assess our investment in available-for-sale debt securities for impairment each reporting period. If an unrealized loss exists, we determine whether any portion of the decline in fair value below the amortized cost basis is credit-related by reviewing several factors, including, but not limited to, the extent of the fair value decline and changes in the financial condition of the issuer. We record an impairment for credit-related losses through an allowance, limited to the amount of the unrealized

loss. If we either intend to sell or it is more likely than not we will be required to sell the debt security before its anticipated recovery, any allowance is written off and the amortized cost basis is written down to fair value through a charge against net earnings. Unrealized gains and non-credit-related unrealized losses are recorded, net of tax, in other comprehensive (loss) income. We did not have any investments in available-for-sale debt securities in unrealized loss positions as of December 31, 2023.

Realized gains and losses are accounted for on the specific identification method. There have been no realized gains or losses on the disposal of these investments. All short-term investment securities are callable within one year.

Investments in Non-Marketable Equity Securities

We own approximately 20% non-marketable equity interest in a nonpublic company and entered into a three-year distribution agreement where we have the exclusive rights to market, sell and distribute the company's products in exchange for a cash payment of $3.3 million. In addition, we were granted an exclusive license for all of the seller's intellectual property. At the expiration of the distribution agreement we have the right but not the obligation to acquire the remaining interest in the business.

We apply the equity method of accounting for investments when we determine we have a significant influence, but not a controlling interest in the investee. We determine whether we have significant influence by considering key factors such as ownership interest, representation on the board of directors, participation in policy making decisions, business relationship and material intra-entity transactions, among other factors. Our equity method investment is reported at cost and adjusted each period for our share of the investee's income or (loss) and dividend paid, if any. We eliminate any intra-entity profits to the extent of our beneficial interest. We report our proportionate share of the investee's income or (loss) resulting from this investment in other income, net in our condensed consolidated statements of operations. The carrying value of our equity method investment is reported in other assets on our condensed consolidated balance sheets (see Note 10: Prepaid Expenses and Other Current Assets and Other Assets). We assess our equity method investments for impairment on an annual basis or whenever events or circumstances indicate that the carrying value of the investment may not be recoverable. Our recorded share of the investee's loss was not material for the three and nine months ended September 30, 2024 and 2023. We did not receive any dividend distributions from this investment during the three and nine months ended September 30, 2024 and 2023.

Our non-marketable equity method investment consists of the following (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Equity method investment	$ 3,080	$ 3,120

Note 10: Prepaid Expenses and Other Current Assets and Other Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Other prepaid expenses and receivables	$ 21,054	$ 17,833
Prepaid vendor expenses	1,657	1,309
Deferred costs	13,393	1,668
Prepaid insurance and property taxes	4,974	9,547
VAT/GST receivable	3,739	2,748
Deferred tax charge	6,652	5,822
Foreign exchange contracts	5,356	6,785
Interest rate contracts	10,940	23,065
Deposits	1,387	1,196
Other	4,583	3,667
	$ 73,735	$ 73,640

Other assets consist of the following (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Pump lease receivables	$ 25,913	$ 30,627
Spare parts	50,331	46,496
Equity method investment	3,080	3,120
Deferred debt issuance costs	2,355	3,439
Finance lease right-of-use assets	3,144	2,707
Interest rate contracts	—	4,876
Other	2,014	2,755
	$ 86,837	$ 94,020

Note 11: Inventories

Inventories are stated at the lower of cost or net realizable value with cost determined using the first-in, first-out method. Inventory costs include material, labor and overhead related to the manufacturing of our products.

Inventories consist of the following (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Raw materials	$ 291,733	$ 296,037
Work in process	78,549	58,906
Finished goods	321,756	354,417
Total inventories	$ 692,038	$ 709,360

Note 12: Property, Plant and Equipment

Property, plant and equipment consists of the following (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Machinery and equipment	$ 498,423	$ 483,382
Land, building and building improvements	295,267	278,251
Molds	94,436	89,573
Computer equipment and software	124,509	122,038
Furniture and fixtures	29,135	30,662
Instruments placed with customers[(1)]	127,796	115,672
Construction in progress	111,077	117,219
Total property, plant and equipment, cost	1,280,643	1,236,797
Accumulated depreciation	(685,016)	(623,888)
Property, plant and equipment, net	$ 595,627	$ 612,909

(1) Instruments placed with customers consist of drug-delivery and monitoring systems placed with customers under operating leases.

Depreciation expense was $21.4 million and $66.0 million for the three and nine months ended September 30, 2024, respectively, of which $18.5 million and $57.2 million, respectively, are included in cost of goods sold, and $25.0 million and $72.8 million for the three and nine months ended September 30, 2023, respectively, of which $19.3 million and $56.2 million, respectively, are included in cost of goods sold.

Note 13: Goodwill and Intangible Assets, Net

Goodwill

The following table presents the changes in the carrying amount of our goodwill (in thousands):

	Total
Balance as of January 1, 2024	$ 1,472,446
Currency translation	5,847
Balance as of September 30, 2024	$ 1,478,293

Intangible Assets, Net

Intangible assets, carried at cost less accumulated amortization and amortized on a straight-line basis, were as follows (in thousands):

	Weighted-Average Amortization Life in Years	September 30, 2024		
		Cost	Accumulated Amortization	Net
Patents	10	$ 35,880	$ 22,320	$ 13,560
Customer contracts	12	9,928	6,958	2,970
Non-contractual customer relationships	8	562,067	225,145	336,922
Trademarks	1	5,425	5,425	—
Trade name	15	18,254	8,070	10,184
Developed technology	10	625,128	213,734	411,394
Non-compete	3	9,100	9,100	—
Total amortized intangible assets		$ 1,265,782	$ 490,752	$ 775,030
Internally developed software[1]		$ 10,793		$ 10,793
Total intangible assets		$ 1,276,575	$ 490,752	$ 785,823

[1] Internally developed software will be amortized when the projects are complete and the assets are ready for their intended use.

	Weighted-Average Amortization Life in Years	December 31, 2023		
		Cost	Accumulated Amortization	Net
Patents	10	$ 33,261	$ 20,637	$ 12,624
Customer contracts	12	10,018	6,755	3,263
Non-contractual customer relationships	8	554,982	171,279	383,703
Trademarks	1	5,425	5,425	—
Trade name	15	18,251	7,162	11,089
Developed technology	10	587,852	167,913	419,939
Non-compete	3	9,100	7,450	1,650
Total amortized intangible assets		$ 1,218,889	$ 386,621	$ 832,268
Internally developed software[1]		$ 38,320		$ 38,320
Total intangible assets		$ 1,257,209	$ 386,621	$ 870,588

[1] Internally developed software will be amortized when the projects are complete and the assets are ready for their intended use.

Intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives. Intangible asset amortization expense was $34.3 million and $100.5 million during the three and nine months ended September 30, 2024, respectively, of which $0.7 million and $0.7 million, respectively, are included in cost of goods sold and $33.4 million and $98.8 million during the three and nine months ended September 30, 2023, respectively, with none included in cost of goods sold in both periods.

As of September 30, 2024 estimated annual amortization for our intangible assets for each of the next five years and thereafter is approximately (in thousands):

Remainder of 2024	$ 34,116
2025	132,064
2026	129,927
2027	119,765
2028	119,167
2029	116,077
Thereafter	123,914
Total	$ 775,030

Note 14: Accrued Liabilities and Other Long-Term Liabilities

Accrued liabilities consist of the following (in thousands):

	As of	
	September 30, 2024	**December 31, 2023**
Salaries and benefits	$ 68,206	$ 52,250
Incentive compensation	53,884	37,992
Operating lease liability-ST	17,094	20,161
Accrued sales taxes	4,931	6,748
Restructuring accrual	10,763	3,568
Deferred revenue	26,932	31,640
Accrued other taxes	6,846	3,024
Accrued professional fees	4,503	2,803
Italy medical device payback provision[(1)]	25,169	23,176
Legal accrual	2,715	1,874
Distribution fees	20,778	13,049
Warranties and returns	3,564	3,682
Field service corrective action[(2)]	38,599	30,281
Accrued freight	16,118	17,215
Foreign exchange contracts	9,878	2,590
Accrued audit fees	4,943	5,492
Defined benefit plan	2,019	2,575
Accrued interest	680	1,431
Other	8,106	8,664
	$ 325,728	$ 268,215

(1) Related to potential payments associated with the IMDP (as defined below) as a result of 2015 legislation enacted requiring medical device companies to make payments to the Italian government based on regional expenditure ceilings (see Note 18: Commitments and Contingencies for further details).

(2) Primarily includes field service corrective actions associated with certain products in connection with a 2021 Warning Letter (as defined below) received by Smiths Medical from the FDA following an inspection of Smiths Medical's Oakdale, Minnesota Facility (see Note 18: Commitments and Contingencies for further details).

Other long-term liabilities consist of the following (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Operating lease liability-LT	$ 45,328	$ 52,972
Benefits	3,909	4,207
Accrued rent	699	841
Finance lease liability-LT	2,240	1,954
Deferred revenue	10,036	10,585
Field service corrective action[1]	12,599	26,056
Other	5,578	3,882
	$ 80,389	$ 100,497

[1] Primarily related to field service corrective actions associated with certain products in connection with a 2021 Warning Letter (as defined below) received by Smiths Medical from the FDA following an inspection of Smiths Medical's Oakdale, Minnesota Facility (see Note 18: Commitments and Contingencies for further details).

Note 15: Income Taxes

Income taxes were accrued at an estimated effective tax rate of (84)% and (26)% for the three and nine months ended September 30, 2024, respectively, as compared to 235% and 70% for the three and nine months ended September 30, 2023, respectively.

The effective tax rate for the three and nine months ended September 30, 2024 differs from the federal statutory rate of 21% principally because of the effect of the mix of U.S. and foreign incomes, state income taxes, section 162(m) excess compensation, tax credits, and a valuation allowance against certain U.S. federal and state deferred tax assets and the following discrete items recognized during the interim period:

- Excess tax benefit recognized on stock option exercises and the vesting of restricted stock units during the three and nine months ended September 30, 2024 of $0.8 million and $3.8 million, respectively.
- Unrecognized tax benefits released as a result of the expiration of statute of limitations during the three and nine months ended September 30, 2024 of $0.0 million and $4.0 million, respectively.
- U.S. federal return-to-provision adjustments net of related tax reserves for the year ended December 31, 2023 resulted in a tax expense of $1.6 million for both the three and nine months ended September 30, 2024. The adjustments related primarily to changes in estimate for the research and development credit and an increase to the U.S. valuation allowance.

The Company regularly assesses the realizability of deferred tax assets and records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized. In assessing the realizability of our deferred tax assets, we weigh all available positive and negative evidence. This evidence includes, but is not limited to, historical earnings, scheduled reversal of taxable temporary differences, tax planning strategies and projected future taxable income. Due to the weight of objectively verifiable negative evidence, the Company recorded a valuation allowance of $22.4 million and $42.9 million tax expense against certain U.S. federal and state deferred tax assets during the three and nine months ended September 30, 2024, respectively. The significant piece of objectively verifiable negative evidence evaluated was the recent U.S. cumulative losses. Our ability to use our deferred tax assets depends on the amount of taxable income in future periods. Based on current earnings and anticipated future earnings along with expected changes in our deferred tax asset and liability balances, it is likely that the current valuation allowance position will be adjusted during the year. An additional valuation allowance may be required beyond the current year if future earnings are not sufficient to support the realization of deferred tax assets.

In 2021, the Organization for Economic Cooperation and Development ("OECD") released model rules for a 15% global minimum tax, known as Pillar Two. On December 15, 2022, the European Union agreed to implement the OECD's global minimum tax of 15% for multinationals that meet a global revenue threshold. A number of countries have enacted or have announced plans to enact legislation to adopt Pillar Two. We considered the applicable tax law changes on Pillar Two

implementation in the relevant countries, and there was no material impact to our tax provision for the three and nine months ended September 30, 2024. We do not expect the provisions currently in effect for 2024 to have a material impact on our tax provision and effective tax rate for the remainder of 2024 but will continue to assess the impact of tax legislation in the jurisdictions in which we operate.

The effective tax rate for the three and nine months ended September 30, 2023 differs from the federal statutory rate of 21% principally because of the effect of the mix of U.S. and foreign incomes, state income taxes, section 162(m) excess compensation, foreign-derived intangible income ("FDII"), tax credits, and the following discrete items recognized during the interim period:

- Excess tax benefit recognized on stock option exercises and the vesting of restricted stock units during the three and nine months ended September 30, 2023 of $0.6 million and $0.8 million, respectively.
- Net unrecognized tax benefits resulting primarily from the expiration of statute of limitations during the three and nine months ended September 30, 2023 of $0.0 million and $6.0 million, respectively.
- U.S. federal return-to-provision adjustments net of related tax reserves for the year ended December 31, 2022 resulted in a tax benefit of $7.5 million during the three and nine months ended September 30, 2023. The adjustments related primarily to changes in estimates for the research and development credit and foreign tax credits.
- The revaluation of the contingent consideration during the three and nine months ended September 30, 2023 of $15.6 million and $12.3 million, respectively, resulted in a tax expense of $0.0 million for both periods.

Note 16: Long-Term Debt

2022 Credit Agreement

In 2022, in connection with the acquisition of Smiths Medical, we entered into a Credit Agreement (the "Credit Agreement") with Wells Fargo Bank, National Association, Wells Fargo Securities, LLC, Barclays Bank PLC and certain other financial institutions (the “Lenders”) for $2.2 billion of senior secured credit facilities. The senior secured credit facilities include (i) a five-year Tranche A term loan of $850.0 million (the "Term Loan A"), (ii) a seven-year Tranche B term loan of $850.0 million (the "Term Loan B") and (iii) a five-year revolving credit facility of $500.0 million (the "Revolving Credit Facility"), with separate sub-limits of $50.0 million for letters of credit and swingline loans (collectively, the "Senior Secured Credit Facilities"). We used the proceeds from borrowings under the Term Loan A and the Term Loan B (collectively, the "Term Loans") to fund a portion of the cash consideration for the purchase of Smiths Medical and the related fees and expenses incurred in connection with the acquisition. We did not incur borrowings under the Revolving Credit Facility on the closing date of the acquisition. The proceeds from any future borrowings under the Revolving Credit Facility may be used for working capital and other general corporate purposes.

In connection with entering into the Credit Agreement in 2022, we incurred $37.8 million in debt discount and issuance costs, which were allocated to the Term Loan A, the Term Loan B and the Revolving Credit Facility based on lender commitment amounts relative to each type of fees paid. The lender and third-party discount and issuance costs allocated to the Term Loan A and the Term Loan B were $15.8 million and $13.4 million, respectively, the current unamortized balances are reflected as a direct deduction from the face amount of the corresponding term loans on the condensed consolidated balance sheet. These costs are being amortized to interest expense over the respective terms of the loans using the effective interest method. The issuance costs allocated to the Revolving Credit Facility were $8.6 million, which are capitalized and included in prepaid expenses and other current assets and other assets on our condensed consolidated balance sheets. These costs are being amortized to interest expense over the term of the Revolving Credit Facility using the straight-line method.

The net funds received from the Term Loan A and the Term Loan B, after deducting debt issuance costs, were $834.2 million and $836.6 million, respectively.

Maturity Dates

The maturity date for the Term Loan A and the Revolving Credit Facility is January 6, 2027, and the maturity date for the Term Loan B is January 6, 2029. Pursuant to the terms and conditions of the Credit Agreement, the maturity dates of the Term Loans and the Revolving Credit Facility may be extended upon our request, subject to the consent of the Lenders.

Interest Rate Terms

In general, the Term Loans and borrowings under the Revolving Credit Facility denominated in U.S. dollars bear interest, at our option, on either: (1) the Base Rate, as defined below, plus the applicable margin, as indicated below ("Base Rate Loans") or (2) the Adjusted Term Secured Overnight Financing Rate ("Adjusted Term SOFR"), as defined below, plus the applicable margin, as indicated below ("Term SOFR Loans").

The Base Rate is defined as the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR (as defined below) for a one-month period plus, in each case, 1.00%.

Adjusted Term SOFR is the rate per annum equal to (a) the Term SOFR plus (b) the Term SOFR Adjustment. Term SOFR is the forward-looking term rate based on SOFR and is calculated separately for Term SOFR Loans and Base Rate Loans, as specified in the Credit Agreement. The Term SOFR Adjustment is a percentage per annum of 0.10% for Base Rate Loans and between 0.10% to 0.25% for Term SOFR Loans based on the applicable interest period.

Revolving Credit Facility Commitment Fee

The Revolving Credit Facility has a per annum commitment fee at an initial rate of 0.25% which is applied to the available amount of the Revolving Credit Facility. Effective on the first Adjustment Date, as defined in the Credit Agreement, occurring subsequent to our quarter ended June 30, 2022, the commitment fee is determined by reference to the leverage ratio in effect from time to time as set forth in the table below.

Applicable Interest Margins

The Term Loan A and borrowings under the Revolving Credit Facility have an initial applicable margin of 0.75% per annum for Base Rate Loans and 1.75% per annum for Term SOFR Loans.

Effective on the first Adjustment Date, as defined in the Credit Agreement, occurring subsequent to our quarter ended June 30, 2022, the applicable margin for the Term Loan A and borrowings under the Revolving Credit Facility is determined by reference to the leverage ratio in effect from time to time as set forth in the following table:

Leverage Ratio	Applicable Margin for Term SOFR Loans	Applicable Margin for Base Rate Loans	Commitment Fee R
Greater than 4.00 to 1.0	2.25%	1.25%	0.35%
Less than or equal to 4.00 to 1.0 but greater than 3.00 to 1.0	2.00%	1.00%	0.30%
Less than or equal to 3.00 to 1.0 but greater than 2.50 to 1.0	1.75%	0.75%	0.25%
Less than or equal to 2.50 to 1.0 but greater than 2.00 to 1.0	1.50%	0.50%	0.20%
Less than or equal to 2.00 to 1.0	1.25%	0.25%	0.15%

The Term Loan B has an initial applicable margin of 1.5% per annum for Base Rate Loans and 2.5% per annum for Term SOFR Loans.

Effective on the first Adjustment Date, as defined in the Credit Agreement, occurring subsequent to our quarter ended June 30, 2022, the applicable margin for the Term Loan B is determined by reference to the leverage ratio in effect from time to time as set forth in the following table:

Leverage Ratio	Applicable Margin for Term SOFR Loans	Applicable Margin for Base Rate Loans
Greater than 2.75 to 1.0	2.50%	1.50%
Less than 2.75 to 1.0	2.25%	1.25%

Principal Payments

Principal payments on the Term Loans are due on the last day of each calendar quarter commencing on June 30, 2022.

The Term Loan A amortizes in nineteen consecutive quarterly installments in an amount equal to 2.50% of the original principal amount in each of the first two years, 5.00% in each of the third and fourth years and 7.50% in the fifth year, with a final payment of the remaining outstanding principal balance due on the maturity date.

The Term Loan B matures in twenty-seven consecutive quarterly installments in an amount equal to 0.25% of the original principal amount, with a final payment of the remaining outstanding principal balance due on the maturity date.

We may borrow, prepay and re-borrow amounts under the Revolving Credit Facility, in accordance with the terms and conditions of the Credit Agreement, with all outstanding amounts due at maturity.

For the nine months ended September 30, 2024 and 2023, total principal payments on the Term Loans were $38.3 million and $22.3 million, respectively.

Interest Payments

Interest payments on Base Rate Loans are payable quarterly in arrears on the last business day of each calendar quarter and the applicable maturity date. Interest periods on Term SOFR Loans are determined, at our option, as either one, three or six months and will be payable on the last day of each interest period and the applicable maturity date. In the case of any interest periods of more than three months' duration, the interest payment are payable on each day prior to the last day of such interest period that occurs at three-month intervals.

The commitment fee on the Revolving Credit Facility is payable quarterly in arrears on the third business day following the last day of each calendar quarter and at the maturity date. The commitment fee is included in interest expense in our condensed consolidated statements of operations.

Guarantors and Collateral

Our obligations under the Credit Agreement are unconditionally guaranteed, on a joint and several basis, by ICU Medical, Inc. and certain of our existing subsidiaries.

Debt Covenants

The Credit Agreement contains affirmative and negative covenants, including certain financial covenants. The negative covenants include restrictions regarding the incurrence of liens and indebtedness, certain merger and acquisition transactions, asset sales and other dispositions, other investments, dividends, share purchases and payments affecting subsidiaries, changes in nature of business, fiscal year or organizational documents, prepayments and redemptions of subordinated and other junior debt, transactions with affiliates, and other matters.

The financial covenants include the Senior Secured Leverage Ratio and the Interest Coverage Ratio, both defined below, and pertain to the Term Loan A and the Revolving Credit Facility.

The Senior Secured Leverage Ratio is defined, at any measurement date, as the ratio of: (a) all Funded Debt, as defined in the Credit Agreement, that is secured by a lien on any asset or property minus the lesser of (i) all unrestricted cash and cash equivalents and (ii) $500.0 million, to (b) Consolidated EBITDA, as defined in the Credit Agreement, for the most recently completed four fiscal quarters, calculated on a pro forma basis. The maximum Senior Secured Leverage Ratio is 4.50 to 1.00 until June 30, 2024. Thereafter, the maximum Senior Secured Leverage Ratio is 4.00 to 1.00, with limited permitted exception.

The Interest Coverage ratio is defined, at any measurement date, as the ratio of Consolidated EBITDA, as defined in the Credit Agreement, to Consolidated Interest Expense, as defined in the Credit Agreement, paid or payable in cash, for the most recently completed four fiscal quarters. The minimum Interest Coverage ratio is 3.00 to 1.00.

We were in compliance with all financial covenants as of September 30, 2024.

The Credit Agreement contains customary events of default, including, among others: non-payments of principal and interest; breach of representations and warranties; covenant defaults; cross-defaults and cross-acceleration to certain other

material indebtedness; the existence of bankruptcy or insolvency proceedings; certain events under ERISA; material judgments; and a change of control. If an event of default occurs and is not cured within any applicable grace period or is not waived, the administrative agent and the Lenders are entitled to take various actions, including, without limitation, the acceleration of all amounts due and the termination of commitments under the Senior Secured Credit Facilities.

The carrying values of our long-term debt consist of the following (in thousands):

	Effective Interest Rate	As of September 30, 2024	Effective Interest Rate	As of December 31, 2
Senior Secured Credit Facilities:				
Term Loan A — principal	8.22 %	$ 780,938	7.67 %	$ 81
Term Loan B — principal	8.57 %	828,750	8.00 %	83
Revolving Credit Facility — principal	— %	—	— %	
Less unamortized debt issuance costs[1]		(15,346)		(1
Total carrying value of long-term debt		1,594,342		1,62
Less current portion of long-term debt		51,000		5
Long-term debt, net		$ 1,543,342		$ 1,57

[1] Comprised of $6.9 million and $8.4 million relating to the Term Loan A and the Term Loan B, respectively, as of September 30, 2024.

As of September 30, 2024, the aggregate amount of principal repayments of our long-term debt (including any current portion) for each of the next five years and thereafter is approximately (in thousands):

Remainder of 2024	$
2025	
2026	
2027	6
2028	
2029	7
Thereafter	
Total	$ 1,6

The following table presents the total interest expense related to our long-term debt (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Contractual interest	$ 32,059	$ 32,494	$ 96,186	$
Amortization of debt issuance costs	1,700	1,704	5,111	
Commitment fee — Revolving Credit Facility	384	384	1,141	
Total long-term debt-related interest expense	$ 34,143	$ 34,582	102,438	

We currently hedge against the contractual interest expense on our long-term debt (see Note 7: Derivatives and Hedging Activities).

Note 17: Stockholders' Equity

Shareholders Agreement

At the completion of the Smiths Medical acquisition in 2022, Smiths owned approximately 10.5% of the total outstanding shares of our common stock (see Note 3: Restructuring, Strategic Transaction and Integration). At closing, in connection with the issuance of the share consideration, we entered into a Shareholders Agreement (the “Shareholders Agreement”) with Smiths. The Shareholders Agreement permits Smiths to designate one individual for election to our Board of Directors (the "Board") so long as Smiths beneficially owns at least 5.0% of the total outstanding shares of our common stock. On February 28, 2024, Smiths designated board member, Mr. William Seeger, notified us of his resignation from our Board in anticipation of his retirement from the Board of Directors of Smiths. See our Current Report on Form 8-K filed on February 29, 2024 for additional information. During July 2024 Smiths sold a portion of their outstanding shares of our common stock which when combined with other sales in prior periods left Smiths with an ownership percentage under the required 5.0% needed for the right to designate a board member.

Treasury Stock

In August 2019, our Board approved a share purchase plan to purchase up to $100.0 million of our common stock. This plan has no expiration date. During the three and nine months ended September 30, 2024, we did not purchase any shares of our common stock under our share purchase plan. As of September 30, 2024, all of the $100.0 million available for purchase was remaining under the plan. We are currently limited on share purchases in accordance with the terms and conditions of our Credit Agreement (see Note 16: Long-Term Debt).

For the nine months ended September 30, 2024, we withheld 114,023 shares of our common stock from employee vested restricted stock units in consideration for $11.9 million in payments made on the employees' behalf for their minimum statutory income tax withholding obligations. For the nine months ended September 30, 2023, we withheld 58,089 shares of our common stock from employee vested restricted stock units in consideration for $9.2 million in payments made on the employees' behalf for their minimum statutory income tax withholding obligations. Treasury stock is used to issue shares for stock option exercises and restricted stock grants.

Accumulated Other Comprehensive (Loss) Income ("AOCI")

The components of AOCI, net of tax, were as follows (in thousands):

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Cash Flow Hedges	Other Adjustments	Total
Balance as of January 1, 2024	$ (76,784)	$ 21,884	$ 1,819	$ (53,081)
Other comprehensive (loss) income before reclassifications	(22,817)	13,908	—	(8,909)
Amounts reclassified from AOCI	—	(7,548)	—	(7,548)
Other comprehensive (loss) income	(22,817)	6,360	—	(16,457)
Balance as of March 31, 2024	$ (99,601)	$ 28,244	$ 1,819	$ (69,538)
Other comprehensive (loss) income before reclassifications	(15,865)	436	—	(15,429)
Amounts reclassified from AOCI	—	(6,818)	—	(6,818)
Other comprehensive loss	(15,865)	(6,382)	—	(22,247)
Balance as of June 30, 2024	$ (115,466)	$ 21,862	$ 1,819	$ (91,785)
Other comprehensive income (loss) before reclassifications	49,581	(14,975)	—	34,606
Amounts reclassified from AOCI	—	(5,257)	—	(5,257)
Other comprehensive income (loss)	49,581	(20,232)	—	29,349
Balance as of September 30, 2024	$ (65,885)	$ 1,630	$ 1,819	$ (62,436)

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Cash Flow Hedges	Other Adjustments	Total
Balance as of January 1, 2023	$ (122,973)	$ 40,779	$ 1,216	$ (80,978)
Other comprehensive income (loss) before reclassifications	24,983	(113)	(31)	24,839
Amounts reclassified from AOCI	—	(5,464)	—	(5,464)
Other comprehensive income (loss)	24,983	(5,577)	(31)	19,375
Balance as of March 31, 2023	$ (97,990)	$ 35,202	$ 1,185	$ (61,603)
Other comprehensive income (loss) before reclassifications	7,569	13,175	(34)	20,710
Amounts reclassified from AOCI	—	(7,901)	—	(7,901)
Other comprehensive income (loss)	7,569	5,274	(34)	12,809
Balance as of June 30, 2023	$ (90,421)	$ 40,476	$ 1,151	$ (48,794)
Other comprehensive (loss) income before reclassifications	(37,557)	10,824	(35)	(26,768)
Amounts reclassified from AOCI	—	(9,165)	—	(9,165)
Other comprehensive (loss) income	(37,557)	1,659	(35)	(35,933)
Balance as of September 30, 2023	$ (127,978)	$ 42,135	$ 1,116	$ (84,727)

Note 18: Commitments and Contingencies

Legal Proceedings

From time to time, we are involved in various legal proceedings, most of which are routine litigation, in the normal course of business. Our management does not believe that the resolution of the unsettled legal proceedings that we are involved with will have a material adverse impact on our financial position or results of operations.

