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

FORM 8-K

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

Date of Report (Date of earliest event reported): January 13, 2020

Heron Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-33221**	**94-2875566**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

4242 Campus Point Court, Suite 200, San Diego, CA	**92121**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (858) 251-4400

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	**HRTX**	**The Nasdaq Capital Market**

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On January 13, 2020, Heron Therapeutics, Inc. (the "Company") issued a press release announcing, among other things, certain of its financial results for the three and twelve months ended December 31, 2019 (the "Press Release"). A copy of the Press Release is furnished herewith as Exhibit 99.1.

This Item 2.02 and the Press Release attached hereto as Exhibit 99.1 are being furnished to the Securities and Exchange Commission.

Item 7.01 Regulation FD Disclosure.

Press Release.

On January 13, 2020, the Company issued the Press Release providing, among other things, a general update on corporate progress, as described in the Press Release.

Corporate Presentation.

A copy of presentation materials describing the business of the Company, all or a part of which may be used by the Company in investor or scientific presentations from time to time, is furnished herewith as Exhibit 99.2 (the "Corporate Presentation"). The Corporate Presentation has also been posted on the Company's website at *www.herontx.com*. The Company does not undertake any obligation to update the Corporate Presentation.

This Item 7.01, the Press Release and the Corporate Presentation are being furnished to the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated January 13, 2020
99.2	Corporate Presentation, dated January 13, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Heron Therapeutics, Inc.

Date: January 13, 2020

/s/ David Szekeres
David Szekeres
Chief Legal, Business, and Administrative Officer

Heron Therapeutics Highlights Progress in Pain Management and CINV Franchises

- Marketing Applications for HTX-011 for Postoperative Pain Management Are under Review in the United States, the European Union and Canada -

- Preliminary Fourth-Quarter 2019 Net Product Sales for CINV Franchise of Approximately $34.8 Million, up 21% Year-over-Year -

- Preliminary Full-Year 2019 Net Product Sales for CINV Franchise of Approximately $145.7 Million, versus Guidance of $135.0 Million -

- December 31, 2019 Cash, Cash Equivalents and Short-Term Investments of Approximately $391.0 Million -
- Attending the 38th Annual J.P. Morgan Healthcare Conference -

SAN DIEGO, Calif.–(PR NEWSWIRE)–January 13, 2020 -- Heron Therapeutics, Inc. (Nasdaq: HRTX), a commercial-stage biotechnology company focused on improving the lives of patients by developing best-in-class treatments to address some of the most important unmet patient needs, today highlighted progress in its pain management and chemotherapy-induced nausea and vomiting (CINV) franchises.

Recent Corporate Progress

Pain Management Franchise

- **New Drug Application Resubmission for HTX-011:** In September 2019, Heron resubmitted a New Drug Application (NDA) to the U.S. Food and Drug Administration (FDA) for HTX-011, an investigational agent for the management of postoperative pain. The FDA set a Prescription Drug User Fee Act (PDUFA) goal date of March 26, 2020.
- **Marketing Authorisation Application for HTX-011:** In March 2019, Heron's Marketing Authorisation Application (MAA) for HTX-011 for the management of postoperative pain was validated by the European Medicines Agency's (EMA) for review under the Centralised Procedure. An opinion from the EMA Committee for Medicinal Products for Human Use (CHMP) is anticipated in the second quarter of 2020.
- **New Drug Submission for HTX-011:** In December 2019, Heron's New Drug Submission (NDS) for HTX-011 for the management of postoperative pain was granted Priority Review status and accepted by Health Canada. Health Canada's Priority Review status provides an accelerated 6-month review target for the NDS. A decision by Health Canada is anticipated in the third quarter of 2020.

CINV Franchise

- **Fourth-Quarter 2019 Net Product Sales:** Preliminary fourth-quarter 2019 net product sales for the CINV franchise were approximately $34.8 million, up 21% year-over-year. This included net product sales of approximately $34.4 million for CINVANTI® (aprepitant) injectable emulsion and approximately $0.4 million for SUSTOL® (granisetron) extended-release injection.