Off-Balance Sheet Arrangements

In the normal course of business, we have agreed to indemnify our officers and directors to the maximum extent permitted under Delaware law and to indemnify customers as to certain intellectual property matters or other matters related to sales of our products. There is no maximum limit on the indemnification that may be required under these agreements.
Although we can provide no assurances, we have never incurred, nor do we expect to incur, any material liability for indemnification.

Contingencies

In January 2022, we acquired Smiths Medical. Total consideration for the acquisition included a potential earn-out payment of $100.0 million in cash contingent on our common stock achieving the Price Targets from the closing date to either the third or fourth anniversary of closing and provided Smiths beneficially owned at least 50.0% of the shares of common stock issued at closing at the time the Price Target is achieved. As of June 30, 2024, the estimated fair value of the contingent earn-out was $3.9 million (see Note 8: Fair Value Measurements). During July 2024, Smiths sold 1.2 million common shares of ICU Medical, Inc. which were issued as partial consideration for the 2022 acquisition of Smiths Medical. The sale of shares when combined with other sales in prior periods renders Smiths unable to achieve the contingent consideration based on certain price targets during the third and fourth anniversary of closing as Smiths no longer meets the required minimum beneficial ownership percentage. Accordingly, the valuation of the contingent earn-out liability as of September 30, 2024 has been reduced to zero.

Prior to being acquired, during 2021, Smiths Medical received a Warning Letter from the FDA following an inspection of Smiths Medical’s Oakdale, Minnesota Facility (the "2021 Warning Letter"). The 2021 Warning Letter cited, among other things, failures to comply with FDA's medical device reporting requirements and failures to comply with applicable portions of

the Quality System Regulation. A provision for the estimated costs related to the field service corrective actions identified as of the closing date of the acquisition was recorded on the opening acquired balance sheet of Smiths Medical in the amount of $55.1 million. The initial estimate recorded was based on a probability-weighted estimate of the costs required to settle the obligation related to known field corrective actions. The actual costs to be incurred are dependent upon the scope of the work necessary to achieve regulatory clearance, including potential additional field corrective actions, and could differ from the original estimate. For the three and nine months ended September 30, 2024, we recorded a provision of $0.8 million and a net reversal to the provision of $5.2 million, respectively, to adjust the estimated cost to complete the field corrective actions to the amounts expected to be incurred based on historical experience. As of September 30, 2024, approximately $43.9 million of the $51.2 million of accrued field service corrective action recorded was related to the 2021 Warning Letter.

In November 2021, we acquired a small foreign infusion systems supplier. Total consideration for the acquisition included a potential earn-out payment of up to $2.5 million, consisting of (i) a cash payment of $1.0 million contingent on the achievement of certain revenue targets for the annual period ended December 31, 2022 and, separately, (ii) a cash payment of $1.5 million contingent upon obtaining certain product-related regulatory certifications. As of December 31, 2022, the measurement period related to (i) above ended and based on the actual revenue achieved during the measurement period we determined that the fair value of the contingent earn-out was zero as the minimum threshold for earning the earn-out was not met. As of September 30, 2024, the estimated fair value of the contingent earn-out related to certain product-related regulatory certification was estimated to be $1.5 million (see Note 8: Fair Value Measurements).

In August 2021, we entered into an agreement with one of our international distributors whereby that distributor would not compete with us in a specific territory for a three-year period that ended September 2024. The terms of the agreement included a contingent earn-out payment. The contingent earn-out could not exceed $6.0 million, and was to be earned based on certain revenue targets over a twelve-month measurement period determined by the highest four consecutive quarters commencing over a two-year period starting on the closing date of the agreement and provided that the distributor is in compliance with its obligations under the agreement. As of December 31, 2023, the fair value of the contingent earn-out was determined to be $3.4 million and was paid out during the three months ended March 31, 2024 (see Note 8: Fair Value Measurements).

In 2015, legislation was enacted in Italy which requires medical device companies to make payments to the Italian government if Italy's medical device expenditures for certain years exceeded annual regional expenditure ceilings. Since its enactment, the legislation has been subject to appeals in the Italy court system. In the third quarter of 2024, Italy's Constitutional Court issued two judgments, one of which confirmed the legitimacy of the legislation on the Italy Medical Device Payback ("IMDP"). However, litigation proceedings are still pending and the ultimate resolution remains unknown. The timing and amount of payments could ultimately differ from our current expectations (see Note 14: Accrued Liabilities and Other Long-Term Liabilities for details on amounts accrued for potential payments related to the IMDP).

Commitments

We have non-cancelable operating lease agreements where we are contractually obligated to pay certain lease payment amounts (see Note 5: Leases).

Note 19: Collaborative and Other Arrangements

On February 3, 2017, we entered into two Manufacturing and Supply Agreements ("MSAs") whereby (i) Pfizer would manufacture and supply us with certain agreed upon products for an initial five-year term with a one-time two-year option to extend and (ii) we will manufacture and supply Pfizer certain agreed upon products for a term of five or ten years depending on the product, also with a one-time two-year option to extend. We no longer purchase products from Pfizer under the MSA as described in (i) above.

The MSA described in (ii) above provides each party with mutually beneficial interests and is jointly managed by both Pfizer and ICU. The initial supply price, which will be annually updated, is in full consideration for all costs associated with the manufacture, documentation, packaging and certification of the products. On January 1, 2021, we amended our MSA with Pfizer, whereby we manufacture and supply certain agreed upon products to Pfizer. The amendments included a change to the term of the agreement to end on December 31, 2024 with Pfizer's unilateral election to extend through December 31, 2025. Other changes to the terms of the MSA included (i) amendments to our level of supply of products to Pfizer, (ii) certain changes to our manufacturing lines, (iii) updates to our supply price with added volume price tiers for annual periods and (iv) certain minimum purchase requirements for certain products.

Note 20: Accounts Receivable Purchase Program

On January 19, 2023, we entered into a revolving $150 million uncommitted receivables purchase agreement with Bank of The West, which was subsequently acquired by BMO in February 2023. This agreement provided for a less expensive form of capital. The discount rate applied to the sold receivables equals a rate per annum equal to the sum of (i) an applicable margin, plus (ii) Term SOFR for a period equal to the discount period which is calculated with respect to the payment terms of the specific receivable. The accounts receivable sold have payment terms ranging between 30 and 60 days, and are related to customer accounts with good credit history. The transfer of the purchased accounts receivable under the agreement is intended to be an absolute and irrevocable transfer constituting a true sale as the transferred receivables have been isolated beyond the reach of the Company and our creditors, even in bankruptcy or other receivership. We do not retain effective control over the sold receivables and BMO has the right upon purchase to pledge and/or exchange the transferred assets without restrictions. The Company acts as collection agent for BMO and collection services are undertaken by our accounts receivable personnel in their normal course of business and collected funds are remitted to BMO. We do not have any continuing involvement with the sold receivables other than the collection services which does not provide us with more than a trivial benefit. The discount rate has been negotiated net of consideration for the collection services, the cost of collection is immaterial to the Company; therefore, we did not separately record any related servicing assets or liabilities related to the sold receivables.

The following table presents information in connection with the purchase program (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Trade receivables sold[1]	$ 86,991	$ 162,369	$ 435,438	$ 452,640
Cash received in exchange for trade receivables sold[2]	86,521	$ 161,398	432,803	$ 449,984
Loss on sale of receivables[3]	469	$ 971	2,635	$ 2,655

(1) Represents carrying value of trade receivables sold to BMO.
(2) Cash proceeds received from BMO.
(3) Reflected in other expense, net in our condensed consolidated statement of operations.

As of September 30, 2024 and December 31, 2023, cash remaining to be collected on behalf of BMO was $27.0 million and $75.9 million, respectively, which has been removed from our condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023, respectively and is reflected as cash provided by operating activities in the condensed consolidated statement of cash flows in each respective period. The carrying value of the sold receivables approximated the fair value at September 30, 2024.

Note 21: Subsequent Event

On November 12, 2024, the Company and ICU Medical Sales, Inc., a Delaware corporation (collectively, the "ICU Medical Entities") entered into a purchase agreement (the "Agreement") with Otsuka Pharmaceutical Factory America, Inc., a Delaware corporation ("OPF"). Pursuant to the Agreement, prior to the closing, the ICU Medical Entities will form a Delaware limited liability company (the "LLC") and the ICU Medical Entities, and the LLC shall enter into a contribution agreement under which the ICU Medical Entities shall transfer the assets, liabilities and operations that comprise the IV Solutions product line to the LLC. At the closing, OPF will acquire a 60% equity interest in the LLC from the ICU Medical Entities. Pursuant to the Agreement, the consideration receivable by the ICU Medical Entities is comprised of (a) estimated cash consideration of approximately $200 million at closing and (b) a milestone payment paid by OPF to the Company for any incremental revenue and incremental gross profit recognized by the LLC, as calculated under the terms of the Agreement upon the final determination of the LLC's audited financial statements for the year-ending and as of December 31, 2026. Additionally, at closing, the LLC, ICU Medical Entities and OPF shall enter into an operating agreement, and the LLC and the Company shall enter into one or more commercial agreements, a services agreement and a license agreement, which will provide for, among other things, certain administrative, marketing, distribution, sales support and logistic services to the LLC for a specified period of time. The transaction is expected to be completed during the first half of 2025. The Company cannot currently estimate the financial effect this transaction will have on its condensed consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the condensed consolidated financial statements and accompanying notes in this Quarterly Report on Form 10-Q, as well as the audited consolidated financial statements and related notes thereto included in our 2023 Annual Report on Form 10-K. This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the caption entitled "Forward-Looking Statements" in this section and Part I, Item 1A. "Risk Factors" in our 2023 Annual Report on Form 10-K as may be further updated from time to time in our other filings with the SEC.

When used in this Quarterly Report on Form 10-Q, the terms "we," "us," and "our" refer to ICU Medical, Inc. ("ICU" or the "Company") and its consolidated subsidiaries included in our condensed consolidated financial statements unless context requires otherwise.

Business Overview and Highlights

We develop, manufacture, and sell innovative medical products used in infusion systems, infusion consumables and high-value critical care products used in hospital, alternate site and home care settings. Our team is focused on providing quality, innovation and value to our clinical customers worldwide. Our product portfolio includes ambulatory, syringe, and large volume IV pumps and safety software; dedicated and non-dedicated IV sets, needlefree IV connectors, peripheral IV catheters, and sterile IV solutions; closed system transfer devices and pharmacy compounding systems; as well as a range of respiratory, anesthesia, patient monitoring, and temperature management products.

Products

Our primary product offerings are organized under three business units as listed below. We have presented our financial results in accordance with these business units:

Consumables

Our Consumables business unit includes Infusion Therapy, Oncology, Vascular Access and Tracheostomy products.

Infusion Therapy

Our Infusion Therapy products include non-dedicated infusion sets, extension sets, needle-free connectors, and disinfection caps. Infusion sets used in hospitals and ambulatory clinics consist of flexible sterile tubing running from an IV bag or bottle containing a drug product or solution to a catheter inserted in a patient's vein that may or may not be used with an infusion pump. Disinfection caps are used to actively disinfect access points into the infusion sets and catheters. Our primary Infusion Therapy products are:

- Clave™ needlefree products, including the MicroClave, MicroClave Clear, and NanoClave™ brand of connectors, accessories, extension and administration sets used for the administration of IV fluids and medications;
- Neutron™ catheter patency device, used to help maintain patency of central venous catheters;
- Tego™ needlefree connector utilized to access catheters for hemodialysis and apheresis applications; and
- ClearGuard™, SwabCap™ and SwabTip™ disinfection caps.

Oncology

Closed System Transfer Devices ("CSTD") and hazardous drug compounding systems are used to prepare and deliver hazardous IV medications such as those used in chemotherapy, which, if released, can have harmful effects on the healthcare worker and environment. Our primary Oncology products are:

- ChemoLock™ CSTD, which utilizes a proprietary needlefree connection method, is used for the preparation and administration of hazardous drugs. ChemoLock is used to limit the escape of hazardous drug or vapor concentrations, block the transfer of environmental contaminants into the system, and eliminates the risk of needlestick injury;

- ChemoClave™, an ISO Connection standard and universally compatible CSTD used for the preparation and administration of hazardous drugs. ChemoClave utilizes standard ISO luer locking connections, making it compatible with all brands of needlefree connectors and pump delivery systems. ChemoClave also is used to limit the escape of hazardous drug or vapor concentrations, block the transfer of environmental contaminants into the system, and eliminate the risk of needlestick injury; and

- Deltec® GRIPPER® non-coring needles for portal access.

The preparation of hazardous drugs typically takes place in a pharmacy where drugs are removed from vials and prepared for delivery to a patient. Those prepared drugs are then transferred to a nursing unit where the chemotherapy is administered via an infusion pump set to a patient. Components of the ChemoClave and ChemoLock product lines are used both in pharmacies and on the nursing floors for the preparation and administration of hazardous drugs.

Vascular Access

Our Vascular Access products are used by clinicians to access the patients' bloodstream to deliver fluids and medication or to obtain blood samples. Our primary Vascular Access products are:

- Jelco® safety and conventional peripheral IV catheters and sharps safety devices for hypodermic injection, designed to help prevent accidental needlestick injury;

- Safe-T Wing® venipuncture and blood collection devices;

- Port-A-Cath® implantable ports;

- Portex® arterial blood sampling syringes;

- PowerWand® midline catheters; and

- Cleo® subcutaneous infusion catheters and sets.

Tracheostomy

Our tracheostomy products are used in the placement of a secure airway using both surgical and percutaneous insertion techniques. Our primary Tracheostomy products are:

- Portex BLUselect® PVC tracheostomy tubes, which feature an inner cannula as well as a Suctionaid option for above the cuff suctioning and vocalization capability;

- Portex Bivona® silicone tracheostomy tubes, which offer the added benefits of comfort and mobility and come in a variety of configurations suited to meet the clinical needs of neonatal through adult patients; and

- Portex BLUperc® percutaneous insertion kits, which allow for safe placement of the tracheostomy tube at the bedside.

Infusion Systems

We offer a comprehensive portfolio of infusion pumps, dedicated IV sets, software and professional services to meet the wide range of infusion needs. Our primary Infusion System products are:

Large Volume Pump ("LVP") Hardware:

- Plum 360™infusion pumps feature a unique delivery system that helps to enhance patient safety and workflow efficiency. The pumps work with PlumSet™ dedicated IV sets that include an air trap to help minimize interruptions and a direct connection to the secondary line that eliminates the risk of setup errors and enables concurrent delivery of two compatible medications through a single line. Plum 360 has been named Best in KLAS for seven years in a row (2018, 2019, 2020, 2023 – Best in KLAS Smart Pump Traditional; 2021, 2022, 2023, 2024 Best in KLAS Smart Pump EMR Integrated) and was the first medical device to be awarded UL Cybersecurity Assurance Program Certification.

- Plum Duo™ infusion pumps with LifeShield™ safety software are dual channel devices capable of delivering up to four compatible medications at independent rates with a single pump. The Plum Duo combines the award-winning legacy of Plum 360 with modern innovation, including a large touch screen and highly intuitive user interface to help guide users through programming, while streamlining complex tasks.

Ambulatory Infusion Hardware:

- CADD™ ambulatory infusion pumps and disposables, including administration sets and medication cassette reservoirs, serve as a single pain management platform across all types of IV pain management therapies and all clinical care areas from the hospital to outpatient treatment.

Syringe Infusion Hardware:

- Medfusion™ syringe infusion pumps are designed for the administration of fluids and medication to address the needs of the most vulnerable patients requiring precisely controlled infusion rates. Focused on delivery accuracy, the Medfusion 4000 can deliver from a comprehensive portfolio of syringes to meet syringe pump guidance to deliver medication from the smallest syringe size possible.

IV Medication Safety Software:

- ICU Medical MedNet™ software is an enterprise-class medication management platform that can help reduce medication errors, improve quality of care, streamline workflows and maximize revenue capture. ICU Medical MedNet connects our industry-leading Plum 360 smart pumps to a hospital's EHR, asset tracking systems, and alarm notification platforms to further enhance infusion safety and efficiency.

- LifeShield™ infusion safety software for Plum Duo infusion pumps is an enterprise-wide platform designed with the input of pharmacists, nurses and administrators to empower health systems to raise the bar in IV performance. The system's hybrid architecture provides cloud-based functionality to allowing access anywhere with on-premise management providing security and control.

- PharmGuard™ medication safety software for Medfusion 4000 syringe and CADD-Solis™ pumps allows for customized drug libraries to support the standardization of protocols for medication administration throughout the facility.

Professional Services:

In addition to the products above, our teams of clinical and technical experts work with customers to develop safe and efficient infusion systems, providing customized and personalized configuration, implementation, and data analytics services to optimize our infusion hardware and software.

Vital Care

Our Vital Care business unit includes IV Solutions, Hemodynamic Monitoring, General Anesthesia and Respiratory, Temperature Management Solutions and Regional Anesthesia/Pain Management products.

IV Solutions

Our IV Solutions products include a broad portfolio of injection, irrigation, nutrition and specialty IV solutions including:

- IV Therapy and Diluents, including Sodium Chloride, Dextrose, Balanced Electrolyte Solutions, Lactated Ringer's, Ringer's, Mannitol, Sodium Chloride/Dextrose and Sterile Water.

- Irrigation, including Sodium Chloride Irrigation, Sterile Water Irrigation, Physiologic Solutions, Ringer's Irrigation, Acetic Acid Irrigation, Glycine Irrigation, Sorbitol-Mannitol Irrigation, Flexible Containers and Pour Bottle Options.

Hemodynamic Monitoring

Our Hemodynamic Monitoring products are designed to help clinicians get accurate real-time access to patients' hemodynamic and cardiac status with an extensive portfolio of monitoring systems and advanced sensors & catheters. Measurements provided by our systems help clinicians determine how well the heart is pumping blood and how efficiently oxygen from the blood is being used by the tissues. Our Hemodynamic Monitoring products include:

- Cogent™ 2-in-1 hemodynamic monitoring system;
- CardioFlo™ hemodynamic monitoring system;
- TDQ™ and OptiQ™ cardiac output monitoring catheters;
- TriOx™ venous oximetry catheters;
- Transpac™ blood pressure transducers;
- SafeSet™ closed blood sampling and conservation system; and
- MEDEX® LogiCal® Pressure Monitoring System and components.

General Anesthesia & Respiratory

We offer a broad range of anesthesia systems and devices and breathing circuits, ventilation, respiratory and specialty airway products that maintain patients' airways before, during and after surgery. Our primary Anesthesia & Respiratory products are:

- Portex® acapella® bronchial hygiene products used to mobilize pulmonary secretions to facilitate the opening of airways in patients with chronic respiratory diseases such as chronic obstructive pulmonary disease, or COPD, asthma and cystic fibrosis.

Temperature Management Solutions

Temperature Management solutions systems are used in perioperative and critical care settings to help monitor and regulate patient temperature. Our primary Temperature Management products include:

- Level 1® rapid infusion, fluid warming, routine blood and fluid warming, irrigation fluid warming, convective patient warming and temperature probes.

Regional Anesthesia/Pain Management Trays

We offer a comprehensive range of Portex® regional anesthesia/pain management trays and components. Our primary products include:

- Epidural Trays;
- Spinal Trays;
- Combined (CSE) Trays;
- Peripheral Nerve Block Trays; and
- Specialty Trays (Lumbar Puncture, Amniocentesis, Myelogram).

In the U.S. a substantial amount of our products are sold to group purchasing organization member hospitals. We believe that as healthcare providers continue to either consolidate or join major buying organizations, the success of our products will depend, in part, on our ability, either independently or through strategic relationships, to secure long-term contracts with large healthcare providers and major buying organizations.

Supply Constraints, Global Economic Conditions

We have experienced and may continue to experience significant impacts to our business as a result of global economic challenges, resulting from, among other events, health pandemics and geopolitical conflicts. These impacts, which negatively impacted our gross profit margin during 2023, included the impact of rising inflation, especially with respect to freight costs driven by higher fuel prices, increased cost and shortages of raw materials, and supply chain disruptions. While we expect the pressure on the supply chain to lessen and inflation to continue to subside during 2024, freight costs are expected to remain subject to volatility in the market. We also expect higher interest rates and the foreign currency impact due to the strengthening of the U.S. dollar and Mexican peso that impacted our 2023 financial results to continue to impact our results of operations in 2024.

During September 2024, Baxter's North Cove manufacturing facility was damaged as a result of Hurricane Helene. The facility is the largest supplier of IV Solutions in the U.S. The facility is expected to operate on a diminished capacity through the remainder of 2024. This is expected to cause temporary supply constraints in the market and hospital elective procedures could be deferred or cancelled as a result. We are actively increasing production of our IV Solutions product lines and we expect increased demand related to these product lines for the remainder of 2024. We are not yet able to determine if demand for our other products lines will be impacted in the near term as a result of deferred or cancelled procedures.

While we continually monitor the ongoing and evolving impact of the above events on our operations the overall impact remains uncertain and may not be fully reflected in our results of operations until future periods. The overall impact to our results of operations will depend on a number of factors, many of which are out of our control, none of which can be fully predicted at this time. See “Part I. Item 1A. Risk Factors: Heightened inflation, higher interest rates and foreign currency rate fluctuations as a result of global macroeconomic and geopolitical conditions have had and could in the future have a material adverse effect on our operations” in our 2023 Annual Report on Form 10-K for a discussion of risks and uncertainties.

Consolidated Results of Operations

We present income statement data in Part I, Item 1. "Financial Statements." The following table shows, for the three and nine months ended September 30, 2024 and 2023, the percentages of each income statement caption in relation to total revenue:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Total revenues	100 %	100 %	100 %	100 %
Gross profit	35 %	33 %	34 %	34 %
Selling, general and administrative expenses	28 %	27 %	27 %	27 %
Research and development expenses	4 %	4 %	4 %	4 %
Restructuring, strategic transaction and integration expenses	3 %	1 %	3 %	2 %
Change in fair value of contingent earn-out	(1)%	(3)%	— %	(1)%
Total operating expenses	34 %	29 %	34 %	32 %
Income from operations	1 %	4 %	— %	2 %
Interest expense, net	(4)%	(4)%	(4)%	(4)%
Other expense, net	— %	(1)%	— %	— %
Loss before income taxes	(3)%	(1)%	(4)%	(2)%
(Provision) Benefit for income taxes	(3)%	2 %	(1)%	2 %
Net (loss) income	(6)%	1 %	(5)%	— %

Seasonality/Quarterly Results

There are no significant seasonal aspects to our business. We can experience fluctuations in net sales as a result of variations in the ordering patterns of our largest customers, which may be driven more by production scheduling and customer inventory levels, and less by seasonality. Our expenses often do not fluctuate in the same manner as net sales, which may cause fluctuations in operating income that are disproportionate to fluctuations in our revenue.

Non-GAAP Financial Measures

In addition to comparing changes in revenue on a U.S. GAAP basis, we also compare the changes in revenue from one period to another using constant currency. The presentation of revenues on a constant currency basis is a non-GAAP financial measure that excludes the impact of fluctuations in foreign currency exchange rates that occurred between the comparative periods. We provide constant currency information to enhance the visibility of underlying business trends, excluding the effects of changes in foreign currency translation rates. We believe this information is useful to investors to facilitate comparisons and better identify trends in our business. Our constant currency revenues reflect current period local currency revenues at prior period's average exchange rates. We consistently apply this approach to revenues for all currencies where the functional currency is not the U.S. dollar. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with GAAP.

Consumables

The following table summarizes our total Consumables revenue (in millions, except percentages):

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
Consumables revenue (GAAP)	$ 264.9	$ 242.0	$ 22.9	9.5 %	$ 770.7	$ 715.1	$ 55.6	7.8 %
Impact of foreign currency exchange rate changes	0.1				2.2			
Consumables revenue on a constant currency basis (non-GAAP)	$ 265.0	$ 242.0	$ 23.0	9.5 %	$ 772.9	$ 715.1	$ 57.8	8.1 %

Consumables revenue increased for the three and nine months ended September 30, 2024, as compared to the same periods in the prior year, primarily due to new customer installations and increased demand for our Infusion Consumables, Vascular Access and Oncology product lines.

Infusion Systems

The following table summarizes our total Infusion Systems revenue (in millions, except percentages):

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
Infusion Systems (GAAP)	$ 159.8	$ 149.0	$ 10.8	7.2 %	$ 480.7	$ 463.9	$ 16.8	3.6 %
Impact of foreign currency exchange rate changes	4.8				16.0			
Infusion Systems on a constant currency basis (non-GAAP)	$ 164.6	$ 149.0	$ 15.6	10.5 %	$ 496.7	$ 463.9	$ 32.8	7.1 %

Infusion Systems revenue increased for the three and nine months ended September 30, 2024, as compared to the same periods in the prior year, primarily due to increased sales of ambulatory pump hardware and both ambulatory and LVP dedicated sets.

Vital Care

The following table summarizes our total Vital Care revenue (in millions, except percentages):

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
Vital Care (GAAP)	$ 164.5	$ 162.3	$ 2.2	1.4 %	$ 500.8	$ 492.3	$ 8.5	1.7 %
Impact of foreign currency exchange rate changes	0.1				2.6			
Vital Care on a constant currency basis (non-GAAP)	$ 164.6	$ 162.3	$ 2.3	1.4 %	$ 503.4	$ 492.3	$ 11.1	2.3 %

Vital Care revenue increased for the three and nine months ended September 30, 2024, as compared to the same periods in the prior year, primarily due to higher sales of IV Solutions and Respiratory products.

Gross Margins

For the three and nine months ended September 30, 2024, gross margins were 34.8% and 34.1%, respectively, as compared to 33.2% and 34.0% for the three and nine months ended September 30, 2023, respectively. The increases in gross margin for the three and nine months ended September 30, 2024, as compared to the same periods in the prior year, were primarily driven by price increases and lower supply chain and freight costs. The increase in gross margin for the three months ended September 30, 2024 was also driven by favorable foreign exchange rates.

Selling, General and Administrative ("SG&A") Expenses

The following table summarizes our total SG&A Expenses (in millions, except percentages):

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
SG&A	$ 162.7	$ 148.6	$ 14.1	9.5 %	$ 479.9	$ 452.1	$ 27.8	6.1 %

SG&A expenses increased for the three months ended September 30, 2024, as compared to the same period in the prior year, primarily due to increases of $4.4 million in compensation costs, $5.6 million in dealer fees and $2.4 million in sales commissions. Partially offsetting these increases was a $2.5 million decrease in depreciation and amortization expense. Compensation costs and commissions increased primarily due to an increase in accrued cash incentive compensation and sales commissions. Dealer fees increased due to an increase in revenue to distributors. Depreciation and amortization expense decreased primarily due to certain assets that reached the end of their useful lives.

SG&A expenses increased for the nine months ended September 30, 2024, as compared to the same period in the prior year primarily due to increases of $13.1 million in compensation costs, $9.2 million in dealer fees, $5.6 million in sales commissions and $4.0 million in stock compensation expense. Partially offsetting these increases was a $6.5 million decrease in depreciation and amortization expense and a $2.6 million decrease in IT expenses. Compensation costs and commissions increased primarily due to an increase in accrued cash incentive compensation and sales commissions increased due to higher revenues. Dealer fees increased due to an increase in revenues to distributors. Stock based compensation increased due to (i) changes in the number of shares expected to vest for certain of our executive performance awards; (ii) later timing of certain annual awards granted in the prior year that were subject to shareholder approval; and (iii) the stock compensation expense related to the employees of Smiths Medical included the expense of three years of grants in the current year as compared to the expense of two years of grants in the prior year. Depreciation and amortization expense decreased primarily due to certain assets that reached the end of their useful lives. IT expenses decreased based on current operating needs.

Research and Development ("R&D") Expenses

The following table summarizes our total R&D Expenses (in millions, except percentages):

	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
R&D	$ 21.0	$ 20.9	$ 0.1	0.5 %	$ 66.3	$ 62.9	$ 3.4	5.4 %

R&D expenses increased for the three and nine months ended September 30, 2024, as compared to the same periods in the prior year. R&D expenses during both periods primarily related to headcount and employment expense in support of ongoing R&D projects. R&D expenses for both periods presented generally included increased compensation and benefit expenses, consulting fees, production supplies, samples, travel costs, utilities and other miscellaneous administrative costs incurred in our ongoing R&D projects.

Restructuring, Strategic Transaction and Integration Expenses

Restructuring, strategic transaction and integration expenses were $16.8 million and $50.1 million for the three and nine months ended September 30, 2024, respectively, as compared to $7.2 million and $30.5 million for the three and nine months ended September 30, 2023, respectively.

Restructuring charges

Restructuring charges were $3.6 million and $16.6 million for the three and nine months ended September 30, 2024, respectively, as compared to $1.1 million and $5.1 million for the three and nine months ended September 30, 2023, respectively, and were primarily related to severance costs for all periods. The restructuring charges for the three and nine months ended September 30, 2023 is net of $0.2 million related to facility closures costs that were reversed in the third quarter of 2023. As of September 30, 2024, we expect to pay the majority of our outstanding restructuring charges during the remainder of 2024 and 2025.
Strategic transaction and integration expenses

Strategic transaction and integration expenses were $13.2 million and $33.5 million for the three and nine months ended September 30, 2024, respectively, as compared to $6.1 million and $25.4 million for the three and nine months ended September 30, 2023, respectively. The strategic transaction and integration expenses during the three and nine months ended September 30, 2024 and 2023 were primarily related to consulting expenses and employee costs incurred to integrate our Smiths Medical business acquired in 2022.

Change in Fair Value of Contingent Earn-out

For the three and nine months ended September 30, 2024, we recorded a gain of $3.9 million and $4.0 million primarily related to adjusting the contingent earn-out related to the Smiths Medical acquisition. The Smiths Medical contingent earn-out was adjusted to zero during the third quarter of 2024 as a result of Smiths Group plc's ("Smiths") sale of a portion of its ownership interest in ICU Medical shares, which when added to other prior quarter sale of shares Smiths no longer holds the minimum beneficial ownership percentage required to earn the contingent earn-out.

For the three and nine months ended September 30, 2023, we recorded gains of $15.6 million and $12.3 million, respectively, primarily related to the change in fair value of contingent earn-out related to the Smiths Medical acquisition.

Interest Expense, net

The following table presents interest expense, net (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest expense	$ (27,287)	$ (25,921)	$ (80,353)	$ (76,021)
Interest income	2,604	1,746	8,057	5,210
Interest expense, net	$ (24,683)	$ (24,175)	$ (72,296)	$ (70,811)

Interest expense, net for the three and nine months ended September 30, 2024 and 2023 primarily included the contractual interest incurred on borrowings under the Credit Agreement, the per annum commitment fee charged on the available amount of the revolving credit facility contained in the Credit Agreement, the amortization of debt issuance costs incurred in connection with entering into the Credit Agreement (see Note 16: Long-Term Debt in our accompanying condensed consolidated financial statements), the impact of the interest rate swaps, and interest income. The interest expense component increased for the three and nine months ended September 30, 2024, as compared to the respective prior year periods, primarily due to increases in the applicable SOFR reference rate.

Other Expense, net

The following table presents other expense, net (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Foreign exchange losses, net	$ (1,059)	$ (3,010)	(5,202)	(3,349)
Loss on disposition of assets	(100)	$ (446)	(23)	(973)
Other miscellaneous expense, net	(322)	(588)	(1,981)	(1,493)
Other expense, net	$ (1,481)	$ (4,044)	$ (7,206)	$ (5,815)

For the three and nine months ended, September 30, 2024 and 2023, the foreign exchange losses were primarily related to the strengthening of the U.S. dollar relative to certain foreign currencies, including the Mexican peso and Argentine peso.

Income Taxes

For the three and nine months ended September 30, 2024, income taxes were accrued at an estimated effective tax rate of (84)% and (26)%, respectively, as compared to 235% and 70% for the three and nine months ended September 30, 2023, respectively.

The effective tax rate for the three and nine months ended September 30, 2024 differs from the federal statutory rate of 21% principally because of the effect of the mix of U.S. and foreign incomes, state income taxes, section 162(m) excess compensation, tax credits, and a valuation allowance against certain U.S. federal and state deferred tax assets. The effective tax rate during the three and nine months ended September 30, 2024 included a tax benefit of $0.8 million and $3.8 million, respectively, related to the excess tax recognized on stock option exercises and the vesting of restricted stock during the period. Additionally, there were unrecognized tax benefits released as a result of the expiration of statute of limitations during the three and nine months ended September 30, 2024 of $0.0 million and $4.0 million, respectively. Lastly, U.S. federal return-to-provision adjustments net of related tax reserves for the year ended December 31, 2023 resulted in a tax expense of $1.6 million during both the three and nine months ended September 30, 2024. The adjustments related primarily to changes in estimate for the research and development credit and an increase to the U.S. valuation allowance.

The Company regularly assesses the realizability of deferred tax assets and records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized. In assessing the realizability of our deferred tax assets, we weigh all available positive and negative evidence. This evidence includes, but is not limited to, historical earnings, scheduled reversal of taxable temporary differences, tax planning strategies and projected future taxable income. Due to the weight of objectively verifiable negative evidence, the Company recorded a valuation allowance of $22.4 million and $42.9 million tax expense, against certain U.S. federal and state deferred tax assets during the three and nine months ended September 30, 2024, respectively. The significant piece of objectively verifiable negative evidence evaluated was the recent U.S. cumulative losses. Our ability to use our deferred tax assets depends on the amount of taxable income in future periods. Based on current earnings and anticipated future earnings along with expected changes in our deferred tax asset and liability balances, it is likely that the current valuation allowance position will be adjusted during the year. An additional valuation allowance may be required beyond the current year if future earnings are not sufficient to support the realization of deferred tax assets.

In 2021, the Organization for Economic Cooperation and Development ("OECD") released model rules for a 15% global minimum tax, known as Pillar Two. On December 15, 2022, the European Union agreed to implement the OECD’s global minimum tax of 15% for multinationals that meet a global revenue threshold. A number of countries have enacted or have announced plans to enact legislation to adopt Pillar Two. We considered the applicable tax law changes on Pillar Two implementation in the relevant countries, and there was no material impact to our tax provision for the three and nine months ended September 30, 2024. We do not expect the provisions currently in effect for 2024 to have a material impact on our tax provision and effective tax rate for the remainder of 2024 but will continue to assess the impact of tax legislation in the jurisdictions in which we operate.

The effective tax rate for the three and nine months ended September 30, 2023 differs from the federal statutory rate of 21% principally because of the effect of the mix of U.S. and foreign incomes, state income taxes, section 162(m) excess compensation, foreign-derived intangible income (“FDII”) and tax credits. The effective tax rate during the three and nine months ended September 30, 2023 included a tax benefit of $0.6 million and $0.8 million, respectively, related to the excess tax

benefits recognized on stock option exercises and the vesting of restricted stock during the period. The effective tax rate for both the three and nine months ended September 30, 2023 also included a tax benefit of $0.0 million and $6.0 million, respectively, primarily related to unrecognized tax benefits released as a result of the expiration of the statute of limitations. Additionally, the effective tax rate for both the three and nine months ended September 30, 2023 included a tax benefit of $7.5 million related to U.S. federal return-to-provision adjustments net of related tax reserves. The adjustments related primarily to changes in estimates for the research and development credit and foreign tax credits. Additionally, the effective tax rate for the three and nine months ended September 30, 2023 also included the nil tax impact of the revaluation of contingent consideration for $15.6 million and $12.3 million, respectively.

Liquidity and Capital Resources

We regularly evaluate our liquidity and capital resources, including our access to external capital, to assess our ability to meet our principal cash requirements, which include working capital requirements, planned capital investments in our business, commitments, acquisition restructuring and integration expenses, investments in quality systems and quality compliance objectives, payment of interest expense, repayment of outstanding borrowings, income tax obligations and acquisition opportunities in accordance with our growth strategy.

Sources of Liquidity

Our current primary sources of liquidity are cash and cash equivalents, cash flows from our operations including access to borrowing arrangements and the cash received from our uncommitted trade accounts receivable purchase facility.

Funds generated from operations are held in cash and cash equivalents. During the nine months ended September 30, 2024, our cash and cash equivalents increased by $57.8 million from $254.7 million at December 31, 2023 to $312.5 million at September 30, 2024, primarily due to cash generated from operations.

2022 Credit Agreement and Access to Capital

As discussed in Note 16: Long-Term Debt to our accompanying condensed consolidated financial statements, we entered into the Credit Agreement with various lenders on January 6, 2022 in connection with the closing of the Smiths Medical acquisition. The Credit Agreement provides for a five-year term loan A facility of $850.0 million (the "Term Loan A"), a seven-year term loan B facility of $850.0 million (the "Term Loan B") and a five-year revolving credit facility of $500.0 million (the "Revolving Credit Facility") (collectively, the "Senior Secured Credit Facilities"). The proceeds from the term loans were used to finance a portion of the cash consideration for the Smiths Medical acquisition. The outstanding aggregate principal amount of the term loans is $1.6 billion as of September 30, 2024, which includes the Term Loan A that will mature in January 2027 and the Term Loan B that will mature in January 2029. The proceeds of future borrowings under the Revolving Credit Facility, which expires in January 2027, may be used as a source of liquidity to support our ongoing working capital requirements and other general corporate purposes. There are no outstanding borrowings under the Revolving Credit Facility as of September 30, 2024. As part of entering into the Senior Secured Credit Facilities, we were assigned issuer and Term Loan B credit ratings. At the date of issuance of this report, our issuer and Term Loan B credit ratings assigned and outlook were as follows:

	Issuer/Term Loan B Credit Ratings	Outlook
Moody's	B1/B1	Stable
Fitch	BB/BB+	Negative
Standard & Poor's	BB-/BB-	Negative

The Credit Agreement contains financial covenants that pertain to the Term Loan A and the Revolving Credit Facility. Specifically, we are required to maintain a Senior Secured Leverage Ratio of no more than 4.50 to 1.00 until June 30, 2024, with stepdown to 4.00 to 1.00 thereafter, and an Interest Coverage Ratio of no less than 3.00 to 1.00 (defined and discussed in greater detail in Note 16: Long-Term Debt to our accompanying condensed consolidated financial statements). We were in compliance with these financial covenants as of September 30, 2024.

In January 2023, we entered into a receivables purchase agreement with Bank of the West, which was subsequently acquired by BMO in February 2023. This agreement accelerates our access to capital (see Note 20: Accounts Receivable Purchase Program).

We believe that our existing cash and cash equivalents along with cash flows expected to be generated from future operations including the cash received from our uncommitted trade accounts receivable purchase facility and the funds received and accessible under the Senior Secured Credit Facilities will provide us with sufficient liquidity to finance our cash requirements for the next twelve months. In the event that we experience downturns, cyclical fluctuations in our business that are more severe or longer than anticipated, fail to achieve anticipated revenue and expense levels, or have significant unplanned cash expenditures, we may need to obtain or seek alternative sources of capital or financing, and we can provide no assurances that the terms of such capital or financing will be available to us on favorable terms, if at all. Our ability to generate cash flows from operations, issue debt or enter into other financing arrangements on acceptable terms could be adversely affected if there is a material decline in the demand for our products or in the solvency of our customers or suppliers, deterioration in our key financial ratios or credit ratings or other significantly unfavorable changes in economic conditions. See Part I. Item 1A. "Risk Factors" in our 2023 Annual Report on Form 10-K for discussion of the risks and uncertainties associated with our debt financing.

Uses of Liquidity

Capital Expenditures

As of September 30, 2024, we estimate our capital expenditures in 2024 will be in the range of $80 million to $90 million, compared to the range of $85 million to $100 million as previously disclosed in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024. This reduction was due to changes in the timing of certain projects.

Contractual Obligations

Our principal commitments at September 30, 2024 include both short and long-term future obligations.

Operating Leases

We have non-cancelable operating lease agreements where we are contractually obligated for certain lease payment amounts. We assumed additional operating leases as a result of our acquisition of Smiths Medical. For more information regarding our operating lease obligations, (see Note 5: Leases to our accompanying condensed consolidated financial statements).

Long-term Debt

In January 2022, we incurred borrowings under Senior Secured Credit Facilities. The principal repayment obligations and estimated interest payments on the term loans and estimated commitment fee payments on the revolver are estimated in the table below. Interest payments on the term loans were estimated using an Adjusted Term SOFR rate and an applicable margin of 2.00% for Term Loan A and 2.50% for Term Loan B and the revolver commitment fees were estimated using the rate of 0.30%. The applicable margin rate and commitment fee rate will change from time to time in accordance with a preset pricing grid based on the leverage ratio (see Note 16: Long-Term Debt to our accompanying condensed consolidated financial statements for pricing grids related to the Senior Secured Credit Facilities).

We expect to fund these capital expenditures and contractual obligations with our existing cash and cash equivalents and cash generated from our future operations.

	(in millions)						
	Remainder of 2024	2025	2026	2027	2028	2029	Thereafter
Term Loan A Principal Payments	$ 10.6	$ 42.5	$ 63.8	$ 664.1	$ —	$ —	$ —
Term Loan A Interest Payments	13.5	43.3	35.2	0.6	—	—	—
Term Loan B Principal Payments	2.1	8.5	8.5	8.5	8.5	792.6	—
Term Loan B Interest Payments	15.4	51.4	46.4	45.2	44.4	0.7	—
Revolver Commitment Fee	0.4	1.5	1.3	—	—	—	
	$ 42.0	$ 147.2	$ 155.2	$ 718.4	$ 52.9	$ 793.3	$ —

Other Future Capital Investments

Other future capital investments include restructuring and integration expenses along with spending to support quality systems and quality compliance objectives, which includes acquired field action liabilities. As of September 30, 2024, we estimate our other future capital investments in 2024 will be in the range of $90 million to $100 million, compared to the range of $80 million to $90 million as previously disclosed in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.

Contingent Payments

In 2015, legislation was enacted in Italy which requires medical device companies to make payments to the Italian government if Italy's medical device expenditures for certain years exceeded annual regional expenditure ceilings. Since its enactment, the legislation has been subject to appeals in the Italian court system. In the third quarter of 2024, Italy's Constitutional Court issued two judgments, one of which confirmed the legitimacy of the legislation on the Italy Medical Device Payback ("IMDP"), however, litigation proceedings are still pending and the ultimate resolution remains unknown. As of September 30, 2024, we have accrued $25.2 million for potential payments related to the IMDP, which is classified within our accrued liabilities, however, the timing and amount of payments could ultimately differ from our current expectations.

Indemnifications

In the normal course of business, we have agreed to indemnify our officers and directors to the maximum extent permitted under Delaware law and to indemnify customers as to certain intellectual property matters related to sales of our products. There is no maximum limit on the indemnification that may be required under these agreements. Although we can provide no assurances, we have never incurred, nor do we expect to incur, any liability for indemnification.

Historical Cash Flows

Cash Flows from Operating Activities

Our net cash provided by operations for the nine months ended September 30, 2024 was $163.8 million. The changes in operating assets and liabilities included a $17.5 million increase in other assets, a $11.2 million increase in prepaid expenses and other current assets, a $11.5 million increase in accounts receivable and $4.4 million in net changes in income taxes, including excess tax benefits and deferred income taxes. Offsetting these amounts was a $21.1 million increase in accounts payable, a $20.5 million increase in accrued liabilities and a $9.4 million decrease in inventories. The increase in other assets was due to the purchase of spare parts. The increase in prepaid expenses and other current assets was primarily due to an increase in deferred costs related to infusion pumps sold and the payment of other miscellaneous prepaid invoices. The increase in accounts receivable was primarily due to the amount and timing of revenues and we sold less receivables under our account receivable purchase program (see Note 20: Accounts Receivable Purchase Program). The net changes in income taxes was a result of recording the current deferred provision, the timing of payments, and valuation allowance. The increase in accounts payable was due to the timing of payments. The increase in accrued liabilities was primarily due to employee costs. The decrease in inventory was primarily due to our focus on reducing inventory levels.

Our net cash used in operations for the nine months ended September 30, 2023 was $74.9 million. The changes in operating assets and liabilities included a $66.7 million increase in inventories, a $18.9 million increase in other assets, a $65.0

million decrease in accounts payable, $42.9 million in net changes in income taxes, including excess tax benefits and deferred income taxes and a $10.5 million decrease in accrued liabilities. Offsetting these amounts was a $43.1 million decrease in accounts receivable and a $11.3 million decrease in prepaid expenses and other current assets. The increase in inventory was primarily to build inventory safety stock levels. The increase in other assets was due to the purchase of spare parts. The decrease in accounts payable was due to the timing of payments. The net changes in income taxes was a result of recording the current deferred provision and the timing of payments. The increase in accrued liabilities was primarily due to employee costs. The decrease in accounts receivable was primarily due to the sale of accounts receivable as part of our accounts receivable purchase program with Bank of the West (see Note 20: Accounts Receivable Purchase Program). The decrease in prepaid expenses and other current assets was primarily due to insurance and property taxes.

Cash Flows from Investing Activities

The following table summarizes the changes in our investing cash flows (in thousands):

	Nine months ended September 30,		
	2024	**2023**	**Change**
Investing Cash Flows:			
Purchases of property, plant and equipment	$ (55,292)	$ (53,956)	$ (1,336) (1)
Proceeds from sale of assets	695	1,481	(786)
Intangible asset additions	(8,317)	(7,742)	(575)
Proceeds from sale of investment securities	500	2,920	(2,420) (2)
Net cash used in investing activities	$ (62,414)	$ (57,297)	$ (5,117)

(1) Our purchases of property, plant and equipment will vary from period to period based on additional investments needed to support new and existing products and expansion of our manufacturing facilities.

(2) Proceeds from the sale of our investment securities will vary from period to period based on the maturity dates of the investments.

Cash Flows from Financing Activities

The following table summarizes the changes in our financing cash flows (in thousands):

	Nine months ended September 30,		
	2024	**2023**	**Change**
Financing Cash Flows:			
Principal payments on long-term debt	(38,250)	(22,250)	(16,000) (1)
Proceeds from exercise of stock options	5,883	4,022	1,861 (2)
Payments on finance leases	(775)	(681)	(94)
Payment of contingent earn-out liability	(2,600)	—	(2,600) (3)
Tax withholding payments related to net share settlement of equity awards	(11,867)	(9,221)	(2,646) (4)
Net cash used in financing activities	$ (47,609)	$ (28,130)	$ (19,479)

(1) Relates to scheduled principal payments on the Senior Secured Credit Facilities.

(2) Proceeds from the exercise of stock options will vary from period to period based on the volume of options exercised and the exercise price of the specific options exercised.

(3) During the first quarter of 2024, we paid $3.4 million in cash related to the settlement of the Mediverse contingent earn-out. Of the $3.4 million, the amount recorded as the acquisition date fair value, which is considered financing cash flows, was $2.6 million (see Note 8: Fair Value Measurements).

(4) During the nine months ended September 30, 2024, our employees surrendered 114,023 shares of our common stock from vested restricted stock unit awards as consideration for approximately $11.9 million in minimum statutory withholding obligations paid on their behalf. During the nine months ended September 30, 2023, our employees surrendered 58,089 shares of our common stock from vested restricted stock unit awards as consideration for approximately $9.2 million in minimum statutory withholding obligations paid on their behalf.

Our common stock purchase plan, which authorized the repurchase of up to $100.0 million of our common stock, was approved by our Board of Directors in August 2019. This plan has no expiration date. As of September 30, 2024, all of the $100.0 million available for purchase was remaining under the plan. We are limited on share purchases in accordance with the terms and conditions of our Credit Agreement (see Note 16: Long-Term Debt in our accompanying condensed consolidated financial statements).

Critical Accounting Policies

In our 2023 Annual Report on Form 10-K, we identified the critical accounting policies which affect our more significant estimates and assumptions used in preparing our consolidated financial statements. There have been no material changes to our critical accounting policies from those previously disclosed in our 2023 Annual Report on Form 10-K.

New Accounting Pronouncements

See Note 2: New Accounting Pronouncements Not Yet Adopted in Part I, Item 1. "Financial Statements."

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Credit Facility

In connection with the Smiths Medical acquisition on January 6, 2022 we entered into the Senior Secured Credit Facilities totaling approximately $2.2 billion consisting of a variable-rate term loan A facility of $850.0 million, a variable-rate term loan B facility of $850.0 million and a revolving credit facility of $500.0 million. We are exposed to changes in interest rates on all of these variable-rate debt instruments.

The term loan A facility currently bears interest based on Adjusted Term SOFR plus an applicable margin of 2.00% per year. The term loan B facility currently bears interest based on Adjusted Term SOFR subject to a 0.50% floor plus an applicable margin of 2.50%. We used a sensitivity analysis to measure our interest rate risk exposure. If the SOFR rate increases or decreases 1% from September 30, 2024, the additional annual interest expense or savings related to the term loans would amount to approximately $16.1 million.

In order to mitigate and offset a portion of this interest rate risk exposure associated with these debt instruments we entered into interest rate swaps to achieve a targeted mix of fixed and variable-rate debt. The term loan A swap has an initial notional amount of $300.0 million, reducing to $150.0 million evenly on a quarterly basis through its final maturity on March 30, 2027 and we will pay a fixed rate of 1.32% and will receive the greater of 3-month USD SOFR or (0.15)%. The term loan B swap has an initial notional amount of $750.0 million, reducing to $46.9 million evenly on a quarterly basis through its final maturity on March 30, 2026 and we will pay a fixed rate of 1.17% and will receive the greater of 3-month USD SOFR or 0.35%. In June 2023, we entered into an additional swap with a notional amount of $300.0 million with a maturity date of June 30, 2028 and we will pay a fixed rate of 3.8765% starting on June 30, 2023 and receive 3-month USD SOFR. See Note 7: Derivatives and Hedging Activities to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Accounts Receivable Purchase Program

Additionally, our accounts receivable purchase program with BMO bears discount rates tied to SOFR. These variable discount rates would affect the amount of factoring costs we incur, and the amount of cash we receive upon the sales of accounts receivable under this program. A 1% change in SOFR rates on the accounts receivable sales would not have a material impact on our results of operations. See Note 20: Accounts Receivables Purchase Program to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Foreign Currency Exchange Rate Risk

We transact business globally in multiple currencies, some of which are considered volatile. Our international revenues and expenses and working capital positions denominated in these foreign currencies expose us to the risk of fluctuations in foreign currency exchange rates against the U.S. dollar. As the receiver of foreign currencies we are adversely affected by the strengthening of the U.S. dollar and other currencies relative to the operating unit functional currency. Our hedging policy attempts to manage these risks to an acceptable level. We manage our foreign currency exposures on a consolidated basis to take advantage of net exposures and natural offsets, which are then further reduced by the gains and losses of our hedging instruments. Gains and losses on the hedging instruments offset gains and losses on the hedged forecasted transactions and reduce the earnings volatility related to foreign exchange, however we do not hedge our entire foreign exchange exposure and are still subject to earnings volatility due to foreign currency exchange rate risk.

Our foreign currency exchange forward contracts hedge a portion of our forecasted foreign currency-denominated revenues and expenses (principally Mexican Pesos, Euros, Czech Koruna, Japanese Yen, Swedish Krona, Danish Krone, Chinese Renminbi, Canadian Dollar, U.S. Dollar, and Australian Dollar) that differ from the functional currency of the operating unit. These derivative contracts are designated and qualify as cash flow hedges (see Note 7: Derivatives and Hedging Activities to the condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q). We performed a sensitivity analysis to estimate changes in the fair value of our foreign exchange derivatives due to potential changes in near-term foreign currency exchange rates. At September 30, 2024, the effect of a hypothetical 10% weakening in the actual foreign currency exchange rates used for the applicable currencies would result in an estimated decrease in the fair value of these outstanding derivative contracts by approximately $6.4 million.

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Quarterly Report. Based on the evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Certain legal proceedings in which we are involved are discussed in Part I, Item 1. "Financial Statements" of this Form 10-Q in Note 18. Commitments and Contingencies to the Condensed Consolidated Financial Statements, and is incorporated herein by reference.

Item 1A. Risk Factors

In evaluating an investment in our common stock, investors should consider carefully, among other things, the risk factors previously disclosed in Part I, Item 1A of our 2023 Annual Report on Form 10-K, as well as the information contained in this Quarterly Report, in each case as updated by our periodic reports and registration statements filed with the SEC. There have been no material changes to the risk factors disclosed in Part I. Item 1A of our 2023 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchase of Equity Securities

The following is a summary of our stock repurchasing activity during the third quarter of 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of a publicly announced program	Approximate dollar value that may yet be purchased under the program[1]
07/01/2024 — 07/31/2024	—	$ —	—	$ 100,000,000
08/01/2024 — 08/31/2024	—	$ —	—	$ 100,000,000
09/01/2024 — 09/30/2024	—	$ —	—	$ 100,000,000
Third quarter of 2024 total	—	$ —	—	$ 100,000,000

[1] Our common stock purchase plan, which authorized the repurchase of up to $100.0 million of our common stock, was authorized by our Board of Directors and publicly announced in August, 2019. This plan has no expiration date. We are not obligated to make any purchases under our stock purchase program. Subject to applicable state and federal corporate and securities laws and any restrictions on share purchases under our debt agreements, purchases under a stock purchase program may be made at such times and in such amounts as we deem appropriate. Purchases made under our stock purchase program can be discontinued at any time we feel additional purchases are not warranted. We are limited on share purchases in accordance with the terms and conditions of our Credit Agreement (see Note 16: Long-Term Debt in our accompanying condensed consolidated financial statements).

Item 5. Other Information

(a) We are reporting the following information in lieu of reporting on a Current Report on Form 8-K under Item 1.01 Entry into a Material Definitive Agreement.

On November 12, 2024, the Company and ICU Medical Sales, Inc., a Delaware corporation (collectively, the "ICU Medical Entities") entered into a purchase agreement (the "Agreement") with Otsuka Pharmaceutical Factory America, Inc., a Delaware corporation ("OPF"). Pursuant to the Agreement, prior to closing, the ICU Medical Entities will form a Delaware limited liability company (the "LLC") and the ICU Medical Entities and the LLC shall enter into a contribution agreement under which the ICU Medical Entities shall transfer the assets, liabilities and operations that comprise the IV Solutions product line to the LLC.

At the closing, OPF will acquire a 60% equity interest in the LLC from the ICU Medical Entities. Pursuant to the Agreement, the consideration receivable by the ICU Medical Entities is comprised of (a) estimated cash consideration of approximately $200 million at closing and (b) a milestone payment paid by OPF to the Company for any incremental revenue and incremental gross profit recognized by the LLC, as calculated under the terms of the Agreement upon the final determination of the LLC's audited financial statements for the year-ending and as of December 31, 2026.

The Agreement contains customary representations, warranties, and covenants of each of the ICU Medical Entities and OPF. The Agreement further provides that, subject to certain limitations, the ICU Medical Entities and OPF will each indemnify the other for certain losses arising from such breaches of representations, warranties, and covenants and liabilities allocated to such party pursuant to the terms of the Agreement. Additionally, at closing, the LLC, ICU Medical Entities and OPF will enter into an operating agreement, and the LLC and the Company will enter into one or

more commercial agreements, a services agreement and a license agreement, which will provide for, among other things, certain administrative, marketing, distribution, sales support and logistic services to the LLC for a specified period of time.

We believe that OPF's scale, experience with U.S. partnerships, and demonstrated long-term commitments will help bring supply chain resiliency and innovation to the North American IV solutions market.