- **Full-Year 2019 Net Product Sales:** Preliminary full-year 2019 net product sales for the CINV franchise were approximately $145.7 million, versus guidance of $135.0 million and up 88% year-over-year. This included net product sales of approximately $132.0 million for CINVANTI and approximately $13.7 million for SUSTOL.

Corporate Update

- **December 31, 2019 Cash, Cash Equivalents and Short-Term Investments:** As of December 31, 2019, Heron had approximately $391.0 million in cash, cash equivalents and short-term investments.

“We have made important advances in 2019 in both our pain management and CINV franchises, highlighted by the submission of three marketing applications for HTX-011 for postoperative pain management and strong net product sales for CINVANTI, even amid the launch of generic fosaprepitant,” said Barry Quart, Pharm.D., President and Chief Executive Officer of Heron. “We ended 2019 in a strong cash position of $391.0 million, which will support the anticipated launch of HTX-011 in the second quarter of 2020, pending FDA approval.”

About HTX-011 for Postoperative Pain

HTX-011, an investigational agent, is a dual-acting, fixed-dose combination of the local anesthetic bupivacaine with a low dose of the nonsteroidal anti-inflammatory drug meloxicam. It is the first and only extended-release local anesthetic to demonstrate in Phase 3 studies significantly reduced pain and opioid use through 72 hours compared to bupivacaine solution, the current standard-of-care local anesthetic for postoperative pain control. HTX-011 was granted Fast Track designation from the U.S. Food and Drug Administration (FDA) in the fourth quarter of 2017 and Breakthrough Therapy designation in the second quarter of 2018. Heron submitted a New Drug Application (NDA) to the FDA for HTX-011 in October of 2018 and received Priority Review designation in December of 2018. A Complete Response Letter (CRL) was received from the FDA regarding the NDA for HTX-011 on April 30, 2019 relating to chemistry, manufacturing and controls and non-clinical information. No issues related to clinical efficacy or safety were noted. Heron resubmitted an NDA to the FDA for HTX-011 in September 2019 and the FDA set a Prescription Drug User Fee Act (PDUFA) goal date of March 26, 2020. A Marketing Authorisation Application (MAA) for HTX-011 was validated by the European Medicines Agency (EMA) in March 2019 for review under the Centralised Procedure. Heron's

New Drug Submission (NDS) for HTX-011 for the management of postoperative pain was granted Priority Review status by Health Canada in October 2019 and accepted by Health Canada in November 2019.

About CINVANTI (Aprepitant) Injectable Emulsion
CINVANTI, in combination with other antiemetic agents, is indicated in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of HEC, including high-dose cisplatin, and nausea and vomiting associated with initial and repeat courses of MEC. CINVANTI is an IV formulation of aprepitant, an NK1 RA. CINVANTI is the first IV formulation to directly deliver aprepitant, the active ingredient in EMEND® capsules. Aprepitant (including its prodrug, fosaprepitant) is the only single-agent NK1 RA to significantly reduce nausea and vomiting in both the acute phase (0–24 hours after chemotherapy) and the delayed phase (24–120 hours after chemotherapy). The FDA-approved dosing administration included in the United States prescribing information for CINVANTI is a 30-minute IV infusion or a 2-minute IV injection.

Please see full prescribing information at www.CINVANTI.com.

About SUSTOL (Granisetron) Extended-Release Injection

SUSTOL is indicated in combination with other antiemetics in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of moderately emetogenic chemotherapy (MEC) or anthracycline and cyclophosphamide (AC) combination chemotherapy regimens. SUSTOL is an extended-release, injectable 5-HT3 receptor antagonist that utilizes Heron's Biochronomer® drug delivery technology to maintain therapeutic levels of granisetron for ≥5 days. The SUSTOL global Phase 3 development program was comprised of two, large, guideline-based clinical studies that evaluated SUSTOL's efficacy and safety in more than 2,000 patients with cancer. SUSTOL's efficacy in preventing nausea and vomiting was evaluated in both the acute phase (0–24 hours after chemotherapy) and delayed phase (24–120 hours after chemotherapy).

Please see full prescribing information at www.SUSTOL.com.

About Heron Therapeutics, Inc.