The foregoing summary of the Agreement is not complete and is qualified in its entirety by reference to the Agreement, a copy of which is attached hereto as Exhibit 2.3 and incorporated herein by reference.

(b) None.

(c) During the three months ended September 30, 2024, none of the Company's directors or "officers" (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" intended to satisfy the affirmative defense of Rule 10b5-1(c) or a "non-Rule 10b5-1 trading arrangement," each as defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed/ Furnished Herewith
2.1	Share Sale and Purchase Agreement, dated September 8, 2021, by and between Smiths Group International Holdings Limited, a private limited company incorporated in England and Wales, and ICU Medical, Inc., a Delaware corporation. Filed as an Exhibit to Registrant's Current Report on Form 8-K filed on September 8, 2021 (File No. 001-34634).	
2.2	Put Option Deed from ICU Medical, Inc., a Delaware corporation to Smiths Group International Holdings Limited, a private limited company incorporated in England and Wales. Filed as an Exhibit to Registrant's Current Report on Form 8-K filed on September 8, 2021 (File No. 001-34634).	
2.3	Purchase Agreement, dated November 12, 2024, by and between ICU Medical, Inc., a Delaware corporation, ICU Medical Sales, Inc., a Delaware corporation and Otsuka Pharmaceutical Factory America, Inc., a Delaware corporation.	*
3.1	Registrant's Certificate of Incorporation, as amended and restated. Filed as an Exhibit to Registrant's Current Report on Form 8-K filed on June 10, 2014 (File No. 001-34634).	
3.2	Registrant's Bylaws, as amended and restated. Filed as an Exhibit to Registrant's Current Report on Form 8-K filed on November 3, 2023 (File No. 001-34634).	
4.1	Description of Securities Registered Under Section 12 of the Exchange Act. Filed as an Exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed on March 2, 3020 (File No. 001-34634).	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	*
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	**
101.INS	XBRL Instance Document - this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	*
101.SCH	XBRL Taxonomy Extension Schema Document	*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

* Filed herewith.

** Furnished herewith.

Signature

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.

ICU Medical, Inc.

(Registrant)

/s/ Brian M. Bonnell Date: November 12, 2024

Brian M. Bonnell
Chief Financial Officer
(Principal Financial Officer and Authorized Officer)

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "***Agreement***") is entered into as of November 12, 2024, by and among **OTSUKA PHARMACEUTICAL FACTORY AMERICA, INC.**, a Delaware corporation ("***OPF-US***"), **ICU MEDICAL, INC.**, a Delaware corporation ("***ICU Medical***") and **ICU MEDICAL SALES, INC.**, a Delaware corporation ("***ICU Medical Sales***" and, together with ICU Medical, the "***ICU Medical Entities***") (each individually, a "***Party***" and together, the "***Parties***"). Certain capitalized terms used but not otherwise defined in this Agreement have the meanings given to them in ***Exhibit A***.

RECITALS

WHEREAS, the ICU Medical Entities are engaged in the development, manufacturing, distribution and sale of IV solutions products (the "***Business***");

WHEREAS, at least five (5) days prior to the Closing Date, the ICU Medical Entities will form a Delaware limited liability company (the "***Company***") by filing a certificate of formation with the office of the Delaware Secretary of State (the "***Formation***") and the operating agreement of the Company shall be in the form attached hereto as ***Exhibit B*** (the "***Original Operating Agreement***");

WHEREAS, immediately following the Formation, the ICU Medical Entities will be the sole members and sole holders of units of the Company (the "***Units***") as set forth on Exhibit A of the Original Operating Agreement;

WHEREAS, at least five (5) days prior to the Closing Date, the ICU Medical Entities and the Company shall enter into a Contribution Agreement in the form attached hereto as ***Exhibit C*** ("***Contribution Agreement***") and, in accordance with and pursuant to the Contribution Agreement, the ICU Medical Entities shall have contributed the Contributed Assets and transferred the Business Employees to the Company (the "***Contribution***");

WHEREAS, the Parties acknowledge that, because the Company will not be able to operate the Business in Canada (the "***Canadian Business***") until certain regulatory conditions are met and such conditions shall not be satisfied prior to Closing, the ICU Medical Entities shall contribute certain assets and Liabilities relating to the operation of the Canadian Business (the "***Canadian Business Assets***") to the Company (the "***Deferred Contribution***") at a date after the Closing Date (the "***Deferred Contribution Date***") pursuant to the terms of this Agreement;

WHEREAS, the Parties desire to enter into this Agreement to set out the terms upon which, among other things, subject to the terms and conditions of this Agreement:

(i) At least five (5) days prior to the Closing Date, the ICU Medical Entities shall cause the Formation and the Contribution to be completed;

(ii) At the Closing, OPF-US will acquire a 60% equity interest in the Company by purchasing the Purchased Units from the ICU Medical Entities in consideration of the Purchase Price;

(iii) At the Closing, the Company, the ICU Medical Entities and OPF-US will enter into an Amended and Restated Operating Agreement in the form attached as ***Exhibit D*** hereto (the "***Restated Operating Agreement***") amending and restating the Original Operating Agreement; and

(iv) At the Closing, the Company and ICU Medical will enter into each of the following agreements, each of which shall contain terms and conditions to be mutually agreed by OPF-US and ICU Medical prior to the Closing:

(a) one or more Commercial Agreements incorporating the principles set forth in ***Exhibit E*** attached hereto (collectively, the "***Commercial Agreements***");

(b) a Services Agreement incorporating the principles set forth in ***Exhibit F*** attached hereto (the "***Services Agreement***"); and

(c) a License Agreement incorporating the principles set forth in ***Exhibit G*** attached hereto (the "***License Agreement***").

AGREEMENT

In consideration of the mutual agreements contained in this Agreement, and intending to be legally bound by the terms and conditions of this Agreement, the Parties agree as follows:

1. SALE AND PURCHASE OF PURCHASED UNITS.

1.1 Sale and Purchase. Subject to the terms and conditions of this Agreement, the ICU Medical Entities hereby agree to transfer, sell and deliver to OPF-US, and OPF-US agrees to purchase and accept from the ICU Medical Entities, at the Closing, each of the ICU Medical Entities' right, title and interest in and to a total of 6,000 of the Units owned by the ICU Medical Entities as of the Closing Date (the "***Purchased Units***"), free and clear of all Encumbrances, for the Purchase Price. Each of the ICU Medical Entities will have retained at least 100 Units as of immediately after the Closing Date.

1.2 Closing.

(a) The closing of the sale and purchase of the Purchased Units and of the other Transactions (the "***Closing***") shall take place remotely by exchange of documents and signatures (or their electronic counterparts) within three (3) Business Days after the satisfaction (or, to the extent permitted, waiver) of the last to be satisfied of the conditions set forth in Sections 5 and 6 (other than those conditions that by their nature are to be satisfied on the Closing Date, but subject to the satisfaction or waiver of those conditions at such time), or at such other time, date and place as the Company and ICU Medical may mutually agree in writing; *provided*, that in no event shall the Closing occur prior to April 1, 2025 unless mutually agreed in writing by the Parties. For purposes of this Agreement, "***Closing Date***" shall mean the date as of which the Closing takes place.

(b) At the Closing:

(i) OPF-US shall pay ICU Medical an amount equal to the Estimated Closing Payment, by wire transfer of immediately available funds to a bank account in the United States to be designated by ICU Medical to OPF-US at least five (5) Business Days prior to the Closing;

(ii) The ICU Medical Entities and OPF-US shall execute and deliver the Restated Operating Agreement, pursuant to which OPF-US shall become a member of the Company as of the Closing Date, and shall be the owner of the Purchased Units as reflected on Exhibit A to the Restated Operating Agreement;

(iii) The ICU Medical Entities shall deliver evidence that they have executed and delivered, and have caused the Company to execute and deliver, the Contribution Agreement, the Commercial Agreements, the Services Agreement and the License Agreement, in each case effective as of at least five (5) Business Days prior to the Closing Date; and

(iv) The Company shall execute and deliver Retention Agreements in a form satisfactory to both ICU Medical and OPF-US with respect to each Key Employee specified on Schedule 1.2(b)(iv).

1.3 Purchase Price Adjustment.

(a) No later than five (5) Business Days prior to the Closing Date, ICU Medical will prepare and deliver to OPF-US an unaudited balance sheet of the Company, prepared in accordance with GAAP on an estimated basis as of the Closing Date and containing the line items set forth on Schedule 1.3(a) (the "***Estimated Closing Balance Sheet***"). ICU Medical will deliver with the Estimated Closing Balance Sheet a statement setting forth ICU Medical's good faith calculation of the estimated Closing Payment, derived from the Estimated Closing Balance Sheet (the "***Estimated Closing Payment***"). A sample calculation of Estimated Closing Payment is set forth on Schedule 1.3(a). ICU Medical will permit OPF-US and its Representatives reasonable access to the personnel, properties, books and records of the Company for the purpose of evaluating the foregoing statements and calculations. If OPF-US raises any reasonable objections to the foregoing statements and calculations, OPF-US and ICU Medical will consider in good faith such objections prior to the Closing, and ICU Medical will make such revisions to such disputed items as may be mutually agreed between ICU Medical and OPF-US. No failure by OPF-US to raise any objection or dispute pursuant to this Section 1.3(a) shall in any way prejudice OPF-US's right to raise any matter pursuant to the remaining provisions of this Section 1.3 or otherwise. From and after delivery of the Estimated Closing Balance Sheet until the Closing, ICU Medical shall not (and shall cause the Company not to) take any action outside the ordinary course of business that would alter the Estimated Closing Payment.

(b) Within ninety (90) days after the Closing Date, OPF-US shall prepare and deliver to ICU Medical written notice (the "***Adjustment Notice***") containing (i) the unaudited balance sheet of the Company as of the Closing Date and containing the line items set forth on Schedule 1.3(a) (the "***Closing Balance Sheet***"), and (ii) OPF-US's calculation of (A) the Closing Payment, derived from the Closing Balance Sheet, and (B) OPF-US's calculation of the amount of any payments required to be made pursuant to Section 1.3(g) (the "***Adjustment Calculation***") *provided*, *however*, that no adjustment shall be made in respect of Pre-Closing Taxes of the

Company under this Section 1.3(b), which adjustment shall take place pursuant to Section 4.8(f). The Closing Balance Sheet will be prepared in accordance with GAAP. ICU Medical will permit OPF-US and its Representatives reasonable access to the personnel, properties, books and records of the Company for the purpose of preparing the Closing Balance Sheet and performing the foregoing calculations.

(c) Within thirty (30) days after delivery to ICU Medical of the Adjustment Notice, ICU Medical will deliver to OPF-US a written response in which ICU Medical will either:

(i) agree with the Adjustment Calculation, in which case such calculation will be final and binding on the parties for purposes of Section 1.3(g); or

(ii) dispute the Adjustment Calculation by delivering to OPF-US a written notice (a "***Dispute Notice***") setting forth in reasonable detail the basis for each such disputed item.

(d) If ICU Medical fails to take either of the foregoing actions within thirty (30) days after delivery to ICU Medical of the Adjustment Notice, then ICU Medical will be deemed to have irrevocably accepted the Adjustment Calculation, in which case, the Adjustment Calculation will be final and binding on the parties for purposes of Section 1.3(g).

(e) If ICU Medical timely delivers a Dispute Notice to OPF-US, then OPF-US and ICU Medical will attempt in good faith, for a period of forty-five (45) days following the date of delivery to OPF-US of such Dispute Notice, to agree on the Adjustment Calculation for purposes of Section 1.3(g). Any resolution by OPF-US and ICU Medical during such forty-five (45)-day period as to any disputed items will be final and binding on the parties for purposes of Section 1.3(g). If OPF-US and ICU Medical do not resolve all disputed items by the end of forty-five (45) days after the date of delivery of the Dispute Notice, then OPF-US and ICU Medical will submit a list of the remaining disputed items (the "***Unresolved Items***") and the respective values attributable thereto to a nationally recognized accounting firm mutually agreed by ICU Medical and OPF-US, which firm shall not be the regular auditing firm of OPF-US, ICU Medical or the Company (the "***Independent Accounting Firm***") for resolution. OPF-US and ICU Medical will instruct the Independent Accounting Firm to render its determination with respect to the Unresolved Items in a written report that specifies the conclusions of the Independent Accounting Firm as to each Unresolved Item and the resulting Closing Payment and Adjustment Calculation, in each case based solely on the written reports submitted to the Independent Accounting Firm by OPF-US or ICU Medical (*i.e.*, not on independent review and acting as an expert and not an arbitrator) and on the definitions and other terms included herein; provided, that in resolving an Unresolved Item, the Independent Accounting Firm may not assign a value to any particular item greater than the greatest value for such item claimed by either Party or less than the smallest value for such item claimed by either Party, in the written reports presented to the Independent Accounting Firm. OPF-US and ICU Medical will each use their commercially reasonable efforts to cause the Independent Accounting Firm to render its determination within thirty (30) days after referral of the items to such firm or as soon thereafter as reasonably practicable. The resolution of the Unresolved Items by the Independent Accounting Firm will be conclusive and binding on the Parties absent manifest error or fraud. ICU Medical will revise the Closing Balance Sheet and the Adjustment Calculation as appropriate to reflect the resolution of

the issues in dispute pursuant to this Section 1.3(e). The fees and expenses of the Independent Accounting Firm will be shared by OPF-US and ICU Medical, in inverse proportion to the relative amounts of the disputed amount determined to be for the account of OPF-US and ICU Medical, respectively.

(f) For purposes of complying with Section 1.3(e), OPF-US and ICU Medical will furnish to each other and to the Independent Accounting Firm such work papers and other documents and information relating to the Unresolved Items as the Independent Accounting Firm may request and are available to that party (or its independent public accountants) and will be afforded the opportunity to present to the Independent Accounting Firm any material related to the Unresolved Items and to discuss the items with the Independent Accounting Firm, provided, that (i) each Party will provide the other Party with a copy of all materials provided to, and communications with, the Independent Accounting Firm, and (ii) no Party (or any of its Affiliates or representatives) will engage in any ex parte communication with the Independent Accounting Firm at any time with respect to the Unresolved Items. OPF-US may require that the Independent Accounting Firm enter into a customary form of confidentiality agreement with respect to the work papers and other documents and information relating to the Company provided to the Independent Accounting Firm pursuant to this Section 1.3.

(g) If the Closing Payment as finally determined pursuant to this Section 1.3 (the "***Final Closing Payment***") is:

(i) less than the Estimated Closing Payment, then within five (5) Business Days after the determination of the Final Closing Payment, the amount of such shortfall shall be paid to OPF-US directly by ICU Medical by wire transfer of immediately available funds to a bank account designated by OPF-US; or

(ii) greater than the Estimated Closing Payment, then within five (5) Business Days after the determination of the Final Closing Payment, OPF-US shall pay the amount of such difference to ICU Medical by wire transfer of immediately available funds to a US bank account designated by ICU Medical.

Any payment made pursuant to this Section 1.3 will be treated by the parties for all purposes as an adjustment to the Estimated Closing Payment.

1.4 Milestone Payments. Following the Closing, a Milestone Payment may be earned and, if earned, as set forth in this Section 1.4, shall be paid by OPF-US to ICU Medical as provided in this Section 1.4:

(a) OPF-US and ICU Medical agree to cause the Company to deliver to each of OPF-US and ICU Medical, within ninety (90) days following the end of the 2026 fiscal year, audited financial statements of the Company for the 2026 fiscal year, prepared in accordance with IFRS (the "***2026 Financial Statements***") and calculations of Incremental Net Revenue and Incremental Gross Profit prepared by adjusting the IFRS amounts to reflect GAAP.

(b) Within ninety (90) days after delivery to the Parties of the 2026 Financial Statements, ICU Medical and OPF-US will each deliver to the Company a written response in which each of ICU Medical and OPF-US will either:

(i) agree with the 2026 Financial Statements, in which case the 2026 Financial Statements will be deemed final and binding on the Parties for purposes of this Section 1.4; or

(ii) dispute the 2026 Financial Statement by delivering to the Company a written notice ("***Financial Statement Dispute Notice***") setting forth in reasonable detail the basis for each such disputed item.

(c) If the Parties fail to take either of the actions set forth in Section 1.4(b), then the 2026 Financial Statements will be deemed to have irrevocably accepted, in which case, the 2026 Financial Statements will be final and binding on the Parties for purposes of this Section 1.4.

(d) If either Party timely delivers a Financial Statement Dispute Notice, then the provisions of Section 1.3(e) and Section 1.3(f) shall apply *mutatis mutandis*.

(e) To the extent the Company has any Incremental Net Revenue, then OPF-US shall pay ICU Medical an amount equal to fifty percent (50%) of such Incremental Net Revenue (the "***Incremental Net Revenue Milestone Payment***") via wire transfer of immediately available funds within ten (10) Business Days of the final determination of the 2026 Financial Statements pursuant to this Section 1.4.

(f) To the extent the Company has any Incremental Gross Profit, then OPF-US shall pay ICU Medical an amount equal to fifty percent (50%) of such Incremental Gross Profit multiplied by six (6) (the "***Incremental Gross Profit Milestone Payment***") via wire transfer of immediately available funds within ten (10) Business Days of the final determination of the 2026 Financial Statements pursuant to this Section 1.4.

2. REPRESENTATIONS AND WARRANTIES OF THE ICU MEDICAL ENTITIES

The ICU Medical Entities jointly and severally represent and warrant to OPF-US as follows:

2.1 Due Organization; Authority; Binding Nature of Agreements; Units. ICU Medical is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. ICU Medical Sales is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The ICU Medical Entities have the requisite corporate power and authority to own the Purchased Units, and each of ICU Medical and ICU Medical Sales has the requisite corporate power and authority to own and contribute the Contributed Assets.

(b) Each of ICU Medical and ICU Medical Sales has the requisite corporate power and authority to enter into, deliver, and perform its respective obligations under each of the Transaction Agreements to which it is a party (including the ICU Medical Entities' obligation to sell the Purchased Units to OPF-US pursuant to this Agreement); and the execution, delivery and performance by ICU Medical and ICU Medical Sales of each of the Transaction Agreements to which it is a party have been, or to the extent executed following the date hereof, will be, duly

authorized by all necessary actions on the part of ICU Medical and its board of directors and on the part of ICU Medical Sales and its board of directors, as applicable, and no other corporate proceedings on the part of either ICU Medical or ICU Medical Sales are necessary to authorize the Transaction Agreements, the Contribution and the Transactions.

(c) This Agreement has been duly executed and delivered by ICU Medical and ICU Medical Sales, and constitutes the legal, valid and binding obligation of each of ICU Medical and ICU Medical Sales, and is enforceable against ICU Medical and ICU Medical Sales in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability. Upon the execution of the Contribution Agreement and of each of the Closing Agreements at the Closing, the Contribution Agreement and each of such Closing Agreements to which ICU Medical, ICU Medical Sales and the Company is a party will constitute the legal, valid and binding obligation of ICU Medical, ICU Medical Sales and the Company, as applicable, enforceable against ICU Medical, ICU Medical Sales and the Company in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability.

(d) As of immediately prior to the Closing the Company shall have no Liabilities except the Assumed Liabilities. As of immediately prior to the Closing, (i) the Company's capitalization shall consist of 10,000 authorized Units, all of which shall be issued and outstanding, (ii) the ICU Medical Entities shall own all right, title and interest (legal and beneficial) in and to 10,000 Units, and ICU Medical Sales shall own all right, title and interest (legal and beneficial) in and to no fewer than 100 of the Units, (iii) no other Units or other equity interests of the Company shall have been authorized, created, or issued to any other Person and (iv) other than the Units held by ICU Medical and ICU Medical Sales, no Person will hold any equity interest in the Company, any security convertible into any equity security of the Company or any other right to purchase or acquire any equity interests in the Company. Immediately prior to the Closing, the ICU Medical Entities will have valid and marketable title to the Purchased Units, free and clear of any Encumbrance other than Encumbrances pursuant to applicable securities laws, and the right and authority to sell the Purchased Units to OPF-US pursuant to this Agreement and without the consent of any Person that has not been obtained. Immediately upon the Closing, (i) OPF-US will have valid and marketable title to the Purchased Units free and clear of any Encumbrance other than such restrictions as applicable to the Purchased Units as set forth in the Restated Operating Agreement or Encumbrances pursuant to applicable securities laws and (ii) the capitalization of the Company will be as set forth in the Unit Registrar attached as Exhibit A to the Restated Operating Agreement.

2.2 **Tangible Assets.** ICU Medical owns, and has, and immediately following the Contribution the Company will own and have, good and valid title to, all of the Contributed Assets. Except as set forth in Part 2.2(a) of the Disclosure Schedule, all of the Contributed Assets owned by ICU Medical and ICU Medical Sales as of the date hereof, and immediately following the Contribution owned by the Company will be, free and clear of any Encumbrances, other than Permitted Encumbrances. The Contribution Agreement sets forth an accurate and reasonably complete description of any of the Contributed Assets that will be leased or licensed to ICU Medical following the Contribution. All Tangible Personal Property is in good operating

condition and repair in all material respects, subject to normal wear and tear. ICU Medical does not have any agreement with any other Person to sell or otherwise transfer any of the Contributed Assets or any line of business or asset required for the performance of ICU Medical's obligations under the Transaction Agreements. The Tangible Personal Property, collectively with any tangible personal property owned by ICU Medical and to be used in the provision of services to be provided to the Company pursuant to the Commercial Agreements and the Services Agreement, constitute all of the tangible personal property used by ICU Medical in the ordinary course of its conduct of the Business. Since September 30, 2024, except (i) as otherwise set forth in Part 2.2(b) of the Disclosure Schedule, (ii) in connection with the Contribution and (iii) for sales of Existing Products, ICU Medical has not sold, transferred or conveyed any material tangible personal property used in the ordinary course of its conduct of the Business.

2.3 Inventory. The Inventory is of such quality and quantity as to be usable and saleable by ICU Medical in the ordinary course of business, and is free of any material defect or deficiency. Except as set forth in Part 2.3 of the Disclosure Schedules, the levels of Inventory maintained by ICU Medical (i) are not excessive in light of ICU Medical's normal operating requirements for the Business and (ii) are adequate for the conduct of the Business as presently conducted by ICU Medical in the ordinary course of business.

2.4 Contracts.

(a) The Transferred Contracts listed in Exhibit E to the Contribution Agreement constitute all Contracts to which an ICU Medical Entity is a party and that exclusively relate to the Business. Each Business Contract is a valid and binding agreement of the ICU Medical Entity party thereto, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability. Except as set forth in Part 2.4(a) of the Disclosure Schedule, the Business Contracts may be assigned to the Company, in whole or in part, as part of the Contributed Assets pursuant to the Contribution Agreement and without the consent of any other Person, except where the failure to obtain such consent would not reasonably be expected to be materially adverse to the Business. Prior to the Closing, ICU Medical will have made available to OPF-US accurate and complete copies of all Contracts listed in Exhibit E and Exhibit H of the Contribution Agreement, including all amendments thereto. There are no material deviations in the terms of any Business Contracts that have not been made available to OPF-US as of the date hereof, as compared to the terms of the Contracts listed in Exhibit E and Exhibit H of the Contribution Agreement, that would be materially adverse to the Business. There are no oral Contracts with respect to the Business. Except as set forth in Part 2.4(a) of the Disclosure Schedule: (i) the ICU Medical Entities have not and, to the Knowledge of ICU Medical, no other Person has materially violated or breached, or declared or committed any material default under, any Business Contracts; (ii) to the Knowledge of ICU Medical, no event has occurred that has or would reasonably be expected to (A) result in a material violation or breach of any of the provisions of any Business Contracts, (B) give any Person the right to declare a default or exercise any remedy under any Business Contracts, (C) give any Person the right to accelerate the maturity or performance of any Business Contracts, or (D) give any Person the right to cancel, terminate or modify any Business Contracts, except in each case of (A) through (D), for any such events which would not reasonably be expected to adversely impact the Business; (iii) none of the ICU Medical Entities have received any written notice or, to the Knowledge of ICU

Medical, other communication regarding any violation or breach of, or default under, any Business Contracts; (iv) none of the ICU Medical Entities have knowingly waived any right under any Business Contracts in a manner that would reasonably be expected to adversely impact the Business; and (v) none of the ICU Medical Entities have, and to the Knowledge of ICU Medical no other Person has, repudiated any material provision of any of the Business Contracts.

(b) To the Knowledge of ICU Medical, the performance of the Business Contracts by the parties thereto prior to the date of the Contribution and by the Company and the other parties thereto from and after the Contribution has not and will not result in any material violation of or material failure to comply with any Legal Requirement.

(c) Part 2.4(c) of the Disclosure Schedule lists each Transferred Contract and Shared Contract containing any non-compete, right of first offer or negotiation, or right of first refusal provision or any similar restrictive provision with respect to the Business.

(d) Part 2.4(d) of the Disclosure Schedule lists each Transferred Contract and Shared Contract (i) obligating ICU Medical or ICU Medical Sales to purchase or otherwise obtain any product or service exclusively from a single party or sell any product or service exclusively to a single party, containing any "take or pay" or similar requirement binding on ICU Medical or ICU Medical Sales, or granting any Person "most favored nation" or similar status with respect to any Existing Products or (ii) under which any Person has been granted the right to develop, manufacture, sell, market or distribute any Existing Products on an exclusive or a co-exclusive basis to any Person or group of Persons or in any geographical area.

(e) To the extent any Retained Contract (as defined in the Contribution Agreement) is utilized in connection with the provision of any services by ICU Medical pursuant to the Services Agreement, such Contract is valid, binding, and legally enforceable, and ICU Medical or its Affiliate party thereto shall perform the applicable services in compliance in all material respects with the terms of any such Retained Contract.

2.5 Intellectual Property.

(a) Part 2.5(a) of the Disclosure Schedule sets forth an accurate and complete list of all Patents, registered Marks, material unregistered Marks, pending applications for registrations of any Marks, registered Copyrights and pending applications for registration of Copyrights, owned or filed by ICU Medical and that are used or intended to be used in the Business or are otherwise necessary for the operation of the Business. ICU Medical owns, and has good and valid title to, all of the Transferred Intellectual Property, free and clear of any Encumbrances other than Permitted Encumbrances and other than nonexclusive licenses granted by ICU Medical in the ordinary course of business prior to the date of this Agreement.

(b) ICU Medical has taken reasonable steps in accordance with normal industry practice to protect ICU Medical's rights in any trade secrets included in the Contributed Assets. Without limiting the foregoing, all Intellectual Property developed by any contractor or employee of ICU Medical or its Affiliates during the course of their employment or engagement and constituting a part of the Transferred Intellectual Property or Licensed Intellectual Property has been fully assigned to ICU Medical or its Affiliates.

(c) None of the Transferred Patents is involved in any interference or opposition proceeding, and no such proceeding has been threatened in writing with respect to any of the Transferred Patents. None of the Marks included in the Transferred Intellectual Property or the Licensed Intellectual Property are involved in any cancellation, opposition, or concurrent use proceeding, and no such proceeding has been threatened in writing with respect to any of the Transferred Intellectual Property nor the Licensed Intellectual Property.

(d) Part 2.5(d) of the Disclosure Schedule contains a complete and accurate list, and except as set forth in Part 2.5(d) of the Disclosure Schedule, ICU Medical has provided to OPF-US or its representatives complete and accurate copies, of all material licenses to use the Transferred Intellectual Property or the Licensed Intellectual Property granted by ICU Medical. There is no pending or threatened in writing dispute concerning any license listed in Part 2.5(d) of the Disclosure Schedule.

(e) Part 2.5(e) of the Disclosure Schedule contains a complete and accurate list, and ICU Medical has provided to OPF-US complete and accurate copies, of all material intellectual property licenses granted to ICU Medical that relate to the Business and under which ICU Medical has rights. There is no pending or threatened dispute in writing concerning a breach of any license listed in Part 2.5(e) of the Disclosure Schedule.

(f) Part 2.5(f) of the Disclosure Schedule contains a complete and accurate list of all software (other than commercially available, off-the-shelf software or any shrink-wrap or click-wrap licenses) licensed to ICU Medical or its Affiliates by third parties that is used in or for and is material to the Business. There is no pending or threatened dispute in writing concerning a breach of ICU Medical's licenses for such software.

(g) As of the Closing Date, ICU Medical will have full right, power and authority to grant to the Company the licenses to be granted in the License Agreement. No approval, permission or consent of any third party will be needed for ICU Medical to grant such licenses.

(h) Except as set forth in Part 2.5(h) of the Disclosure Schedule, in the past five (5) years, ICU Medical has not received any written notice or claim alleging that the conduct of the Business, as currently conducted or proposed to be conducted, infringes, misappropriates, or violates any Intellectual Property of a third party. Except as set forth in Part 2.5(h) of the Disclosure Schedule, there is not now nor at any time in the past five (5) years has there been any pending or, to the Knowledge of ICU Medical, threatened Proceeding involving any such claims or allegations. To the Knowledge of ICU Medical, no third party is infringing, misappropriating, or violating any of the Transferred Intellectual Property or Licensed Intellectual Property, and during the past five (5) years, ICU Medical has not asserted any claims or initiated any Proceedings against any third party based on any such infringement, misappropriation, or violation of the Transferred Intellectual Property. The conduct of the Business, as currently conducted or, to the Knowledge of ICU Medical, as proposed to be conducted as of the date of the Closing, does not and, to the Knowledge of ICU Medical, will not, infringe, misappropriate, or violate any Intellectual Property of a third party.

2.6 Compliance with Legal Requirements. Except as set forth in Part 2.6 of the Disclosure Schedule: (a) ICU Medical and its Affiliates are, and at all times during the past three (3) years have been, in compliance with each Legal Requirement applicable to the Business or any of the Contributed Assets except in each case where non-compliance with such Legal Requirement would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (b) no event has occurred that would be reasonably likely to result in a violation by ICU Medical or any of its Affiliates of, or a failure on the part of ICU Medical or any of its Affiliates to comply with, any Legal Requirement related to the Business or the Contributed Assets, except in each case where non-compliance with such Legal Requirement (including Environmental Laws) would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (c) neither ICU Medical nor any of its Affiliates has received any notice from any Governmental Body regarding any violation of, or failure to comply with, any Legal Requirement related to the Business or the Contributed Assets, except in each case where non-compliance with such Legal Requirement (including Environmental Laws) would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. ICU Medical has made available to OPF-US an accurate and complete copy of each report, study, survey, letter, or other document or communication received by ICU Medical within the last two (2) years that addresses or otherwise relates to the compliance by ICU Medical or any of its Affiliates with, or the applicability to ICU Medical or any of its Affiliates of, any Legal Requirement related to the Business or the Contributed Assets. To the Knowledge of ICU Medical, no Governmental Body has proposed in writing any Legal Requirement that, if adopted or otherwise put into effect prior to Closing, (i) would reasonably be expected to have an adverse effect on the current Business or the ownership of the Contributed Assets, or on the ability of ICU Medical to comply with or perform any covenant or obligation under any of the Transaction Agreements, or (ii) would reasonably be expected to have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the Transactions. Neither ICU Medical nor its Affiliates have during the past two (2) years, conducted or caused to be conducted any internal investigation with respect to the Business concerning any actual or alleged violation of any Legal Requirements by ICU Medical, its Affiliates, or any of ICU Medical's and its Affiliates' officers, directors or employees in connection with the conduct of the Business.

2.7 Governmental Authorizations. Part 2.7(a) of the Disclosure Schedule lists all Governmental Authorizations held by ICU Medical and its Affiliates material to the conduct of the Business or the Contributed Assets ("***Operations Permits***"). Prior to Closing, ICU Medical will have made available to OPF-US accurate and complete copies of all Operations Permits, including all renewals thereof and all amendments thereto. Each Operations Permit is valid and in full force and effect. Except as set forth in Part 2.7(b) of the Disclosure Schedule: (i) ICU Medical and its Affiliates are, and in the past three (3) years have been, in compliance with all of the terms and requirements of each Operations Permit, except in each case where non-compliance with such Legal Requirement (including Environmental Laws) would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) to the Knowledge of ICU Medical, no event has occurred that would be reasonably likely to (A) result in a material violation of or a material failure to comply with any term or requirement of any Operations Permit or (B) result in the revocation, withdrawal, suspension, cancellation, termination, modification, or failure to be renewed if applicable in the ordinary course of any Operations Permit and (iii) neither ICU Medical nor any of its Affiliates has received any written communication from any Governmental Body regarding any violation of or failure to comply

with any term or requirement of any Operations Permit. Except as set forth on Part 2.7(c) of the Disclosure Schedule, the Operations Permits constitute all of the Governmental Authorizations necessary to (i) enable ICU Medical to conduct the Business in the manner in which such business is currently being conducted, and (ii) permit ICU Medical to own and use the Contributed Assets in the manner in which they are currently owned and used by ICU Medical.

2.8 Environmental Matters. Except as set forth in Part 2.8 of the Disclosure Schedule:

(a) ICU Medical is, and for the past five (5) years, has been, in material compliance with all applicable Environmental Laws. For the past five (5) years, there has been no material violation of any Environmental Law resulting from or arising out of the conduct of the Business or relating to any of the Contributed Assets.

(b) ICU Medical has obtained or caused to be obtained all material environmental permits necessary for the operation of the Business or applicable to any of the Contributed Assets to comply, in all material respects, with all applicable Environmental Laws, and all such environmental permits are in full force and effect.

(c) Neither ICU Medical nor any of its Affiliates has received any written notice, report, or other written communication regarding any violation, alleged violation of, liability, or potential liability under any Environmental Law relating to the Business or any of the Contributed Assets the substance of which remains outstanding, and there are no writs, injunctions, decrees, orders or judgments outstanding, or any Proceeding pending or, to the Knowledge of ICU Medical, threatened in writing, relating to compliance with or liability under any Environmental Law affecting the Business or any of the Contributed Assets.

(d) Neither ICU Medical nor any of its Affiliates has received, during the last five (5) years, any written notice, report or other written communication regarding any alleged material violation of any Environmental Law, relating to or arising out of the treatment, storage, disposal of, arrangement for or permission for the disposal of, transportation, handling, use, or release of any Hazardous Material, or ownership or operation of any property or facility relating to the Business or any of the Contributed Assets.

(e) ICU Medical has not, and to the Knowledge of ICU Medical, no other Person has, discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released any Hazardous Materials at, on or under any facility or property owned or operated by the Business a manner that has given rise to or would reasonably be expected to give rise to material liability under Environmental Law for the Business or any of the Contributed Assets.

(f) ICU Medical has made available to OPF-US accurate and complete copies of all environmental audits, reports and other material environmental documents prepared in the last five (5) years relating to the Business or any of the Contributed Assets, which are in its possession, custody or control.

2.9 Regulatory Matters.

(a) The Contributed Assets are being or have been manufactured, processed, labeled, packaged, marketed, and distributed in compliance in all material respects with all applicable requirements under the Federal Food, Drug and Cosmetic Act ("FDCA"), the applicable regulations of the Food and Drug Administration ("FDA") promulgated thereunder, other Healthcare Laws in those jurisdictions where Contributed Assets are distributed and the specifications and standards contained in the Governmental Authorizations issued in those jurisdictions where Contributed Assets are distributed, in each case, in the past three (3) years. To the Knowledge of ICU Medical, such Contributed Assets are neither adulterated nor misbranded within the meaning of the FDCA. Neither ICU Medical nor any Affiliate has received any written notices from a Governmental Body alleging adulteration or misbranding within the meaning of the FDCA in the past three (3) years. For Contributed Assets for which submission of labeling to FDA for review is required by the FDCA in the past three (3) years, such submissions have been made as of the date of this Agreement. Neither ICU Medical nor any Affiliate have made alterations or deviations to the labeling of any Existing Product submitted to FDA for review as required by the FDCA in the past three (3) years. To the Knowledge of ICU Medical, each third party that is a supplier for ICU Medical or any Affiliate in respect of the Business is in material compliance with FDCA in the past three (3) years.

(b) ICU Medical has filed with the applicable Governmental Body where required by applicable Legal Requirements (including Healthcare Laws), all required notices, registration applications, reports, supplemental applications and annual or other reports or documents that are material to the Contributed Assets and the continued conduct of the Business, except where the failure to file such applications or reports would not reasonably be expected to be, individually or in the aggregate, material to the business of ICU Medical and its Affiliates, taken as a whole.

(c) Except as set forth in Part 2.9(c) of the Disclosure Schedule, neither ICU Medical nor any Affiliate has, currently or in the past three (3) years, voluntarily or involuntarily initiated, conducted or issued, or caused to be initiated, conducted or issued, any Recall or market withdrawal relating to an alleged lack of safety or regulatory compliance of any Contributed Asset. To the Knowledge of ICU Medical, with respect to the Contributed Assets, the third parties that manufacture, process, package, or supply ingredients for the Contributed Assets, has, currently or in the past three (3) years, voluntarily or involuntarily initiated, conducted or issued, or caused to be initiated, conducted or issued, any Recall or market withdrawal relating to an alleged lack of safety or regulatory compliance of any Contributed Asset. Except as set forth in Part 2.9(c) of the Disclosure Schedule, to the Knowledge of ICU Medical, there are, and for the past five (5) years, have been, no material facts which are reasonably likely to cause (i) the Recall or market withdrawal or replacement of any Contributed Asset sold or intended to be sold or (ii) as a result of regulatory action, (x) a safety labeling change as required under the FDCA of any such Contributed Asset or (y) a termination or suspension of the marketing of any Contributed Asset.

(d) Except as set forth in Part 2.9(d) of the Disclosure Schedule, neither ICU Medical or any of its Affiliates has received in the past three (3) years any written communication from FDA or any other Governmental Body, including any warning letter or untitled letter or, to the Knowledge of ICU Medical, other communication that (i) alleges that

any aspect of the Business is not in compliance with any applicable requirements under the FDCA, the FDA regulations promulgated thereunder or other Healthcare Laws, or (ii) relates to an adverse safety finding or other safety concern with respect to the Contributed Assets. Neither ICU Medical nor any of its Affiliates is subject to any enforcement proceedings by a Governmental Body related to the Contributed Assets and, to the Knowledge of ICU Medical, no such proceedings have been threatened.

(e) Neither ICU Medical nor any of its Affiliates has in the past three (3) years made an untrue statement of a material fact or fraudulent statement to any regulatory authority relating to the Contributed Assets, the Business or any Governmental Authorizations or otherwise failed to disclose a material fact required to be disclosed to any regulatory authority relating thereto. Neither ICU Medical nor any of its Affiliates has, in connection with the Business, been debarred, convicted of any crime or engaged in any conduct that has previously caused or would reasonably be expected to result in (i) disqualification or debarment by the FDA under 21 U.S.C. Sections 335(a) or (b), or any similar Legal Requirement of any other Governmental Body, or (ii) exclusion under 42 U.S.C. Section 1320a-7 or any similar Legal Requirement of any Governmental Body.

2.10 Proceedings; Orders. There is no Proceeding pending or involving, or, to the Knowledge of ICU Medical, threatened in writing, with respect to the Purchased Units or that questions the validity of this Agreement or any action taken or to be taken by ICU Medical pursuant to this Agreement before any Governmental Body. There is no Order to which the Contributed Assets are subject and ICU Medical is not subject to any Order that relates to the Business. To the Knowledge of ICU Medical, no Business Employee is subject to any Order that may prohibit such employee from engaging in the operation of the Business There is no Order and no Proceeding pending or, to the Knowledge of ICU Medical, threatened in writing that (i) relates to the Business, the Contributed Assets, or ICU Medical's ability to comply with or perform any of its covenants or obligations under any of the Transaction Agreements to which it is a party, or (ii) if issued or determined, would be reasonably likely to have the effect of preventing, delaying, making illegal or otherwise interfering with any of the Transactions.

2.11 Non-Contravention; Consents.

(a) Except as set forth in Part 2.11(a) of the Disclosure Schedule, neither the execution and delivery by ICU Medical and ICU Medical Sales of any of the Transaction Agreements nor the consummation or performance by ICU Medical and ICU Medical Sales of any of the Transactions (including the consummation of the Contribution), will:

(i) contravene, conflict with or result in a violation of, or give any Governmental Body the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which ICU Medical, any of its Affiliates, the Business, or any of the Contributed Assets is subject, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(ii) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, modify, or fail to renew in the ordinary course, any Operations Permit

included in the Contributed Assets, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(iii) violate or conflict with any provision of the certificate of incorporation, bylaws or other organizational documents of ICU Medical or ICU Medical Sales;

(iv) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the Contributed Assets under any of the terms, conditions or provisions of, or require the consent of any party under, any Transferred Contract, indebtedness, note, bond, indenture, security or pledge agreement, commitment, license, lease, franchise, permit, agreement, or other instrument or obligation (i) to which ICU Medical or any of its Affiliates is a party or (ii) by which the Contributed Assets are bound, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; or

(v) otherwise result in or impose any Encumbrance on the Contributed Assets, other than Permitted Encumbrances.

(b) Except as otherwise set forth in Part 4.3(c) or Part 2.11(b) of the Disclosure Schedule, ICU Medical is not and will not be required to make any filing with or obtain any Consent from, any Person in connection with the execution and delivery of any of the Transaction Agreements, the contribution of the Contributed Assets to the Company pursuant to the Contribution Agreement, the sale, transfer, and delivery of the Purchased Units to OPF-US hereunder or the consummation or performance of any of the other Transactions.

2.12 Absence of Certain Changes or Events. Since September 30, 2024, except as contemplated by this Agreement, there has not been any:

(a) event or occurrence resulting in or reasonably likely to result in a Material Adverse Effect;

(b) material damage, destruction or loss (whether or not covered by insurance) adversely affecting the Contributed Assets or the Business;

(c) (i) increase in the rate of compensation payable or to become payable to any Business Employee, except as provided in any employment agreement between ICU Medical and any such Persons or in any Benefit Plan, and any increases in the normal course of business or (ii) award of any severance, bonus, change of control award, retention payment, or other similar compensation or benefit to any Business Employee;

(d) cancellation or termination of any Customer Contract other than such cancellations or terminations occurring in the ordinary course of the business of ICU Medical; or

(e) agreement by ICU Medical or its Affiliates to do any of the things described in the preceding clauses (a) through (c) other than as expressly provided for herein.

2.13 **Financial Information; No Undisclosed Liabilities.** ICU Medical has provided OPF-US or its representatives all material historical financial and operating information related to the Business and the Contributed Assets for the periods commencing January 1, 2024 through September 30, 2024 (collectively, the "Financial Information"). ICU Medical has provided OPF-US or its representatives an unaudited balance sheet of the Business as of September 30, 2024 and the related unaudited statements of income of the Business for the nine-month period then ended (the "Interim Financial Information"). The Financial Information and Interim Financial Statements (i) are complete, true and accurate in all material respects; (ii) were prepared in accordance with GAAP, as adjusted in accordance with the Accounting Principles, on a basis consistent with ICU Medical's historical accounting policies, practices, and procedures consistently applied as those in prior fiscal years; and (iii) fairly and accurately presents in all material respects the financial condition and results of operation of the Business and all costs associated with the Business and the Contributed Assets as of the dates and for the periods referred to therein except that the Interim Financial Information does not include allocations for certain services historically provided by ICU Medical that will be provided to the Company.

(b) As of immediately following the Contribution, the Company will have no Liabilities of any kind other than those (i) fully reflected in, reserved against or otherwise described in the Closing Balance Sheet, (ii) arising in the ordinary course of business since September 30, 2024, (iii) under Transferred Contracts, and (iv) Liabilities in the aggregate, that are immaterial to the Business and the Contributed Assets.

2.14 **Suppliers; Customers.** Part 2.14(a) of the Disclosure Schedule sets forth a complete and accurate list of the names of all suppliers that provide services or materials to the Business involving consideration in excess of $500,000 for fiscal year 2023 and 2024 year to date as of June 30, 2024. ICU Medical has not received any written notice from any supplier named on Part 2.14(a) of the Disclosure Schedule of any intention to terminate or materially reduce supplies to ICU Medical in respect of the Business.

(b) Part 2.14(b) of the Disclosure Schedule sets forth a list of the names of the top fifty (50) customers of the Business by revenue (the "Material Customers"). Neither ICU Medical nor ICU Medical Sales has received any written notice from any Material Customer of any intention to terminate or materially reduce purchases of Existing Products.

2.15 **Taxes.**

(a) Except as set forth in Part 2.15(a) of the Disclosure Schedule, (i) all income and other material Tax Returns required to be filed with respect to the Company, the Business or the Contributed Assets have been or will be timely filed, (ii) all Taxes that are due and payable by the Company before the Closing Date have been timely paid in full, (iii) all income and other material Taxes due and payable by ICU Medical and its Affiliates in respect of the Contributed Assets, the Business Employees, or the Business for Pre-Closing Tax Periods (determined in accordance with the definition of Excluded Taxes) have been or will be timely paid in full, (iv) there are no Encumbrances for Taxes on any of the Contributed Assets or other assets of the Company (other than Encumbrances for current Taxes not yet due and payable), (v) there is no pending audit controversy with respect to any Taxes that directly relate to the Company, the Business or the Contributed Assets and there is no Tax deficiency or claim assessed that relates directly to the Company, the Business or the Contributed Assets that has not

been settled, and (vi) none of the Contributed Assets or other assets of the Company constitute "Section 197(f)(9) intangibles" within the meaning of Treasury Regulations Section 1.197-2(h)(1)(i).

(b) ICU Medical and its Affiliates have paid in full or discharged all Taxes the nonpayment of which could result in an Encumbrance on any of the Contributed Assets in the hands of the Company after the Closing Date, excepting in each case such Taxes as will not be due until after the Closing Date;

(c) Each of ICU Medical and ICU Medical Sales is a domestic corporation for U.S. federal income tax purposes, and neither is a "foreign person" within the meaning of Sections 1445 or 1446 of the Code;

(d) The Company is, and from and after the date of the Contribution Agreement always has been, a domestic partnership for U.S. federal and applicable state and local income Tax purposes; and

(e) No written claim has ever been made by a Governmental Body in a jurisdiction where ICU Medical or any its Affiliates does not file Tax Returns in respect of the Business or the Contributed Assets that ICU Medical or any of its Affiliates is or may be subject to taxation by that jurisdiction in respect of the Business or the Contributed Assets.

2.16 **No Brokers.** No broker, finder or similar agent is entitled to any finder's fee, brokerage fees or commission or similar payment from ICU Medical or any of its Affiliates in connection with the transactions contemplated hereby.

2.17 **Real Property.**

Part 2.17 of the Disclosure Schedule lists all real property owned by ICU Medical or its Affiliates and primarily used in the Business (the "***Real Property***"). There are no written or oral leases, subleases or other contractual obligations granting to any Person the right of use or occupancy of the Real Property or any portion thereof. ICU Medical and its Affiliates are not party to any leases or subleases in connection with the Business. ICU Medical or its Affiliates, as applicable, have good, valid and marketable title to all of the Real Property, free and clear of any Encumbrances, except Permitted Encumbrances, and except for the Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated as of April 6, 2022 and recorded among the land records of Travis County, Texas as Instrument No. 2022064448 (the "***Deed of Trust***"), which secures the Credit Agreement. There is no pending or to ICU Medical's Knowledge, threatened condemnation or eminent domain proceedings that affect any of the Real Property. ICU Medical and its Affiliates have not received any written notice of the Real Property or the improvements located on the Real Property not being in compliance with applicable Legal Requirements. To the Knowledge of ICU Medical, ICU Medical and its Affiliates have received all approvals of Governmental Bodies, including without limitation, building, zoning, administrative, occupational safety and health authorities approvals, or such other approvals, including licenses, under any applicable Legal Requirement that is required to be obtained in connection with the current use and operation of the Real Property. No Persons other than ICU Medical are in possession of the Real Property, and there are no known disputes with respect to the Real Property. The representations and warranties set forth in Section 2.2

shall not apply to the Real Property. The Real Property is not subject to any options or other agreements that provide any other Person with the right to purchase or otherwise acquire any of the Real Property.

2.18 Affiliated Transactions. Except as set forth on Part 2.18 of the Disclosure Schedule, (i) no Affiliate of ICU Medical is, and (ii) to the Knowledge of ICU Medical, no officer, director, employee, stockholder, individual related by blood, marriage or adoption to any such individual or entity in which any of the foregoing Persons owns a beneficial interest in excess of 3%, is, a party to any Contract, arrangement, commitment, or transaction with ICU Medical or any of its Subsidiaries, or has any interest in any material property used by ICU Medical or any of its Subsidiaries in the Business, in each case if such Contract, arrangement, commitment, transaction, or property is primarily related to the Business or the Contributed Assets.

2.19 Product Warranty; Product Liability.

(a) Each product manufactured, sold or delivered by ICU Medical or any of its Affiliates in conducting the Business prior to Closing has been in conformity with all product specifications and all applicable express and implied warranties in the last three (3) years. Neither ICU Medical nor any of its Affiliates in respect of the Business has any liability for replacement or repair of any such products or other damages in connection therewith not reserved against in the Financial Information or Interim Financial Information.

(b) In respect of the Business, ICU Medical has not committed any act or failed to commit any act, which would result in any product liability or liability for breach of warranty (whether covered by insurance or not) on the part of ICU Medical with respect to products designed, manufactured, assembled, repaired, maintained, delivered or installed or services rendered in the past three (3) years.

2.20 Sufficiency of Assets. The Contributed Assets, and the services, rights and assets to be leased, licensed, or otherwise provided to the Company pursuant to the Transaction Agreements, are sufficient to permit the Company to conduct the Business in all material respects in the manner as conducted by ICU Medical and ICU Medical Sales on the date of this Agreement and as of the date the Contribution is effected pursuant to the Contribution Agreement.

2.21 Benefit Plans.

Section 2.21 of the Disclosure Schedules sets forth a list of each Benefit Plan. Each Benefit Plan is and has been maintained in material compliance with its terms and with the requirements of applicable Law. Neither ICU Medical nor any of its Affiliates sponsors, maintains, contributes to, or has any Liability with respect to (or has, within the past six (6) years, sponsored, maintained, contributed to or had any Liability with respect to) any (i) single employer pension plan that is subject to Section 302 or Title IV of ERISA or Section 412 of the Code or (ii) any "multiemployer plan" (within the meaning of Section 3(37) of ERISA), in each case, for the benefit of any Business Employee.

2.22 Employee Matters.

ICU Medical and its Affiliates are, and at all times during the past three (3) years have been, in compliance in all material respects with each Legal Requirement pertaining to labor, employment, and employment practices applicable to the Business and the Business Employees, including, but not limited to, the payment of wages, classification of workers as employees or non-employees, classification of employees as exempt or non-exempt, equal employment opportunity and fair employment practices, leave of absence rights, immigration, child labor, affirmative action, and working conditions or employee safety or health. Except as set forth on Schedule 2.22, there are no Proceedings or other legal actions against ICU Medical or any of its Affiliates pending, or to the Knowledge of ICU Medical, threatened to be brought or filed, by or with any Governmental Body or arbitrator in connection with the employment of any current or former Business Employee. Neither ICU Medical nor any of its Affiliates is a party to or subject to any collective bargaining or other labor agreements with respect to the Business or Business Employees. Neither ICU Medical nor any of its Affiliates has experienced any union organization campaign, strike, labor disputes, work stoppage, or slowdowns due to labor disagreements with respect to the Business or Business Employees. To the Knowledge of ICU Medical, there is no organizing campaign, strike, labor dispute, work stoppage or slowdown with respect to the Business or Business Employees pending or threatened against any of ICU Medical or its Affiliates. There are no collective bargaining, consultation, or notification requirements required or imposed by applicable Legal Requirements with respect to the transactions contemplated by this Agreement. The employment or engagement of all Business Employees can be terminated at-will at any time for any reason, without payment of severance or other compensation or consideration being owed to such individual other than amounts owed as of the date of termination from employment based on service before that date.

2.23 No Implied Representations. Except for the representations and warranties contained in this Section 2 or any certificates delivered by the ICU Medical Entities pursuant to this Agreement, OPF-US acknowledges that none of ICU Medical or any of its Subsidiaries or any other Person on behalf of ICU Medical has made to OPF-US, and OPF-US has not relied upon, any representation or warranty, whether express or implied, at law or in equity, with respect to the Business, its results of operations, future operating or financial results or prospects, the Contributed Assets or the Assumed Liabilities with respect to the accuracy or completeness of any other information provided or made available to OPF-US by or on behalf of ICU Medical or any of its Affiliates and ICU Medical hereby disclaims any such other representations and warranties. Notwithstanding anything to the contrary herein, nothing herein shall limit OPF-US's ability to seek any recovery in the case of fraud.

3. REPRESENTATIONS AND WARRANTIES OF OPF-US.

OPF-US represents and warrants to the ICU Medical Entities as follows:

3.1 Due Organization; Authority; Binding Nature of Agreements. OPF-US is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. OPF-US has the requisite corporate power and authority to enter into, deliver, and perform its obligations under each of the Transaction Agreements to which it is a party; and the execution, delivery and performance by OPF-US of the Transaction Agreements to which it is a party have been duly authorized by all necessary actions on the part of OPF-US and its board of directors, as applicable, and its respective stockholders and no other corporate proceedings on the part of OPF-US are necessary to authorize the Transaction Agreements and the Transactions. This Agreement has been duly executed and delivered by OPF-US, and constitutes the legal, valid and binding obligation of OPF-US, and is enforceable against OPF-US in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability. Upon the execution of each of the other Transaction Agreements at the Closing, each of such other Transaction Agreements to which OPF-US is a party will constitute the legal, valid and binding obligation of OPF-US, enforceable against OPF-US in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar Legal Requirements affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability.

3.2 Non-Contravention; Consents. Assuming compliance with Antitrust Laws, neither the execution and delivery by OPF-US of any of the Transaction Agreements to which it is a party, nor the consummation or performance by OPF-US of any of the Transactions, will directly or indirectly (with or without notice or lapse of time): (i) contravene, conflict with or result in a violation of, or give any Governmental Body the right to challenge any of the Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which OPF-US or any of its Affiliates is subject; or (ii) result in or impose any material Encumbrance (other than Permitted Encumbrances) upon or with respect to the Purchased Units. Except as may be required by the HSR Act or any other applicable Antitrust Laws, OPF-US is not and will not be required to make any filing with or obtain any Consent from, any Person in connection with the execution and delivery of any of the Transaction Agreements, the purchase by OPF-US of the Purchased Units or the consummation or performance of any of the Transactions. Assuming compliance with Antitrust Laws, there is no Order and no Proceeding pending or, to the knowledge of OPF-US, threatened in writing that (i) relates to OPF-US' ability to comply with or perform any of its covenants or obligations under any of the Transaction Agreements to which it is a party, or (ii) if issued or determined, would be reasonably likely to have the effect of preventing, delaying, making illegal or otherwise interfering with any of the Transactions.

3.3 Financial Ability to Perform.

OPF-US will have sufficient cash on hand as of Closing to pay the Estimated Closing Payment and to otherwise comply with its obligations under this Agreement. Notwithstanding anything to the contrary in this Agreement, in no event shall the receipt or availability of any

funds or financing by or to OPF-US or any of its Affiliates or any other financing or other transaction be a condition to any of the obligations of OPF-US hereunder.

3.4 Proceedings.

As of the date of this Agreement, there is no Proceeding pending or, to the knowledge of OPF-US, threatened in writing against OPF-US or any of its Affiliates before any Governmental Body that questions the validity of this Agreement or any action taken or to be taken by OPF-US pursuant to this Agreement. As of the date of this Agreement, neither OPF-US nor any of its Affiliates is subject to any material outstanding Order of any Governmental Body that would impair its obligations under this Agreement. To the knowledge of OPF-US, no Governmental Body has proposed in writing any Legal Requirement that, if adopted or otherwise put into effect prior to Closing, (i) would reasonably be expected to have an adverse effect on the ability of OPF-US to comply with or perform any of its covenants or obligations under any of the Transaction Agreements to which it is a party, or (ii) would be reasonably likely to have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the Transactions.