Heron Therapeutics, Inc. is a commercial-stage biotechnology company focused on improving the lives of patients by developing best-in-class treatments to address some of the most important unmet patient needs. Heron is developing novel, patient-focused solutions that apply its innovative science and technologies to already-approved pharmacological agents for patients suffering from pain or cancer.

For more information, visit www.herontx.com.

Forward-Looking Statements

This news release contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Heron cautions readers that forward-looking statements are based on management's expectations and assumptions as of the date of this news release and are subject to certain risks and uncertainties that could cause actual results to differ materially, including, but not limited to, those associated with: the fourth-quarter 2019 and full-year 2019 net product sales for the CINV franchise; whether the U.S. Food and Drug Administration (FDA) approves the New Drug Application (NDA) for HTX-011; the timing of the commercial launch of HTX-011; the timing of the European Medicines Agency (EMA) Committee for Medicinal Products for Human Use (CHMP) review process for HTX-011; whether the European Commission authorizes the Marketing Authorization Application (MAA) for HTX-011; the timing of Health Canada's New Drug Submission (NDS) review process for HTX-011; whether Health Canada issues a Notice of Compliance for the NDS for HTX-011; the expected balances of Heron's cash, cash equivalents and short-term investments; the expected duration over which Heron's cash, cash equivalents and short-term investments balances will fund its operations; and other risks and uncertainties identified in the Company's filings with the U.S. Securities and Exchange Commission. Forward-looking statements reflect our analysis only on their stated date, and Heron takes no obligation to update or revise these statements except as may be required by law.

Investor Relations and Media Contact:

David Szekeres
Chief Legal, Business, and Administrative Officer
dszekeres@herontx.com
858-251-4447