3.5 No Brokers. No broker, finder or similar agent is entitled to any finder's fee, brokerage fees or commission or similar payment from OPF-US or any of its Affiliates in connection with the Transactions.

3.6 Solvency.

Assuming (i) the accuracy of the representations and warranties set forth in Section 2, (ii) the compliance by the ICU Medical Entities with their obligations under this Agreement and (iii) that, immediately prior to the Closing the Company is solvent, then immediately after the Closing, after giving effect to the transactions contemplated by this Agreement and the other Transaction Agreements, OPF-US and its subsidiaries on a consolidated basis will be solvent. No transfer of property is being made, and no obligation is being incurred in connection with the transactions contemplated by this Agreement or the other Transaction Agreements with the intent to hinder, delay or defraud either present or future creditors of OPF-US.

3.7 Securities.

OPF-US is acquiring the Purchased Units solely for the purpose of investment and not with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act. OPF-US acknowledges that the Purchased Units are not registered under the Securities Act, any applicable state securities Legal Requirements or any applicable foreign securities Legal Requirements, and that such Purchased Units may not be transferred or sold except pursuant to the registration provisions of the Securities Act and applicable state and foreign securities laws or pursuant to an applicable exemption therefrom. OPF-US has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Purchased Units and is capable of bearing the economic risks of such investment.

3.8 No Implied Representations. Except for the representations and warranties contained in this Section 3, or any certificates delivered by OPF-US pursuant to this Agreement, each of the ICU Medical Entities acknowledges that none of OPF-US or any of its Affiliates or any other Person on behalf of OPF-US has made to the ICU Medical Entities, and none of the ICU Medical Entities has relied upon, any representation or warranty, whether express or implied, at law or in equity, with respect to the Transactions or with respect to the accuracy or completeness of any other information provided or made available to the ICU Medical Entities by or on behalf of OPF-US or any of its Affiliates and OPF-US hereby disclaims any such other representations and warranties. Notwithstanding anything to the contrary herein, nothing herein shall limit the ICU Medical Entities' ability to seek any recovery in the case of fraud.

4. COVENANTS OF THE PARTIES.

4.1 Conduct of Business.

During the period commencing on the date of this Agreement and ending on the earlier to occur of (a) the Closing or (b) the termination of this Agreement in accordance with Section 7 (the "***Pre-Closing Period***"), the ICU Medical Entities, shall conduct, and shall cause the Company to conduct, except as expressly contemplated by this Agreement, or as consented to in writing by OPF-US (which consent will not be unreasonably withheld or delayed) the Business in the ordinary course of business, and substantially in accordance with past practice. Without limiting the generality of the foregoing, the ICU Medical Entities shall not, and shall cause the Company and each of their respective Affiliates not to, except (i) as set forth on Schedule 4.1, (ii) as specifically contemplated by this Agreement, (iii) as consented to in writing by OPF-US (which consent will not be unreasonably withheld or delayed, including with respect to the Contribution), or (iv) except to the extent unrelated to the Company, the Business or the Contributed Assets:

(a) extend, materially modify, terminate or renew any Transferred Contract with a value exceeding $1,000,000 in any twelve (12) month period, except for extensions, material modifications or renewals entered into in the ordinary course of business;

(b) amend the Original Operating Agreement, issue any equity interests in the Company to any Person or cause the Company to engage in any business or incur any Liability;

(c) sell, assign, transfer, convey, lease, mortgage, pledge or otherwise dispose of or encumber any material Contributed Asset, or any interests therein, except (i) sales of Inventory in the ordinary course of business, (ii) in connection with any accounts receivable factoring program of ICU Medical carried out in the ordinary course of business, or (iii) such Encumbrances to the extent required pursuant to the provisions of the Credit Agreement;

(d) except as otherwise required by applicable Legal Requirements, take any action with respect to the grant of any bonus, severance or termination pay of any Business Employee with total compensation or annual salary as of the date of this Agreement in excess of $100,000, other than pursuant to written policies or agreements of ICU Medical or its Affiliates in effect on the date hereof, or with respect to any increase of benefits payable to such Business Employees under its written severance or termination pay policies or agreements in effect on the date hereof, or increase in any material respect the compensation or fringe benefits of any such

Business Employee, or pay any benefit to any such Business Employee not required by any existing employee benefit plan, agreement or policy;

(e) (i) hire any additional employees or contractors who would constitute Business Employees, other than as set forth on Schedule 4.1(e), (ii) transfer any Business Employees to any Affiliate or division of ICU Medical except in accordance with the Contribution Agreement or (iii) make any change in the key management structure of the Business Employees, including, without limitation, the hiring of additional officers or management employees or the termination of existing officers or management employees other than pursuant to offers of employment made by ICU Medical or its Affiliates prior to the date hereof (which offers have been disclosed to OPF-US);

(f) fail to expend funds for capital projects or commitments previously approved and in accordance with customary practices;

(g) fail to maintain the Contributed Assets in the ordinary course of business in all material respects, or fail to replace consistent with ICU Medical's past practices inoperable, worn-out or obsolete or destroyed Contributed Assets;

(h) make any material Tax election or settlement or compromise with Tax authorities affecting the Company, the Business, the Business Employees or the Contributed Assets;

(i) fail to use commercially reasonable efforts to maintain good relations with its current suppliers, vendors, customers, and other Persons having material business relationships with the Business;

(j) fail to keep in full force and effect all material insurance policies in effect as of the date of this Agreement covering the Contributed Assets; or

(k) enter into any agreement that would reasonably be expected to have a Material Adverse Effect.

Nothing contained in this Agreement shall give to OPF-US, directly or indirectly, the right to control or direct operations of ICU Medical prior to the Closing.

4.2 Access to Information. During the Pre-Closing Period, ICU Medical and ICU Medical Sales shall, and shall cause their respective officers, directors, and employees to afford OPF-US and its Representatives, during normal business hours and upon reasonable notice to ICU Medical and ICU Medical Sales and in a manner that will not unreasonably disrupt the personnel of or unduly interfere with the operation of the Business, reasonable access at all reasonable times to the Contributed Assets for the purpose of inspecting the same, which access shall be at OPF-US's sole expense, and to the officers and management-level employees of ICU Medical and ICU Medical Sales, and shall, as OPF-US may reasonably request, furnish OPF-US and its authorized representatives reasonably requested financial, operating, and other data and information to the extent related to the Business or the Contributed Assets, except to the extent that such access would violate any Legal Requirement to which ICU Medical, ICU Medical Sales, their respective employees or the Contributed Assets are subject. Notwithstanding

anything to the contrary set forth in this Agreement neither ICU Medical nor its Affiliates shall be required to disclose to OPF-US, its Affiliates or Representatives any information if (i) doing so would, in the reasonable judgment of legal counsel to ICU Medical, constitute a waiver of the attorney-client or other privilege held by ICU Medical or its Affiliates, or (ii) ICU Medical or any of its Affiliates, on the one hand, and OPF-US and any of its Affiliates, on the other hand, are adverse parties in litigation and such information is reasonably pertinent to the claims or defenses of OPF-US or any of its Affiliates in connection therewith.

4.3 **Filings and Consents.** Except as otherwise provided in Section 4.3(b) (which applies with respect to filings as required by the HSR Act), OPF-US and ICU Medical shall use commercially reasonable efforts to ensure that: (i) all filings, notices and Consents required to be made, given and obtained in order to consummate the Transactions are made, given and obtained on a timely basis; (ii) during the Pre-Closing Period, OPF-US and ICU Medical and their respective Representatives cooperate with one another, and prepare and make available such documents and take such other actions as the other may request in good faith, in connection with any filing, notice or Consent that the other is required to make, give or obtain. On or before the Closing, ICU Medical shall obtain (and provide OPF-US with reasonable evidence thereof) the release of any Encumbrance on any of the Contributed Assets or Licensed Intellectual Property (other than Permitted Encumbrances).

(b) Unless this Agreement shall have been validly terminated in accordance with Section 7, OPF-US and ICU Medical shall (i) within twenty (20) Business Days after the date hereof file with the U.S. Federal Trade Commission (the "***FTC***") and the Antitrust Division of the U.S. Department of Justice Notification and Report Forms relating to the Transactions as required by the HSR Act and (ii) promptly submit with the applicable Governmental Body any additional filings required pursuant to Antitrust Laws as may be mutually agreed between ICU Medical and OPF-US. Each of OPF-US and ICU Medical shall reasonably cooperate in such filings and promptly supply the other Party with any information which may be reasonably required in order to effectuate such filings. Each of OPF-US and ICU Medical shall use reasonable best efforts to cause the prompt expiration or termination of any applicable waiting periods under the HSR Act and other applicable Antitrust Laws, provided that (X) nothing herein shall require OPF-US or ICU Medical to propose, negotiate, agree to, accept the imposition of, commit to or effect, by agreement, consent decree, hold separate order or other order or otherwise, to sell, divest, hold separate, lease, license, transfer, dispose of, otherwise encumber, limit, restrict or impair or otherwise take any other action with respect to its ability to own or operate any assets, properties, businesses or product lines or its ability to own or operate any assets, properties, business or product lines (including of the Business), and (Y) if either OPF-US or ICU Medical receives a request for additional information or documentary material from any Governmental Body with respect to the Transactions, then such party will use reasonable best efforts to make, or cause to be made, promptly and after consultation with the other party, an appropriate response. Each of OPF-US and ICU Medical will notify the other Party promptly upon the receipt of (i) any comments from any Governmental Body in connection with any filings made pursuant hereto or in connection with the Transactions and (ii) any request by any Governmental Body for amendments or supplements to any filings made pursuant to, or information provided to comply in all material respects with, any Legal Requirement with respect to the Transaction, including the requirements of the HSR Act; and (iii) any request for additional information or documentary material from any Governmental Body with respect to the Transactions, and if in writing, furnish the other party with copies of (or in the case of oral

communications, advise the other party orally of) any material communications with or from any Governmental Body regarding the Transactions, and permit the other party to review and discuss in advance, and consider in good faith the views of the other party in connection with, any such governmental filing, submission, or other document or communication with any such Governmental Body. Whenever any event occurs that is required to be set forth in an amendment or supplement to any filing made pursuant to this Section 4.3(c), the Party required to make such amendment or supplement will promptly inform the other Party of such occurrence and file with the applicable Governmental Body such amendment or supplement. Each of OPF-US and ICU Medical shall give one another prompt notice of the commencement or known threat of commencement of any Proceeding by or before any Governmental Body with respect to the proposed acquisition by OPF-US of the Purchased Units, keep one another informed as to the status of any such proceeding or threat, and in connection with any such proceeding, to the extent permitted by Legal Requirement, permit Representatives of the other Party to be present at each meeting or conference relating to any such proceeding and to have access to and be consulted in connection with any document, opinion or proposal made or submitted to any Governmental Body in connection with any such proceeding. Upon the terms and conditions set forth herein (including the third sentence of this Section 4.3(b)), each of OPF-US and ICU Medical shall use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things, necessary, proper or advisable to obtain approval as required by any Governmental Body and expiration or termination of applicable waiting periods under the HSR Act. All filing fees incurred in connection with the filings contemplated by this Section 4.3(b) shall be paid and borne 100% by OPF-US, but each Party shall be responsible for any other fees or expenses (including legal costs) that it incurs in connection with such filings.

(c) Notwithstanding the foregoing, OPF-US and ICU Medical may, as each deems advisable and necessary, reasonably designate any competitively sensitive or business confidential material provided to the other under this Section 4.3 as "outside counsel/corporate in-house antitrust counsel only" or "outside counsel" only. Such materials and the information contained therein shall be given only to the outside legal counsel or outside legal counsel and corporate inhouse antitrust counsel of the recipient and will not be disclosed by such outside counsel and corporate in-house antitrust counsel to employees (other than corporate in-house antitrust counsel), officers, or directors of the recipient unless express permission is obtained in advance from the source of the materials (OPF-US and ICU Medical, as the case may be) or its legal counsel. Materials provided pursuant to this Section 4.3 may be redacted (i) to remove personally sensitive information, (ii) to remove references concerning the valuation of the Business or any other business of ICU Medical or the process in which ICU Medical has engaged in connection with a sale of the Business, (iii) as necessary to comply with contractual obligations, (iv) as necessary to comply with applicable Legal Requirements, (v) to remove business confidential information unrelated to the Transaction, and (vi) as necessary to avoid waiver of privilege. Notwithstanding anything to the contrary in this Agreement, OPF-US shall have the right, following good faith consultation and consideration of the views of ICU Medical, to direct the strategy for obtaining any necessary approval in connection with the filings contemplated by this Section 4.3(b).

4.4 **No Solicitation.** During the period (the "***No-Solicitation Period***") commencing as of the date of this Agreement and ending on the earlier to occur of (a) the termination of this Agreement and (b) the Closing, ICU Medical shall not and shall cause ICU Medical's respective Representatives not to, directly or indirectly, (i) enter into, solicit, initiate or continue any discussions or negotiations with, or encourage or respond to any inquiries or proposals by, or participate in any negotiations with, or provide any information to, or otherwise cooperate in any other way with, any Person, other than ICU Medical and its Representatives, concerning any sale, lease, or license of all or any substantial portion of the Business or the Contributed Assets, or (ii) provide any nonpublic information regarding the Contributed Assets or the Business to any Person in response to any proposal described in clause (i) above. ICU Medical shall promptly notify OPF-US of the material terms of any inquiry, proposal, or offer received by ICU Medical during the No-Solicitation Period from any Person (other than the Company or ICU Medical) solely related to the acquisition, lease, license or transfer of all or a material portion of the Contributed Assets or the Business including, without limitation, the identity of the prospective purchaser or soliciting party, except to the extent that any such notification would violate any existing agreement of ICU Medical.

4.5 **Notification.** During the Pre-Closing Period, each of OPF-US and ICU Medical shall promptly notify one another in writing of: (i) the discovery by it of any event, condition, fact or circumstance that occurred or existed on or prior to the date of this Agreement and that caused or constitutes a material breach of any representation or warranty made by it in this Agreement; (ii) any event, condition, fact or circumstance that occurs, arises or exists after the date of this Agreement and that would cause or constitute a material breach of any representation or warranty made by it in this Agreement if (A) such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance, or (B) such event, condition, fact or circumstance had occurred, arisen or existed on or prior to the date of this Agreement; (iii) any breach of any covenant or obligation of it; and (iv) any event, condition, fact or circumstance that may make the timely satisfaction of any of the conditions set forth in Section 5 or Section 6, as applicable, impossible or unlikely.

4.6 **Publicity.** Each Party shall ensure that, during the Pre-Closing Period: (i) neither it nor any of its Representatives issues or disseminates any press release or other publicity or otherwise makes any disclosure of any nature to any other Person (other than a Representative of the Party making such disclosure) regarding any of the Transactions or the existence or terms of this Agreement, except to the extent that such Party is required by any Legal Requirement to make any such disclosure (it being understood that OPF-US and ICU Medical shall (A) issue a joint press release following the execution hereof which shall have been approved by each of OPF-US and ICU Medical and (B) file one or more reports on Form 8-K with the Securities Exchange Commission or such other reports as may be required by a Governmental Body); and (ii) if it is required by any Legal Requirement to make any such disclosure, it shall advise the other Parties, at least five (5) Business Days before making such disclosure, of the nature and content of the proposed disclosure and consider in good faith comments from such other Parties concerning such proposed disclosure.

4.7 **Reasonable Best Efforts.** Promptly following the date hereof and continuing through the Pre-Closing Period, each Party shall use its reasonable best efforts to cause the conditions set forth in Sections 5 and 6 to be satisfied on a timely basis. Each Party shall also negotiate in good faith and use its reasonable best efforts to negotiate and agree upon (a) final

forms of the Commercial Agreements, the Services Agreement, and the License Agreement, in each case incorporating the principles set forth in ***Exhibit E***, ***Exhibit F*** and ***Exhibit G***, respectively and (b) any agreements necessary to operate the Business as operated in the ordinary course prior to Closing, including (i) a commercial agreement to ensure that the benefits relating to the Canadian Business shall have the effect of transferring as of Closing, (ii) a supply agreement pursuant to which ICU Medical shall provide supply of plastic components out of Costa Rica, (iii) a contract manufacturing agreement pursuant to which ICU Medical shall provide the Rio product to the Company, and (iv) a supply agreement pursuant to which ICU Medical shall provide supply of empty bags to the Company to support inventory shipments. Notwithstanding the foregoing, neither ICU Medical nor any of its Affiliates shall be obligated to make any payments or otherwise pay any consideration to any third party to obtain any Consent, except (x) to the extent such payment is expressly required in connection with obtaining any such Consent pursuant to the Contract with such third party or (y) with respect to filing, recordation or similar fees payable to any Governmental Body for which ICU Medical is responsible pursuant to the terms of this Agreement.

4.8 Tax Matters.

(a) The Parties acknowledge that the transactions effected pursuant to the Contribution Agreement and this Agreement are intended to be treated as follows for U.S. federal income Tax purposes and any relevant state or local income Tax purposes:

(i) The contribution of the Contributed Assets by ICU Medical and ICU Medical Sales to the Company in exchange for Units under the Contribution Agreement shall be treated as contributions of property to a partnership in exchange for interests in a partnership that is governed by Section 721 of the Code; and

(ii) The purchase and sale of the Purchased Units under this Agreement shall be treated as the purchase by OPF-US of an interest in a partnership from the ICU Medical Entities that is governed by Sections 741, 743(b), and 751 of the Code (except with respect to any portion of any Milestone Payment representing imputed interest under Sections 483 or 1274 of the Code).

The Parties, as applicable, shall, for all Tax purposes, report (and cause their respective Affiliates to report) the transactions contemplated by this Agreement in a manner consistent with the intended Tax treatment described in this Section 4.8(a), and not (and cause their respective Affiliates to not) take any position inconsistent therewith, except as otherwise required pursuant to a final "determination" as defined in Section 1313(a) of the Code (or any corresponding or similar provision of applicable Legal Requirement) or in connection with a good-faith resolution of an audit or another proceeding by a Governmental Body related to Taxes. From the Closing through the later of (A) six (6) months after the Closing Date and (B) January 1, 2026, the ICU Medical Entities shall ensure that each remains a separate corporation for U.S. federal income tax purposes and holds at least 1% of the Units in the Company.

(b) The Company shall make an election pursuant to Section 754 of the Code for its taxable year that includes the Closing Date. For U.S. federal (and applicable state and local) income Tax purposes, the parties agree that the Purchase Price (together with any adjustments thereto and any assumed liabilities, costs, payments and any other amounts properly

characterized as consideration for Tax purposes, but excluding imputed interest) shall be allocable among the assets of the Company and the covenants described in Section 9.1 in accordance with Sections 743(b), 751, 755 and 1060 of the Code and the Treasury Regulations promulgated thereunder (the "***Allocation***"). Within thirty (30) days after the final determination of the Final Closing Payment under Section 1.3, OPF-US will deliver to ICU Medical a proposed Allocation (excluding, for the avoidance of doubt, any Milestone Payment). ICU Medical shall notify OPF-US in writing of any objections to the proposed Allocation within thirty (30) days after ICU Medical receives such proposed Allocation. If ICU Medical does not notify OPF-US of any objections to the proposed Allocation within that thirty (30)-day period, the proposed Allocation shall be construed as final. If ICU Medical notifies OPF-US of an objection to any item in the Allocation by the end of the thirty (30)-day period, OPF-US and ICU Medical shall attempt in good faith to resolve the item in dispute. The Parties agree that, for all Tax purposes if

and to the extent the Parties agree on the Allocation, the transactions contemplated in this Agreement will be reported in a manner that is consistent with such final Allocation, and none of them (nor any of their respective Affiliates) will take any position inconsistent therewith on any Tax Return or otherwise unless otherwise required by Legal Requirement.

(c) Within ninety (90) days after the Closing, ICU Medical shall deliver to the Company: (i) a complete and correct list of the income tax basis of each item of tangible and intangible property included in the Contributed Assets, (ii) the year of acquisition of each such item of tangible or intangible property, (iii) the depreciable life of each such item of tangible or intangible property, and (iv) the amount and method of depreciation with respect to each such item of tangible or intangible property.

(d) The Parties agree to retain, and to cause the Company to retain, all records relating to the Taxes of the Business or the Contributed Assets for all taxable periods ending on or prior to the Closing Date or which include the Closing Date until ninety (90) days after the expiration of the applicable statute of limitations (including any extensions thereof) for the taxable period or periods to which such records relate. Consistent with Section 9 of this Agreement, OPF-US and ICU Medical agree to provide each other, and to cause the Company to provide to OPF-US and ICU Medical, such information and assistance as is reasonably necessary, including access to records and personnel, for the preparation of any Tax Returns or for the defense of any Tax claim or assessment that relates to the Business or the Contributed Assets, whether in connection with an audit or otherwise.

(e) On or prior to the Closing Date, ICU Medical shall deliver to OPF-US a properly completed and duly executed IRS Form W-9. On or prior to the date of the Contribution Agreement, each of ICU Medical and ICU Medical Sales shall have delivered to the Company a properly completed and duly executed IRS Form W-9.

(f) Within thirty (30) days after the filing of all Tax Returns (excluding any Flowthrough Tax Return) required to be filed by the Company for any Pre-Closing Tax Periods (including, for the avoidance of any doubt, any Straddle Tax Periods), OPF-US shall prepare and deliver to ICU Medical written notice containing OPF-US's calculation of the excess of (i) the aggregate amount of the Pre-Closing Taxes shown as due on such Tax Returns (excluding any Flowthrough Tax Return) over (ii) the amount of Pre-Closing Taxes taken into account in calculating the Estimated Closing Payment (such calculation, the "***Tax Adjustment Calculation***"

and such amount, the "***Tax Adjustment Amount***"). The provisions set forth in Sections 1.3(c)-(e) shall apply *mutatis mutandis* to the Tax Adjustment Calculation. If the Tax Adjustment Amount as finally determined pursuant to this Section 4.8(f) is positive, then within five (5) Business Days after the determination of the final Tax Adjustment Amount, ICU Medical shall pay such amount to OPF-US by wire transfer of immediately available funds to a bank account designated by OPF-US. If the Tax Adjustment Amount as finally determined pursuant to this Section 4.8(f) is negative, then within five (5) Business Days after the determination of the final Tax Adjustment Amount, OPF-US shall pay such amount to ICU Medical by wire transfer of immediately available funds to a bank account designated by ICU Medical. To the extent that a Tax asset of the Company as of the Closing Date is not taken into account in the definition of Indebtedness or Net Current Assets to offset a Tax Liability, and the Company is (i) able to utilize such Tax asset to offset Taxes in a taxable period after the Closing Date or (ii) the Company receives a Tax refund with respect to such Tax asset, the Company shall promptly pay 60% of such amounts to ICU Medical within fifteen (15) days of utilizing such Tax asset or receiving such Tax refund.

4.9 **Update of Schedules.** The Parties acknowledge and agree that, no later than five (5) days prior to the Closing Date, ICU Medical may update or supplement the Disclosure Schedule for the purpose of reflecting (a) any Findings, (b) events or occurrences occurring after the date hereof by providing to OPF-US an updated or supplemented Disclosure Schedule or (c) if applicable, additional detail regarding the Contributed Assets or Assumed Liabilities that will be transferred to the Company under the Contribution Agreement (in each case, which shall be marked to show changes against the original Disclosure Schedule). Such updated parts of the Disclosure Schedule shall, solely for the purpose of Section 6.1 hereof (and not for the purpose of Section 8 hereof), be deemed to have amended the relevant parts of the Disclosure Schedule unless the events or occurrences reflected in such updated or supplemented parts of the Disclosure Schedule have or would reasonably be expected to have a Material Adverse Effect.

4.10 **Certain Other Matters.** The Parties agree to those covenants set forth on Schedule 4.10.

4.11 **Company Credit Facility at Closing.** OPF-US shall use commercially reasonable efforts to cause the Company to obtain, at or prior to Closing, a credit facility from a reputable financial institution in the amount of not less than $40,000,000, to be used to finance any potential working capital needs of the Company arising as of and from the Closing. If the Company is unable to obtain such a credit facility as of the Closing, OPF-US shall provide a short-term loan to the Company in the amount of $40,000,000 (a "***Bridge Loan***"), to be used to finance working capital needs of the Company for such reasonable period of time as may be necessary such that customary diligence and credit procedures are able to be performed by a reputable financial institution in connection with the provision of a customary commercial credit facility. The Bridge Loan will bear interest, and contain such other terms and conditions, as is customary for arms-length financing arrangements and as reasonably agreed upon by ICU Medical and OPF-US.

4.12 **Establishment of Transferee Plans; Employment of Certain Employee.** ICU Medical shall use commercially reasonable efforts to assist the Company in establishing the Transferee Plans (as defined in the Contribution Agreement) prior to Closing. At the Closing, OPF-US shall use commercially reasonable efforts to employ the employee set forth on Schedule 4.12, and OPF-US acknowledges and agrees that, with respect to the employment of such employee, the provisions set forth in Section 3.2 of the Contribution Agreement shall apply to OPF-US, mutatis mutandis, to the same extent as such provisions apply to the "Transferee" party thereto; provided, however, that the last sentence of Section 3.2 of the Contribution Agreement shall not be applicable to this Section 4.12. Section 3.6 of the Contribution Agreement shall apply to the employee, mutatis mutandis, to the same extent as such provisions apply to the Business Employees thereto.

5. CONDITIONS PRECEDENT TO ICU MEDICAL'S OBLIGATION TO CLOSE.

ICU Medical's obligation to take the actions required to be taken by ICU Medical and ICU Medical Sales at the Closing is subject to the satisfaction, as of the Closing, of each of the following conditions (any of which may be waived by ICU Medical, in whole or in part, in writing):

5.1 Accuracy of Representations. All of the representations and warranties made by OPF-US in this Agreement shall be accurate in all material respects, without giving effect to any materiality or similar qualifications set forth therein, as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties specifically speak as of an earlier date, in which case such representations and warranties shall be accurate in all material respects as of such earlier date).

5.2 Performance of Obligations.

(a) Each of the Commercial Agreements, the Services Agreement and the License Agreement shall incorporate the agreed principles set forth in ***Exhibit E***, ***Exhibit F*** and ***Exhibit G***, respectively, and be in the forms as agreed by OPF-US and ICU Medical;

(b) Each of the Transaction Agreements shall have been executed by each of the parties thereto (other than ICU Medical) and delivered to ICU Medical;

(c) All of the covenants and obligations that OPF-US is required to comply with or to perform at or prior to the Closing (considered collectively), and each of said covenants and obligations shall have been duly complied with and performed in all material respects; and

(d) The Company shall have obtained a Bridge Loan or shall have obtained a credit facility from a reputable financial institution in the amount of not less than $40,000,000, to be used to finance any potential working capital needs of the Company arising as of and from the Closing.

5.3 Governmental Proceedings. (i) No Governmental Body shall have commenced any lawsuit seeking to prevent, delay or make illegal any of the Transactions and (ii) any waiting period applicable to the consummation of the Transactions under the HSR Act or other applicable Antitrust Laws shall have expired or been terminated and any other required consents, approvals, clearances or waivers under applicable Antitrust Laws shall have been obtained.

5.4 Certificates.

OPF-US shall have furnished ICU Medical with such certificates of its duly authorized officers to evidence compliance with the conditions set forth in Sections 5.1 and 5.2(c).

5.5 Receipt of Closing Payment. ICU Medical shall have received the Estimated Closing Payment pursuant to Section 1.2(b)(i).

6. CONDITIONS PRECEDENT TO OPF-US' OBLIGATION TO CLOSE.

OPF-US' obligation to pay the Estimated Closing Payment and OPF-US' obligation to take the other actions required to be taken by OPF-US at the Closing is subject to the satisfaction, as of the Closing, of each of the following conditions (any of which may be waived by OPF-US, in whole or in part, in writing):

6.1 Accuracy of Representations. Subject to, and as modified by the update or supplement to the Disclosure Schedule contemplated by Section 4.9, (i) the Fundamental Representations (excluding Section 2.15 (Taxes)) shall be accurate in all respects as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties specifically speak as of an earlier date, in which case such representations and warranties shall be accurate in all respects as of such earlier date), (ii) the representations and warranties set forth in Section 2.15 (Taxes) shall be accurate in all material respects as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties specifically speak as of an earlier date, in which case such representations and warranties shall be accurate in all respects as of such earlier date), and (iii) all of the other representations and warranties made by the ICU Medical Entities in this Agreement shall be accurate in all respects, without giving effect to any materiality, Material Adverse Effect or similar qualifications set forth therein, as of the date of this Agreement and as of the Closing Date (except to the extent such representations and warranties specifically speak as of an earlier date, in which case such representations and warranties shall be accurate in all respects as of such earlier date), except for such failures to be accurate as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.2 Performance of Obligations.

(a) Each of the Commercial Agreements, the Services Agreement and the License Agreement shall incorporate the agreed principles set forth in ***Exhibit E***, ***Exhibit F*** and ***Exhibit G***, respectively, and be in the forms as agreed by OPF-US and ICU Medical.

(b) Each of the Closing Agreements shall have been executed by each of the parties thereto (other than OPF-US) and delivered to OPF-US and the Company;

(c) Any liens with respect to the Deed of Trust shall have been released and satisfied by ICU Medical, at ICU Medical's sole cost and expense, and a release and/or satisfaction shall have been recorded among the land records of Travis County, Texas; and

(d) All of the covenants and obligations that ICU Medical is required to comply with or to perform at or prior to the Closing under this Agreement (including, for clarity, pursuant to the last sentence of Section 4.3(a)) shall have been duly complied with and performed in all material respects.

6.3 Governmental Proceedings. (i) No Governmental Body shall have commenced any lawsuit seeking to prevent, delay or make illegal any of the Transactions and (ii) any waiting period applicable to the consummation of the Transactions under the HSR Act or other applicable Antitrust Laws shall have expired or been terminated and any other required consents, approvals, clearances or waivers under applicable Antitrust Laws shall have been obtained.

6.4 Material Adverse Effect. There shall not have occurred (and be continuing) any event, condition, or occurrence that has had, or would reasonably be expected to have, a Material Adverse Effect.

6.5 **Certificates.** ICU Medical shall have furnished OPF-US with such certificates of its duly authorized officers to evidence compliance with the conditions set forth in Sections 6.1 and 6.2(c).

6.6 **Formation and Contribution.**

The Formation shall have been completed and the Contribution shall have been consummated.

7. TERMINATION.

7.1 **Termination Events.** This Agreement may be terminated prior to the Closing:

(a) by OPF-US or ICU Medical if (i) the Closing has not taken place on or before July 1, 2025 (provided that neither Party may terminate this Agreement if it has breached in any material respect its obligations under this Agreement in any manner that proximately contributed to the failure of Closing to take place before such date) or (ii) any order shall become final and non-appealable, or any Law shall be enacted, issued or promulgated, in either case, permanently enjoining or otherwise prohibiting the Closing (provided that neither Party may terminate this Agreement if it has breached in any material respect its obligations under this Agreement in any manner that proximately contributed to such order becoming final and non-appealable or such Applicable Law being enacted, issued or promulgated);

(b) by the mutual written consent of OPF-US and ICU Medical;

(c) by OPF-US if there is a material breach of any representation or warranty set forth in Section 2 hereof or a material breach by ICU Medical of any covenant or agreement to be complied with or performed by ICU Medical pursuant to the terms of this Agreement, provided that OPF-US may not terminate this Agreement for such breach unless ICU Medical has failed to cure such breach within thirty (30) days of receiving notice of such breach; provided that OPF-US is not in material breach of any of its representations, warranties, covenants or other agreements contained in this Agreement in a manner that would render any condition forth in Section 5.1 or Section 5.2 not to be satisfied; or

(d) by ICU Medical if there is a material breach of any representation or warranty set forth in Section 3 hereof or a material breach by OPF-US of any covenant or agreement to be complied with or performed by OPF-US pursuant to the terms of this Agreement, provided that ICU Medical may not terminate this Agreement for such breach unless OPF-US has failed to cure such breach within thirty (30) days of receiving notice of such breach; provided that ICU Medical is not in material breach of any of its representations, warranties, covenants or other agreements contained in this Agreement in a manner that would render any condition forth in Section 6.1 or Section 6.2 not to be satisfied.

7.2 Termination Procedures.

If a Party wishes to terminate this Agreement pursuant to Section 7.1, such Party shall deliver to the other Parties a written notice in accordance with Section 10.5 stating that it is terminating this Agreement and setting forth a reasonably detailed description of the basis on which it is terminating this Agreement.

7.3 Effect of Termination.

If this Agreement is terminated pursuant to Section 7.1, all further obligations of the Parties under this Agreement shall terminate and become void and have no effect, without any Liability on the part of any party hereto or their respective Representatives or Affiliates, and the Transactions shall be abandoned without further action by the Parties hereto, *provided*, *however*, that: (a) the Parties shall, in all events, remain bound by and continue to be subject to this Section 7 and the provisions set forth in Section 10, (b) the Parties shall, in all events, remain bound by and continue to be subject to Section 4.6 (Publicity), and (c) no Party shall be relieved or released from any Liabilities arising out of any willful or intentional breach of its obligations under this Agreement or fraud, in any case, occurring before the effective date of any termination of this Agreement (but in no event shall any Party be liable for punitive damages hereunder or with respect thereto).

8. INDEMNIFICATION, ETC.

8.1 Survival of Representations, Warranties and Covenants; Procedure for Indemnification. The representations and warranties made by the ICU Medical Entities in Section 2 and by OPF-US in Section 3 shall survive the Closing until twenty-four (24) months following the Closing Date; provided that the representations and warranties made the ICU Medical Entities in (i) Section 2.1 (Due Organization; Authority; Binding Nature of Agreements; Units), Section 2.11(a) (Non-Contravention; Consents) (clauses (i) and (iii) only) and Section 2.16 (No Brokers) shall survive the Closing until six (6) years after the Closing Date and (ii) Section 2.15 (Taxes) shall survive the Closing until sixty (60) days following the expiration of the applicable statute of limitations (collectively, the representations and warranties in clauses (i) and (ii), the "***Fundamental Representations***"). The covenants and agreements contained in this Agreement will survive until performed in accordance with their terms, but no right to indemnification pursuant to Section 8 in respect of any indemnification claim based upon any breach of a covenant or agreement shall be affected by the expiration of such covenant or agreement. If a Claim Notice (as defined below) is given to the appropriate party on or prior to the expiration of the applicable survival period, then, notwithstanding anything to the contrary contained in this Section 8.1, such survival period shall not expire, but rather shall remain in full force and effect until such time as such indemnification claims has been fully and finally resolved.

(b) An Indemnitee shall give written notice (a "***Claim Notice***") to the indemnifying party of any indemnification claim made by or on behalf of any Indemnitee, reasonably promptly, but in any event, if such indemnification claim relates to the assertion against an Indemnitee of any third party claim, within fifteen (15) days after receipt by such Indemnitee of written notice of a Proceeding relating to such third party claim, except that the failure to so notify the indemnifying party within such time period shall not relieve the

indemnifying party of any obligation or liability to the Indemnitee, except to the extent that the indemnifying party demonstrates that its ability to resolve such indemnification claim is materially and adversely affected thereby. The Claim Notice will specify in reasonable detail (based on the information then-possessed by the Indemnitee) the nature of the indemnification claim and the amount of Damages associated therewith, if known, and otherwise a reasonable estimate of the amount of the anticipated Damages associated therewith, if capable of being estimated.

(c) Unless the indemnifying party contests the indemnification claim in writing delivered to the Indemnitee within thirty (30) days after receipt of a Claim Notice and describing in reasonable detail the basis for contesting the indemnification claim, the Indemnitee shall, subject to the other terms of Section 8, be paid the amount of Damages related to such indemnification claim or the uncontested portion thereof. If the indemnifying party has delivered a timely written notice disputing an indemnification claim, then the Indemnitee and the indemnifying party shall attempt in good faith for a thirty (30)-day period following the Indemnitee's receipt of such written notice to resolve such disputed indemnification claim. Any disputed indemnification claim shall be resolved either (i) in a written agreement signed by the indemnifying party and the Indemnitee or (ii) in accordance with Section 10.16.

(d) If uncontested, or once resolved either by agreement or in accordance with Section 10.16, the amount of Damages (subject to the limitations set forth in Section 8.2(b) or Section 8.3(b), as applicable) related to any indemnification claim shall be paid to the applicable Indemnitee within ten (10) Business Days after written demand for payment from the Indemnitee, in the manner contemplated herein.

8.2 Indemnification by ICU Medical.

(a) If the Closing occurs, ICU Medical shall hold harmless and indemnify the Company Indemnitees and the OPF-US Indemnitees from and against, and shall compensate and reimburse the Company Indemnitees and the OPF-US Indemnitees for, any Damages that are suffered or incurred by the Company Indemnitees or the ICU Medical Indemnitees (regardless of whether or not such Damages relate to any third-party claim) that arise from:

(i) any breach of any of the representations or warranties made by the ICU Medical Entities in Section 2 of this Agreement or the failure of any such representations or warranties to be true and correct as of the Closing Date;

(ii) any breach of or noncompliance with any covenant or obligation of the ICU Medical Entities contained in this Agreement or of any breach or noncompliance by the Company of any covenant or obligation of the Company contained in the Contribution Agreement, in each case, to the extent occurring prior to the Closing Date; or

(iii) any Excluded Liabilities.

(b) ICU Medical shall not be required to make any indemnification payment pursuant to clause (i) of Section 8.2(a) (other than with respect to Fundamental Representations) (i) for any individual claim for Damages not exceeding $50,000 and (ii) until such time as the total amount of all Damages (including the Damages arising from such breach and all other

Damages arising from any other breaches of any representations or warranties) that have been suffered or incurred by the Company Indemnitees and the OPF-US Indemnitees exceeds $3,000,000, in which case the Company Indemnitees and the OPF-US Indemnitees shall be entitled to be indemnified against and compensated and reimbursed only for that portion of such Damages that exceed $3,000,000. The total amount of Damages which ICU Medical shall be obligated to pay to the Company Indemnitees or ICU Medical Indemnitees pursuant to clause (i) of Section 8.2(a) of this Agreement (other than with respect to Fundamental Representations) shall not exceed $24,000,000 in the aggregate, and the total amount of Damages which ICU Medical shall be obligated to pay to the Company Indemnitees or ICU Medical Indemnitees with respect to Fundamental Representations pursuant to clause (i) of Section 8.2(a) of this Agreement shall not exceed $300,000,000; *provided, however*, that the foregoing limitations shall in no way limit the Damages that any OPF-US Indemnitee or any Company Indemnitee may recover in respect of Sections 8.2(a)(ii) or Section 8.2(a)(iii), or in the event of fraud.

(c) For purposes of determining the failure of any representation or warranty to be true and correct and calculating the amount of Damages hereunder, any qualifications in the representations and warranties herein as to materiality, Material Adverse Effect or words of similar import (other than the reference to Material Adverse Effect in Section 2.7) shall be disregarded.

8.3 Indemnification by OPF-US.

(a) From and after the date of this Agreement, OPF-US shall hold harmless and indemnify the ICU Medical Indemnitees from and against, and shall compensate and reimburse the ICU Medical Indemnitees for, any Damages that are suffered or incurred, directly or indirectly, by the ICU Medical Indemnitees (regardless of whether or not such Damages relate to any third-party claim) that arise from:

(i) any breach of any of the representations or warranties made by OPF-US in Section 3 of this Agreement or the failure of any such representations or warranties to be true and correct as of the Closing Date; or

(ii) any breach of any covenant or obligation of OPF-US contained in this Agreement.

(b) OPF-US shall not be required to make any indemnification payment pursuant to clause (i) of Section 8.3(a) until such time as the total amount of all Damages (including the Damages arising from such breach and all other Damages arising from any other breaches of any representations or warranties) that have been suffered or incurred by the ICU Medical Indemnitees exceeds $3,000,000, in which case the ICU Medical Indemnitees shall be entitled to be indemnified against and compensated and reimbursed only for that portion of such Damages that exceed $3,000,000. The total amount of Damages which OPF-US shall be obligated to pay to the ICU Medical Indemnitees pursuant to clause (i) of Section 8.3(a) shall not exceed $24,000,000 in the aggregate; *provided, however*, that the foregoing limitations shall in no way limit the Damages that any ICU Medical Indemnitee may recover for a breach of the representation in Section 3.1, in respect of Section 8.3(a)(ii) or in the event of fraud.

8.4 Setoff. The Parties agree that any payments required to be made by any Party

pursuant to this Section 8 shall be made without any withholding, deduction or set-off, and each Party agrees not to assert a right of set-off at common law or otherwise. All amounts paid with respect to indemnity claims under this Agreement shall be treated by the Parties for all Tax purposes as purchase price adjustments to the extent permitted by applicable Legal Requirements.

8.5 Defense of Third Party Claims. In the event of the assertion or commencement by any Person (other than any Party hereto) of any claim or Proceeding (whether against OPF-US, ICU Medical or the Company, or against any other Indemnitee or against any other Person) with respect to which any Party may become obligated to indemnify, hold harmless, compensate or reimburse any Indemnitee pursuant to this Section 8, the indemnifying party shall have the right, at its election, to either (i) assume the defense of such claim, or (ii) designate the Indemnitee to assume the defense of such claim or Proceeding at the sole expense of the indemnifying party; *provided*, that the indemnifying party shall not have the right to control the defense of such claim if (A) the Indemnitee reasonably believes an adverse determination with respect to the claim or Proceeding would be materially detrimental to or materially injure the Indemnitee's reputation or future business prospects, (B) the claim seeks an injunction or equitable relief against the Indemnitee, (C) the Indemnitee has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the indemnifying party and the Indemnitee, (D) the indemnifying party has failed or is failing to diligently prosecute or defend such claim, or (E) the Indemnitee reasonably believes that the losses relating to such claim would exceed the maximum amount that the Indemnitee could then be entitled to recover under the applicable provisions of this Section 8. If the indemnifying party so elects to designate the Indemnitee to assume the defense of any such claim or Proceeding, or if the Indemnitee assumes such defense in accordance with this Section 8.5:

(a) the Indemnitee shall proceed to defend such claim or Proceeding in a diligent manner with counsel reasonably satisfactory to the indemnifying party;

(b) the indemnifying party shall make available to the Indemnitee any non-privileged documents and materials in the possession or control of the indemnifying party that may be necessary to the defense of such claim or Proceeding;

(c) the Indemnitee shall keep the indemnifying party reasonably informed of all material developments and events relating to such claim or Proceeding;

(d) the indemnifying party (at its own expense) shall have the right to participate in the defense of such claim or Proceeding;

(e) the Indemnitee shall not settle, adjust or compromise such claim or Proceeding without the prior written consent of the indemnifying party (which shall not be unreasonably withheld, conditioned or delayed); *provided*, that such consent will not be considered to have been unreasonably withheld if the settlement, adjustment or compromise does not provide for a full release of the indemnifying party from any further claims with respect to the matter at issue;

(f) the indemnifying party may, subject to this Section 8.5, at any time (notwithstanding the prior designation of the Indemnitee to assume the defense of such claim or Proceeding) assume the defense of such claim or Proceeding at its own expense;

(g) all reasonable expenses relating to the defense of such claim or Proceeding shall be borne and paid exclusively by the indemnifying party.

If the indemnifying party elects to assume the defense of such claim or Proceeding:

(i) all reasonable expenses relating to the defense of such claim or Proceeding shall be borne and paid exclusively by the indemnifying party;

(ii) the Indemnitee shall make available to the indemnifying party any documents and materials in the possession or control of the Indemnitee that may be necessary to the defense of such claim or Proceeding;

(iii) the indemnifying party shall keep the Indemnitee reasonably informed of all material developments and events relating to such claim or Proceeding; and

(iv) the indemnifying party shall not settle, adjust or compromise such claim or Proceeding without the prior written consent of the Indemnitee (which shall not be unreasonably withheld, conditioned or delayed); *provided*, that such consent will not be considered to have been unreasonably withheld if the settlement, adjustment or compromise does not provide for a full release of the Indemnitee from any further claims with respect to the matter at issue.

8.6 Sole and Exclusive Remedy. Other than in the event of fraud, (i) the indemnification rights set forth in this Section 8 shall be the sole and exclusive remedy of any Party following the Closing with respect to any claim directly or indirectly (whether in tort, at law or in equity) for Damages arising out of or resulting from this Agreement, and (ii) the dispute resolution procedures in Section 10.16 shall be the sole method by which to resolve any such claim; *provided*, that nothing contained herein shall prevent a Party from pursuing remedies against third parties or remedies as may be available to such Party for injunctive or other equitable relief pursuant to Section 10.9.

8.7 Exercise of Remedies by Indemnitees other than Parties to this Agreement. No Indemnitee (other than the Parties or any successor thereto or assign thereof) shall be permitted to assert any indemnification claim or exercise any other remedy under this Agreement unless the applicable Party entitled to indemnification (or any successor thereto or assign thereof) shall have consented in writing to the assertion of such indemnification claim or the exercise of such other remedy.

8.8 Calculation of Damages.

The Parties acknowledge and agree that in the event any payment is required to be made by a Party pursuant to this Section 8 in respect of any Damages, to the extent the indemnifiable Damage is suffered by any Company Indemnitee (and not by an OPF Indemnitee) pursuant to Section 8.2, ICU Medical shall pay or cause to be paid 100% of the amount of such Damage to

such Company Indemnitee or, at the election of OPF-US, ICU Medical shall pay or cause to be paid 60% of the amount of such Damage to an OPF Indemnitee; *provided*, that in no event shall ICU Medical or any of its Affiliates be required to pay any amount in excess of 100% of the amount of Damages suffered by such Company Indemnitee.

8.9 Mitigation of Damages.

Any Indemnitee hereunder shall use commercially reasonable efforts to avoid or mitigate any Damages which in the absence of mitigation would reasonably be expected to give rise to a Liability in respect of any indemnification claim under this Agreement upon becoming aware of any event or circumstances that give rise to such indemnification claim; *provided* that no such Indemnitee shall be required to take any action or refrain from taking any action that is contrary to any applicable Contract or Legal Requirement binding on such Indemnitee.

9. POST CLOSING COVENANTS.

9.1 Deferred Contribution.

(a) The Deferred Contribution will take place at the end of the month in which the Company has met all regulatory conditions and requirements under all Legal Requirements applicable to the operation of the Business in Canada (the "***Canadian Regulatory Requirements***") to the reasonable satisfaction of each of ICU Medical and OPF-US, which the Parties anticipate will be within eighteen (18) months following the Closing Date.

(b) During the period between the Closing Date and the Deferred Contribution Date (the "***Interim Period***"), the Parties will work together in good faith and will use their respective commercially reasonable efforts to cause the Company to satisfy the Canadian Regulatory Requirements as soon as practicable after the Closing Date. All costs associated with satisfying the Canadian Regulatory Requirements shall be borne by the Company.

(c) During the Interim Period, ICU Medical shall continue to operate the Business in Canada on behalf of the Company in the ordinary course consistent with past practice and provide the Company with the net economic benefit of such operations, such that the Company receives the same net economic benefit as if the Deferred Contribution had been completed concurrently with the Contribution. Prior to Closing, the parties will work together reasonably and in good faith to mutually agree on how such net economic benefit will be calculated and determined.. For the avoidance of doubt, none of the actions taken by either ICU Medical or ICU Medical pursuant to this Section 9.1(c) shall be deemed a breach of their respective obligations under Section 31 of the Restated Operating Agreement.

(d) On the Deferred Contribution Date, ICU Medical and ICU Medical Sales shall enter into a Contribution Agreement in a form substantially similar to Exhibit C and to the reasonable satisfaction of the Parties to affect the contribution of the Canadian Business Assets to the Company; provided, however, that neither ICU Medical nor ICU Medical Sales shall receive any additional Units (as defined in the Restated Operating Agreement) in connection with such contribution.

10. MISCELLANEOUS PROVISIONS.

10.1 Publicity. Without limiting the generality of anything contained in Section 4.7, each Party shall ensure that, on and at all times after the Closing Date: (a) no press release or other publicity concerning any of the Transactions is issued or otherwise disseminated by or on behalf of such Party without the other Party's prior written consent; (b) such Party shall continue to keep the terms of this Agreement and the other Transaction Agreements strictly confidential; and (c) such Party shall keep strictly confidential, and shall not use or disclose to any other Person (other than a Representative or investor of the disclosing party), any non-public document or other non-public information that relates directly or indirectly to the business of the Company. Notwithstanding the provisions of Section 4.7 or this Section 10.1, any Party shall be permitted to disclose the terms of the Agreement in order to comply with applicable Legal Requirements (such as disclosure to the United States Securities and Exchange Commission or to their foreign equivalents), or to comply with an Order, provided that the other Parties receive prior written notice of such disclosure and that the disclosing party takes all reasonable and lawful actions to obtain confidential treatment for such disclosure and, if possible, to minimize the extent of such disclosure.

10.2 Further Assurances. Each Party shall execute and/or cause to be delivered to each other Party such instruments and other documents, and shall take such other actions, as such other Parties may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the Transactions.

10.3 Fees and Expenses.

Each Party shall bear and pay all fees, costs and expenses (including all legal fees and expenses) that have been incurred or that are in the future incurred by, on behalf of or for the benefit of such Party in connection with: (i) the negotiation, preparation and review of any agreement principles or similar document relating to any of the Transactions; (ii) the investigation and review conducted by such Party and its Representatives with respect to any of the Transactions; (iii) the negotiation, preparation and review of this Agreement, the other Transaction Agreements and all bills of sale, assignments, certificates, opinions and other instruments and documents delivered or to be delivered in connection with any of the Transactions; (iv) except as expressly allocated to a Party, the preparation and submission of any filing or notice required to be made or given in connection with any of the Transactions, and the obtaining of any Consent required to be obtained in connection with any of the Transactions; and (v) the consummation and performance of the Transactions.

10.4 Attorneys' Fees. If any Proceeding relating to any of the Transaction Agreements or the enforcement of any provision of any of the Transaction Agreements is brought against any Party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

10.5 Notices. Any notice or other communication required or permitted to be delivered to any Party under this Agreement shall be in writing and shall be deemed properly delivered, given and received when delivered (by hand, by registered mail, by courier or express delivery service or by email) to the address or email address set forth beneath the name of such

Party below (or to such other address or email address as such Party shall have specified in a written notice given to the other Parties):

if to OPF-US:

Otsuka Pharmaceutical Factory America, Inc.
10N. Martingale Road, Suite 400
Schaumburg, Illinois 60173
Attention: Takagi Shuichi
Email: takagish@otsuka.jp

with a copy to:

Otsuka Pharmaceutical Factory, Inc.
115 Kuguhara, Tateiwa, Muya-cho, Naruto
Tokushima 772-8601, Japan
Attention: Takagi Shuichi
Email: takagish@otsuka.jp

with a copy to:

Cooley LLP
10265 Science Center Dr.
San Diego, CA 92121
Attn: Steven M. Przesmicki and Jennifer Raab
Email: przes@cooley.com; jraab@cooley.com

if to ICU Medical or ICU Medical Sales:

ICU Medical, Inc.
951 Calle Amanecer
San Clemente, CA 92673
Attn: General Counsel
Email: notice@icumed.com

with a copy to:

Baker & McKenzie LLP
300 East Randolph Street, Suite 5000
Chicago, Illinois 60601
Attention: David J. Malliband, Kathryn R. Strong
Email: david.malliband@bakermckenzie.com;
kathryn.strong@bakermckenzie.com

10.6 **Headings.** The headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

10.7 **Governing Law.** This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware (without giving effect to principles of conflicts of laws).

10.8 Successors and Assigns; Parties in Interest.

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

(b) No Party shall be permitted to assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties; except that any Party may, without such consent, assign all such rights to any Person who acquires, directly or indirectly, all or substantially all of the assets or securities of such Party.

(c) None of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the Parties and their respective successors and permitted assigns, except that the Company is an express third party beneficiary of this Agreement.

10.9 Remedies Cumulative; Specific Performance. The rights and remedies of the Parties shall be cumulative (and not alternative). The Parties agree that: (a) in the event of any breach or threatened breach by any Party of any covenant, obligation, or other provision of this Agreement applicable to such Party, the other Parties shall be entitled (in addition to any other remedy that may be available) to (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (ii) an injunction restraining such breach or threatened breach; and (b) neither such other Parties nor any other Indemnitee shall be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or Proceeding.

10.10 Waiver.

(a) No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

(b) No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

10.11 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of each of the Parties.

10.12 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by Legal Requirement.

10.13 Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

10.14 Entire Agreement. This Agreement and the other Transaction Agreements, together with all exhibits and schedules hereto and thereto, supersede all prior agreements and understandings among or between any of the Parties relating to the subject matter hereof and thereof.

10.15 Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) The Parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) All monetary amounts referenced herein are denominated in United States Dollars.

(d) As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(e) Except as otherwise indicated, all references in this Agreement to "***Sections***" and "***Exhibits***" are intended to refer to Sections of this Agreement and Exhibits to this Agreement.

10.16 Dispute Resolution; Arbitration.

(a) The Parties will act in good faith and use commercially reasonable efforts to promptly resolve any claim, dispute, controversy or disagreement arising out of or relating to or in connection with this Agreement or the breach, termination or validity hereof (each a "***Dispute***") between the Parties or any of their respective Affiliates under or related to this Agreement, any of the other Transaction Agreements (other than the Restated Agreement) or any of the Transactions.

(b) Upon the written request (a "***Request***") of any Party, the relevant Parties shall commence good faith negotiations with the goal of resolving the Dispute on a mutually satisfactory basis. If the Dispute has not been resolved to the satisfaction of all relevant Parties within 15 days after the date on which the Request is delivered, the Dispute shall immediately be referred to senior officers of each relevant Party. The senior officers of each Party (*e.g.,* chief executive officer and/or chief financial officer or senior or executive vice president) shall meet promptly, and in no case later than 30 days after the date on which the Request is delivered, with a mutually selected mediator and attempt in good faith to negotiate a resolution of the Dispute. If the parties are unable to resolve the Dispute within 35 calendar days after the date on which the Request is delivered, then any relevant party may submit the Dispute to arbitration as the exclusive means of resolving it in accordance with the procedures set forth in this Section.

(c) Except as otherwise specified in this Section, any Dispute not resolved through the procedure set forth above shall be finally settled by arbitration in accordance with the Rules and Procedures of the American Arbitration Association (the ***"Arbitration Rules"***), which are deemed to be incorporated by reference herein except as otherwise modified herein.

(d) The arbitration situs shall be San Diego, California, and the laws of the State of Delaware shall be applied.

(e) In the event of an arbitration involving two parties, there shall be one arbitrator who shall be jointly nominated by such parties. In the event of an arbitration involving more than two parties, there shall be three arbitrators who shall be jointly nominated by the parties. If the parties fail to so nominate the arbitrators within 30 days from the date when the Dispute is submitted to arbitration pursuant to this Section, at the request of any party, the arbitrator(s) shall be appointed in accordance with the Arbitration Rules.

(f) The arbitration hearing shall commence no later than 30 days following the appointment of the sole arbitrator or after the appointment of the last of the three arbitrators, as the case may be, and the final award shall be rendered no later than 30 calendar days following the close of the hearing.

(g) Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, provide the other with copies of documents relevant to the issue raised by any claim or counterclaim. Other discovery may be ordered by the panel to the extent the panel deems additional discovery relevant and appropriate, and any dispute regarding discovery, relevance or scope thereof, shall be determined by the panel, which determination shall be conclusive.

(h) By agreeing to arbitration, the parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, injunctive or other equitable relief or an order in aid of arbitration proceedings and the enforcement of any award. Without prejudice to such provisional remedies in aid of arbitration as may be available under the jurisdiction of a national court, the arbitral tribunal shall have full authority to grant provisional remedies and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect.

(i) The award shall be final and binding upon the parties, and shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues, or accounting presented to the arbitral tribunal in connection with the Dispute. Judgment upon any award may be entered in any court having competent jurisdiction thereof.

(j) The costs of the arbitration shall be borne as determined in accordance with the Arbitration Rules; *provided, however*, that to the extent a party is non-prevailing or unsuccessful on a claim in an arbitration proceeding under this Section, as determined by the arbitrator(s), that party shall pay the prevailing or successful party's costs and expenses incurred in connection with the arbitration of that Dispute, including attorneys' fees and arbitration expenses, whether or not such Dispute is prosecuted to award or judgment.

(k) Subject to the receipt of any applicable governmental approval, any monetary award shall be made and promptly payable in U.S. dollars if due in U.S. dollars, free of any deduction or offset, and the arbitral tribunal shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. The arbitral tribunal shall have the authority to award any remedy or relief proposed by the claimants or respondents pursuant to this Agreement, including without limitation, a declaratory judgment, specific performance of any obligation created under this Agreement or the issuance of an injunction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The parties to this Agreement have caused this Agreement to be executed and delivered as of the date first above written.

ICU MEDICAL, INC.,
a Delaware corporation

By: /s/ Vivek Jain
Name: Vivek Jain
Title: Chief Executive Officer

ICU MEDICAL SALES, INC.,
a Delaware corporation

By: /s/ Vivek Jain
Name: Vivek Jain
Title: Authorized Signatory

OTSUKA PHARMACEUTICAL FACTORY AMERICA, INC.
a Delaware corporation

By: /s/ Shuichi Takagi
Name: Shuichi Takagi
Title: President

[SIGNATURE PAGE TO PURCHASE AGREEMENT]

Exhibit A

CERTAIN DEFINITIONS

In addition to terms defined in the Agreement to which this ***Exhibit A*** is attached, for purposes of the Agreement (including this ***Exhibit A***):

"***Accounting Principles***" shall mean the adjustments to reflect the items set forth in Schedule 1.4(f) (as applicable) in accordance with ICU Medical's non-GAAP accounting policy.

"***Affiliate***" shall have the meaning set forth in the Restated Operating Agreement.

"***Agreement***" shall mean the Purchase Agreement to which this ***Exhibit A*** is attached, including the Disclosure Schedule and each of the other exhibits and schedules thereto.

"***Antitrust Laws***" shall mean the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, state Legal Requirements and other applicable Legal Requirements (including non-U.S. Legal Requirements) issued by a Governmental Body that are designed or intended to preserve or protect competition, prohibit and restrict agreements in restraint of trade or monopolization, attempted monopolization, or abuse of a dominant position, or to prevent acquisitions, mergers or other business combinations and similar transactions, the effect of which may be to lessen or impede competition or to tend to create or strengthen a dominant position or to create a monopoly and all Legal Requirements and orders issued by a Governmental Body relating to foreign investment or national security.

"***Assumed Liabilities***" shall have the meaning set forth in the Contribution Agreement.

"***Benefit Plan***" shall mean "employee benefit plan" (as defined in Section 3(3) of ERISA or the equivalent applicable law), whether or not subject to ERISA, and each other employment, change in control, retention, bonus, commission, defined benefit or defined contribution, pension, profit sharing, deferred compensation, stock ownership, stock purchase, stock option, stock appreciation, restricted stock, restricted stock unit, phantom stock or other equity-based compensation, retirement, vacation, severance, redundancy, termination, disability, death benefit, medical, dental, or other employee compensation and benefit plan, policy, program, agreement or arrangement, in each case, that ICU Medical or its Affiliate sponsors, maintains or contributes to (or is required to contribute to) or has any Liability with respect to, for the benefit of Business Employees or any other current or former service provider of ICU Medical and their beneficiaries and dependents.

"***Book Value***" shall mean, with respect to the Land and the Building, respectively, the value thereof as reflected in the Closing Balance Sheet.

"***Building***" shall mean the building existing on the real property located in Round Rock, Texas and included in the Contributed Assets.

"***Business Contracts***" means, collectively, Contributed Contract Rights and Transferred Contracts.

"***Business Day***" shall mean any day that is not a Saturday, a Sunday or other day on which the banks located in New York, New York or Tokyo, Japan are closed.

"***Business Employee***" shall have the meaning set forth in the Contribution Agreement.

"***Business Value***" shall mean an amount equal to (A) the value of the Company's (i) Property, Plant and Equipment, net ("***PPE, Net***"), *plus* (ii) Long Term Assets (excluding PPE, net), *plus* (iii) Net Current Assets, each determined in accordance with GAAP and reflected in the Closing Balance Sheet, *plus* (B) (i) the Excess Land Value, *plus* (ii) the Excess Building Value, *minus* (C) Indebtedness. For the avoidance of doubt, calculation of Business Value shall be completed so that to avoid double counting (whether positive or negative) of any item to be included and exclude the impact of any deferred tax assets and liabilities or any step-up or purchase accounting adjustments.

"***Closing Agreements***" shall mean, collectively: (a) this Agreement, (b) the Restated Operating Agreement, (c) the Commercial Agreements, (d) the Services Agreement, (e) the License Agreement, (f) the Contribution Agreement and all other certificates, documents and agreements contemplated by each of the foregoing.

"***Closing Payment***" shall mean an amount equal to the Business Value as of the Closing, multiplied by 0.60.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended.

"***Company Indemnitees***" shall mean the following Persons: (a) the Company; (b) the Company's current and future Affiliates (other than OPF-US, ICU Medical and ICU Medical Sales, Inc.); and (c) the respective successors and assigns of the Persons referred to in clauses (a) through (b) above.

"***Consent***" shall mean any approval, consent, ratification, permission, waiver or authorization of any Person (including any Governmental Authorization).

"***Contract***" shall mean any written contract, agreement, lease, license, commitment, loan or credit agreement or indenture, other than any employee benefit plan or any Governmental Authorization.

"***Contributed Assets***" shall have the meaning set forth in the Contribution Agreement.

"***Contributed Contract Rights***" shall have the meaning set forth in the Contribution Agreement.

"***Copyrights***" means works of authorship.

"***Credit Agreement***" means that certain Credit Agreement, dated as of January 6, 2022, by and among ICU Medical, as borrower, certain subsidiaries of ICU Medical as guarantors, Wells Fargo Bank, National Association, as administrative agent, Wells Fargo Securities, LLC and Barclays Bank PLC as joint bookrunners and joint lead arrangers, and the other joint bookrunners and joint lead arrangers listed therein.

"***Damages***" shall mean any loss, damage, cost, injury, liability, claim, demand, settlement, judgment, award, fine, penalty, Tax or expense of any nature, including without limitation, reasonable fees and disbursements of counsel, but excluding any consequential, special, exemplary, incidental, indirect or punitive damages, or lost profits (except to the extent awarded to a third party in an indemnifiable third-party claim).

"***Disclosure Schedule***" shall mean the disclosure schedule (dated as of the date of the Agreement), delivered by ICU Medical to OPF-US, a copy of which is attached to the Agreement and incorporated by reference into the Agreement.

"***Encumbrance***" shall mean any lien, pledge, hypothecation, mortgage, security interest, encumbrance, claim, lease, license, Order, imperfection of title, condition or restriction (including any restriction on the transfer of any asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

"***Entity***" shall mean any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, cooperative, foundation, society, political party, union, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

"***Environmental Law***" means any Legal Requirement, including any judicial, legislative or administrative Order relating to protection of the environment or human safety or health; emissions, discharges or releases of Hazardous Materials into the environment, including without limitation into ambient air, surface water, groundwater or land; or otherwise relating to the handling of Hazardous Materials or the clean-up or other remediation of Hazardous Materials.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"***Excess Building Value***" shall mean an amount equal to (i) the Fair Market Value of the Building *minus* (ii) the Book Value of the Building.

"***Excess Land Value***" shall mean an amount equal to (i) the Fair Market Value of the Land *minus* (ii) the Book Value of the Land.

"***Excluded Liabilities***" shall have the meaning set forth in the Contribution Agreement, *plus* Excluded Taxes to the extent not already included in the Contribution Agreement.

"***Excluded Taxes***" shall mean (a) Taxes of ICU Medical and its Affiliates (other than the Company) for any Tax period, (b) Taxes relating to the Excluded Assets (as defined in the Contribution Agreement) or Excluded Liabilities for any Tax period, (c) Taxes relating to the Business, the Business Employees, the Contributed Assets, or the Assumed Liabilities, in each case, for any Pre-Closing Tax Period, (d) Taxes imposed on or with respect to the Company or for which the Company is liable, in each case that are attributable to any Pre-Closing Tax Period, (e) Taxes of any member of an affiliated, consolidated, combined or unitary group of which the Company is or was a member on or prior to the Closing Date (including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local, or non-U.S. Legal Requirement, (f) any Taxes of any Person imposed on the Company as a transferee or successor,

by contract (other than contracts entered into in the ordinary course of business no primary purpose of which is Taxes), or pursuant to any Legal Requirement, which Taxes relate to an event or transaction occurring before the Closing, and (g) any Taxes directly attributable to or arising from the transactions contemplated by this Agreement or the Contribution Agreement. For purposes of clauses (c) and (d), in the case of any Straddle Tax period, the amount of any Taxes based on or measured by income, receipts or payroll for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and in the case of any Taxes attributable to the ownership of any equity interest in any partnership or other "flowthrough" entity, as if the taxable period of such partnership or other "flowthrough" entity ended as of the end of the Closing Date), and the amount of other Taxes which relate to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in the Straddle Tax Period.

"***Existing Products***" shall mean products of the Business that were available for sale as of immediately prior to the Contribution, as well as any extensions, replacements or renewals thereto. For clarity, any new SRB product (such as the Otsuka SRB product) replacing an SRB product, and Rio Plus (as a replacement of Rio), shall constitute Existing Products.

"***Fair Market Value***" shall mean, with respect to the Land and the Building, $86,068,825 and $15,792,000, respectively.

"***Flowthrough Tax Return****"* shall mean any income Tax Return filed by or with respect to the Company to the extent that (a) the Company is treated as a partnership for purposes of such Tax Return and (b) the results of operations reflected on such Tax Returns are also reflected on the Tax Returns of its members.

"***GAAP***" shall mean generally accepted accounting principles in the United States, consistently applied using ICU Medical's historical accounting policies, practices, bases and procedures as applied in prior fiscal years.

"***Good Clinical Practices***" shall mean FDA's standards for the design, conduct, performance, monitoring, auditing, recording, analysis, and reporting of clinical trials, including those standards contained in 21 C.F.R. Parts 50, 54, 56 and 312, and comparable standards of any other applicable Governmental Body, including guidelines issued by the International Council for Harmonisation.

"***Good Laboratory Practices***" shall mean FDA's standards for conducting non-clinical laboratory studies, including those standards contained in 21 C.F.R. Part 58, and comparable standards of any other applicable Governmental Body.

"***Good Manufacturing Practices***" shall mean the requirements set forth in the quality systems regulations for drugs contained in 21 C.F.R. Parts 210, 211, 600 and 610 and comparable standards of other applicable Governmental Body.

"***Governmental Authorization***" shall mean any permit, license, certificate, franchise, approval, consent, certification, designation, registration, qualification or authorization issued or granted by any Governmental Body.

"***Governmental Body***" shall mean any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction; (b) federal, state, county, local, municipal or foreign government (including any agency, commission, department, tribunal, bureau, division, court, or other administrative or judicial body thereof); or (c) governmental or quasi-governmental authority of any nature.

"***Hazardous Material***" shall mean: (a) any petroleum, waste oil, crude oil, asbestos, urea formaldehyde or polychlorinated biphenyl; (b) any waste, gas or other substance or material that is explosive or radioactive; and (c) any "hazardous substance," "pollutant," "contaminant," "hazardous waste," "regulated substance," "hazardous chemical," "toxic chemical" or "toxic substance" as designated, listed or defined (whether expressly or by reference) in any statute, regulation or other Environmental Law (including the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. and any other so-called "superfund" or "superlien" law, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Clean Water Act, 33 U.S.C. Section 1251 et seq., the Clean Air Act, 42 U.S.C. Section 7401 et seq., and the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., and the respective regulations promulgated thereunder, or any analogous federal, state or local laws and regulations);

"***Healthcare Laws***" means: (a) the FDCA, and all related rules, regulations and guidelines and any other applicable Legal Requirements governing the development, approval, manufacture, sale, distribution and commercialization of drug products and the purchase or prescription of or reimbursement for drug products by any Governmental Body, private health plan or entity, or individual, including the Federal Healthcare Program Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)), the Federal False Claims Act (31 U.S.C. §3729), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396w-5; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b, 42 U.S.C. § 1320a-7; and the Federal Physician Payment Sunshine Act/Open Payments (42 U.S.C. § 1320a-7h); and (b) any Legal Requirements pertaining to (i) a government sponsored or funded health care program, including the collection and reporting requirements, and the processing of any applicable rebate, chargeback or adjustment, or (ii) Good Clinical Practices, Good Laboratory Practices and Good Manufacturing Practices.

"***HSR Act***" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"***ICU Medical Indemnitees***" shall mean the following Persons: (a) ICU Medical; (b) ICU Medical's current and future Affiliates (other than the Company); and (c) the respective successors and assigns of the Persons referred to in clauses (a) through (b) above.

"***IFRS***" means the International Financial Reporting Standards issued by the International Accounting Standards Board.

"***Incremental Gross Profit***" shall mean the amount, if any, by which the gross profit recognized by the Company in accordance with GAAP, as adjusted in accordance with the Accounting Principles, during the fiscal year 2026 with respect to Existing Products (*minus*, subject to Section 4.10, any net revenue generated and direct costs associated with the sale of products under the Pfizer MSA during such period) exceeds the Target 2026 Gross Profit Amount. A sample calculation is set forth in Schedule 1.4(f) of the Disclosure Schedule.

"***Incremental Net Revenue***" shall mean the amount, if any, by which the net revenue recognized by the Company in accordance with GAAP, as adjusted in accordance with the Accounting Principles, during the fiscal year 2026 with respect to Existing Products (*minus*, subject to Section 4.10, any revenue generated during such period under the Pfizer MSA) exceeds the Target 2026 Net Revenue. A sample calculation is set forth in Schedule 1.4(e) of the Disclosure Schedule.

"***Indebtedness***" means, with respect to the Company, the aggregate amount of all payment obligations (including in respect of principal amount, plus any related accrued and unpaid interest, fees, premiums, penalties, breakage costs, reimbursements and expenses) of the Company in respect of: (a) any indebtedness for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money (including the Bridge Loan and amounts outstanding under overdraft facilities); (b) any indebtedness evidenced by bonds, debentures, notes or similar instruments; (c) obligations in respect of the deferred purchase price of property, business, assets, securities or services including any liabilities originated as part of Contribution (but excluding (x) any trade payables or current liabilities incurred in the ordinary course of business and included in the calculation of the Net Current Assets and (y) expenses in connection therewith (incurred in the ordinary course of business)), including notes, earn-outs, holdbacks, and escrows, in each case, only to the extent earned; (e) letters of credit, bankers acceptances, bank guarantees, performance bonds, surety bonds and similar bonds or instruments, in each case, only to the extent drawn or called; and (f) all accrued and unpaid income Tax Liabilities of the Company for any Pre-Closing Tax Periods in each case, determined on a jurisdiction-by-jurisdiction basis, not less than zero with respect to any Tax in any jurisdiction, and computed by taking into account, to the extent applicable, any estimated Tax payments and overpayments of Taxes paid prior to the Closing to the applicable Tax authority with respect any Pre-Closing Tax Period as reductions of the liability for Taxes for such period to the extent such payments reduce a specific income Tax under applicable Law).

"***Indemnitee***" shall mean any of the OPF-US Indemnitees, the ICU Medical Indemnitees or the Company Indemnitees.

"***Intellectual Property***" shall mean any and all worldwide (a) rights associated with works of authorship, including Copyrights, moral rights, and mask works; (b) Marks and similar rights; (c) trade secret rights; (d) Patents and patent rights; (e) other proprietary rights in know-how, inventions, ideas, algorithms, formula, methods, processes, techniques, proprietary information, software, semiconductor devices, and other types of technology; and (f) all registrations, applications, renewals, extensions, combinations, divisions, or reissues of the foregoing.

*"**Inventory**"* shall mean the raw materials, work-in-process and finished goods inventory included in the Contributed Assets.

"***Key Employees***" shall mean the Business Employees listed on Schedule 1.2(b)(iv).

"***Knowledge***," including the phrase "to the Knowledge of ICU Medical," shall mean (a) the actual knowledge of the individuals listed on Schedule A-1 and (b) the individuals who replace any of the officers in clause (a) after the date hereof in their positions at ICU Medical, in

each case of (a) and (b), after reasonable due inquiry of their respective direct reports with primary responsibility for the subject matter in question, if the respective foregoing individuals do not themselves have primary responsibility for such subject matter.

"***Land***" shall mean, collectively, the following assets included in the Contributed Assets: (i) the real property located in Austin, Texas and (ii) the real property located in Round Rock, Texas.

"***Legal Requirement***" shall mean any federal, state, foreign, local or municipal law, statute, legislation, constitution, ordinance, code, edict, rule, regulation, ruling, directive, pronouncement, or interpretation issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"***Liability***" shall mean any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability).

"***Licensed Intellectual Property***" shall mean all Intellectual Property, and all rights to any Intellectual Property, in each case licensed to the Company pursuant to the License Agreement.

"***Long Term Assets***" shall mean those assets of the Company, other than current assets and PPE, Net, mutually agreed upon and designated by OPF-US and ICU Medical.

"***Marks***" shall mean all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, Internet domain names and corporate names and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof.

"***Material Adverse Effect***" means (i) a material adverse effect on the results of operations or condition (financial or otherwise) of the Business taken as a whole or (ii) a material adverse effect on the ability of ICU Medical or its Affiliates to consummate the Transactions or perform their obligations under this Agreement or any of the other Transaction Agreements; *provided however*, that none of the following matters shall be deemed, either alone or in combination, to constitute, or be taken into account in determining the occurrence or existence of, a Material Adverse Effect, unless, in the case of clauses (a), (b) and (g), they disproportionately affect the Business as compared to other similarly situated Persons or businesses that operate in the industry in which the Business operates, but only to the extent of such disproportionate effect: (a) any adverse change or effect that is the result of any war, riot, act of terrorism, revolution, civil commotion, act of public enemies, embargo or any adverse changes that result in a general decline in the economy or financial markets or any conditions generally affecting the industry in which the Business operates or competes, (b) earthquakes, hurricanes, tsunamis, typhoons, lightning, hail storms, blizzards, tornadoes, droughts, floods, cyclones, arctic frosts, mudslides and wildfires, pandemics (including SARS-CoV-2 or COVID-19, and any evolutions or mutations thereof or related or associated epidemics, pandemics or disease outbreaks ("***COVID-19***")), epidemics or other outbreaks of diseases, weather developments or other natural or manmade disasters, acts of God or force majeure events (or the escalation or worsening of any such events or occurrences), (c) any failure of the financial or operating performance of ICU

Medical, or the Business to meet internal, OPF-US or analyst projections, forecasts or budgets for any period (provided that this clause (c) shall not be construed as implying that ICU Medical is making any representation or warranty herein with respect to any internal, OPF-US or analyst projections, forecasts or budgets and no such representations or warranties are being made), (d) any adverse change or effect resulting from or arising out of actions ICU Medical or its Affiliates are expressly required to take or prohibited from taking under this Agreement or that ICU Medical or any of its Affiliates takes at the written request of OPF-US or its Affiliates, (f) any adverse effect solely attributable to the announcement or pendency of the Transactions, including the loss of customers, suppliers, vendors or employees as a result thereof, or (g) any change or proposed change to Legal Requirements applicable to the Business.

"***Milestone Payment***" means each of the Incremental Net Revenue Milestone Payment and the Incremental Gross Profit Milestone Payment and together, the "***Milestone Payments***."

"***Net Current Assets***" means the current assets of the Company (excluding cash and cash equivalents, short-term investment securities and any income and deferred Tax assets) *minus* current liabilities (excluding any income and deferred Tax Liabilities) of the Company; in the case of Tax assets and liabilities determined on a jurisdiction-by-jurisdiction basis, not less than zero with respect to any Tax in any jurisdiction, and computed by taking into account, to the extent applicable, any estimated Tax payments and overpayments of Taxes paid prior to the Closing to the applicable Tax authority with respect any Pre-Closing Tax Period as reductions of the liability for Taxes for such period to the extent such payments reduce a specific Tax under applicable Law).

"***OPF-US Indemnitees***" shall mean the following Persons: (a) OPF-US; (b) current and future Affiliates of OPF-US (other than the Company); and (c) the respective successors and assigns of the Persons referred to in clauses (a) through (b) above.

"***Order***" shall mean any order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, verdict, sentence, subpoena, writ or award issued, made, entered, rendered or otherwise put into effect by or under the authority of any Governmental Body or any arbitrator or arbitration panel.

"***Patents***" shall mean all patents and applications therefor, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon.

"***Permitted Encumbrance***" shall mean (i) any Encumbrance for Taxes (x) not yet due and payable or (y) which are being contested in good faith through appropriate proceedings and for which adequate reserves have been established on the face of the balance sheet included in the Interim Financial Information, (ii) any Encumbrance in connection with zoning, building code, land use, planning, entitlement or similar laws insofar as they lawfully affect the Contributed Assets, which are not violated by the current use and operation of the applicable real property and which do not materially detract from the value of the applicable real property, (iii) any Encumbrance with respect to leased equipment that exists under the express terms of any equipment lease included in the Contributed Assets, (iv) easements, covenants, conditions, rights-of-way, restrictions and other similar Encumbrances set forth on (a) that certain Title Report prepared by First American Title Insurance Company and identified as GF No. NCS-1228760-AUST, dated as of August 8, 2024 (other than that certain Deed of Trust, Security

Agreement, Assignment of Rents and Leases and Fixture Filing dated as of April 6, 2022 and recorded among the land records of Travis County, Texas as Instrument No. 2022064448, which shall not constitute a Permitted Encumbrance), and (b) that certain Title Report prepared by First American Title Insurance Company and identified as GF No. NCS-1228759-AUST, dated August 8, 2024, in each such case insofar as they lawfully affect the Contributed Assets, and (v) Encumbrances created by OPF-US or its successors, affiliates, and assigns.

"***Person***" shall mean any individual, Entity or Governmental Body.

"***Pfizer MSA***" shall have the meaning set forth in the Restated Operating Agreement.

"***Pre-Closing Taxes***" means any Taxes of the Company relating or attributable to any Pre-Closing Tax Period, including the portion of any Straddle Tax Period ending on the Closing Date.

"***Pre-Closing Tax Period***" shall mean all taxable periods ending on or prior to the Closing Date and the portion ending on the Closing Date of any Straddle Tax Period.

"***Proceeding***" shall mean any action, suit, proceeding, claim, litigation, arbitration, or investigation (including any civil, criminal or administrative) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or any arbitrator or arbitration panel.

"***Purchase Price***" shall mean an amount equal to (i) the Final Closing Payment, *plus* (ii) any Milestone Payments, if applicable.

"***Recall***" shall have the same meaning as 21 CFR 7.3(g), which means a firm's removal or correction of a marketed product that the Food and Drug Administration considers to be in violation of the laws it administers and against which the agency would initiate legal action, e.g., seizure. Recall does not include a market withdrawal or a stock recovery.

"***Representatives***" shall mean officers, directors, employees, agents, attorneys, accountants, advisors and representatives.

"***Retained Business***" shall have the meaning set forth in the Contribution Agreement.

"***Retention Agreements***" shall mean those retention agreements to be entered into between the Company and the Key Employees, in a form to be agreed upon by ICU Medical and OPF-US prior to the Closing.

"***Sales Contracts***" shall have the meaning set forth in the Contribution Agreement.

"***Securities Act***" shall mean the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

*"**Shared Contracts***" shall have the meaning set forth in the Contribution Agreement.

*"**Specified FTC Letter**"* shall mean a pre-consummation letter from the FTC in similar form to that set forth in its blog post, dated August 3, 2021, and posted at https://www.ftc.gov/

enforcement/competition-matters/2021/08/adjusting-merger-review-deal-surge-merger-filings.

"***Subsidiary***" shall mean, in respect of any Person means an Affiliate controlled by such Person, directly or indirectly, through one or more intermediaries.

"***Straddle Tax Period***" shall mean any taxable period that begins on or before the Closing Date and ends after the Closing Date.

"***Tangible Personal Property***" shall mean all equipment, machinery, computers, tools, fixtures, supplies, materials, furniture and other tangible property included in the Contributed Assets.

"***Target 2026 Gross Profit Amount***" shall mean the amount set forth on Schedule 1.4(f).

"***Target 2026 Net Revenue***" shall mean the amount set forth on Schedule 1.4(e).

"***Tax***" shall mean any tax (including any income tax, franchise tax, capital gains tax, estimated tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, occupation tax, inventory tax, occupancy tax, withholding tax or payroll tax), levy, assessment, tariff, impost, imposition, toll, duty (including any customs duty), deficiency, fee, or escheat or unclaimed property liability, and any related charge or amount (including any fine, penalty or interest), that is, has been or may in the future be (a) imposed, assessed or collected by or under the authority of any Governmental Body, or (b) payable pursuant to any tax-sharing agreement or similar Contract.

"***Tax Return***" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"***Territory***" shall mean worldwide.

"***Transaction Agreements***" shall mean, collectively: (a) this Agreement, (b) the Contribution Agreement, (c) the Restated Operating Agreement, (d) the Commercial Agreements, (e) the Services Agreement, (f) the License Agreement, (g) the agreements described in Section 4.7, and (h) all other certificates, documents and agreements contemplated by each of the foregoing.

"***Transactions***" shall mean, collectively, the transactions contemplated by the Closing Agreements, including (i) the sale by ICU Medical and purchase by OPF-US of 6,000 Units pursuant to the terms and conditions of this Agreement, and (ii) the execution and delivery of the Restated Operating Agreement, the Commercial Agreements, the Services Agreement and the License Agreement.

"***Transferred Contracts***" shall have the meaning set forth in the Contribution Agreement.

"***Transferred Intellectual Property***" shall mean collectively the Transferred Patents, Transferred Marks and the Transferred Know-How.

"***Transferred Know-How***" shall mean the know-how and trade secrets included in the Contributed Assets.

"***Transferred Marks***" shall mean the Marks included in the Contributed Assets.

"***Transferred Patents***" shall mean the patents and patent applications included in the Contributed Assets pursuant to the Contribution Agreement.

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LIST OF EXHIBITS

Exhibit A Certain Definitions
Exhibit B Original Operating Agreement
Exhibit C Contribution Agreement
Exhibit D Amended and Restated Operating Agreement
Exhibit E Commercial Agreements Principles
Exhibit F Services Agreement Principles
Exhibit G License Agreement Principles

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vivek Jain, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICU Medical, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 12, 2024

/s/ Vivek Jain
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian M. Bonnell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICU Medical, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 12, 2024

/s/ Brian M. Bonnell
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ICU Medical, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vivek Jain, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) 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.

November 12, 2024	/s/ Vivek Jain
Date	Vivek Jain Chief Executive Officer (principal executive officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ICU Medical, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian M. Bonnell, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) 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.

November 12, 2024	/s/ Brian M. Bonnell
Date	Brian M. Bonnell Chief Financial Officer (principal financial officer)