###

Exhibit 99.2

Heron Therapeutics JPM Update

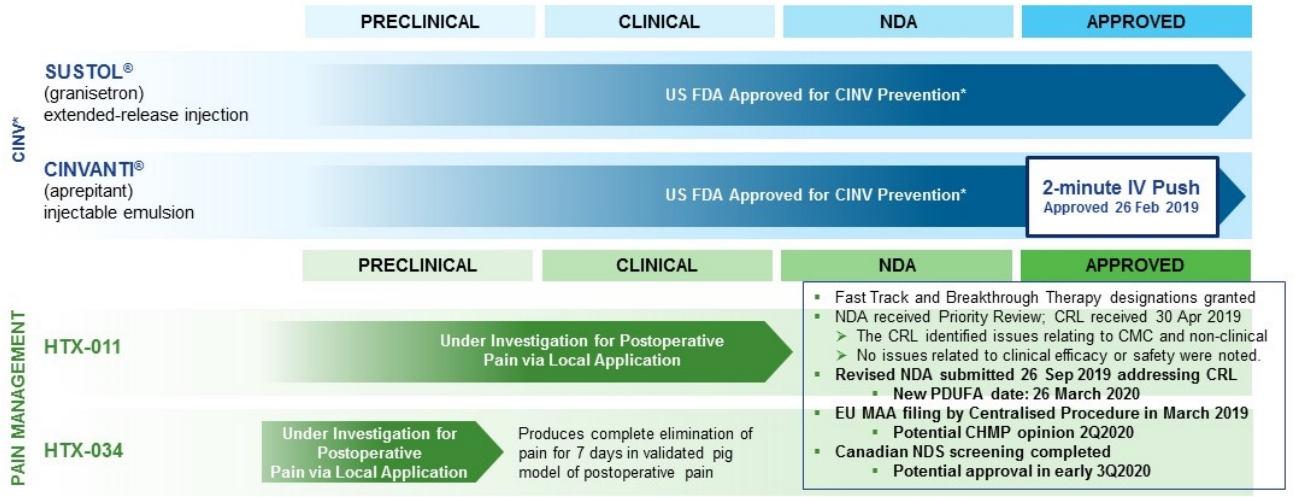
January 13, 2020

Forward-Looking Statements

This presentation contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. We caution investors that forward-looking statements are based on management's expectations and assumptions as of the date of this presentation, and involve substantial risks and uncertainties that could cause our clinical development programs, future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, those associated with: the fourth-quarter 2019 and full-year 2019 net product sales for the CINV franchise; whether the FDA approves the NDA for HTX-011; the timing of the FDA's review process for HTX-011; the timing of the commercial launch of HTX-011; the timing of the CHMP's review process for HTX-011; whether the European Commission authorizes the MAA for HTX-011; the timing of Health Canada's New Drug Submission (NDS) review process for HTX-011; whether Health Canada issues a Notice of Compliance for the NDS for HTX-011; the potential market opportunity for CINVANTI, SUSTOL and HTX-011; the timing and results of the studies in the HTX-011 and HTX-034 development programs; the expected future balances of Heron's cash, cash equivalents and short-term investments; the expected duration over which Heron's cash, cash equivalents and short-term investments balances will fund its operations; and other risks and uncertainties identified in the Company's filings with the Securities and Exchange Commission. Forward-looking statements reflect our analysis only on their stated date, and we take no obligation to update or revise these statements except as may be required by law.

Heron Pipeline

We are currently developing and commercializing pharmaceutical products for patients suffering from cancer or postoperative pain:



*CINV: Chemotherapy-induced nausea and vomiting. **SUSTOL® (granisetron) extended-release injection** is indicated in combination with other antiemetics in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of moderately emetogenic chemotherapy (MEC) or anthracycline and cyclophosphamide (AC) combination chemotherapy regimens. **CINVANTI® (aprepitant) injectable emulsion**, in combination with other antiemetic agents, is indicated in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of highly emetogenic cancer chemotherapy (HEC) including high-dose cisplatin and nausea and vomiting associated with initial and repeat courses of moderately emetogenic cancer chemotherapy (MEC). CINVANTI has not been studied for treatment of established nausea and vomiting.

HTX-011 and HTX-034 are an investigational new drugs and are not approved by the FDA or other regulatory authority

The Cost of Opioids
How Postoperative Opioids Can Be a Doorway to Addiction

MORE THAN 50 MILLION
surgical procedures happen in the United States.[1]

90%
of patients undergoing a surgical procedure are prescribed opioids for pain management.[2]

As many as
6.5%
of patients who take opioids to manage pain after surgery may become persistent opioid users.[1]

That equals about
2.9 MILLION PEOPLE.[1]

Of these 2.6 million persistent opioid users, approximately
~500,000
will become addicted to opioids.[3]

In addition, opioid discharge prescriptions filled by recovering surgical patients result in more than
1 billion unused pills.[4,5]

70% of all these opioid tablets go unused.[2]

90% of these pills remain inside the home in unsecured locations.[6]

32% of all opioid addicts report first opioid exposure through leftover pills.[7]

More than
$13 billion
of the annual healthcare costs associated with addiction can be attributed to postoperative pain management.[1,3,8]

References: 1. Brummett, Chad M., et al. 2017. "New Persistent Opioid Use After Minor and Major Surgical Procedures in US Adults." *JAMA Surgery* 152 (6): e170504. doi:10.1001/jamasurg.2017.0504.
2. Hill, Maureen V., et al. 2017. "Wide Variation and Excessive Dosage of Opioid Prescriptions for Common General Surgical Procedures." *Annals of Surgery* 265 (4): 709 -714. 3. Banta-Green, et al (2009). Opioid use behaviors, mental health and pain—Development of a typology of chronic pain patients. *Drug and Alcohol Dependence* 104(1-2), 34-42. _https://-doi.org/10.1016/j.drugalcdep.2009.03.021. 4. CDC 2017: Centers for Disease Control and Prevention. Opioid Overdose: U.S. Prescribing Rates Map. Available at https://www.cdc.gov/drugoverdose/maps/rxrate-maps.html. Accessed 8 March 2018. 5. Levy et al. "Trends in Opioid Analgesic-Prescribing Rates by Specialty, U.S., 2007-2012." *Am J Prev Med.* 2015;49(3):409-413. 6. Bates, et al. 2011. "Overprescription of Postoperative Narcotics: A Look at Postoperative Pain Medication Delivery, Consumption and Disposal in Urological Practice." *The Journal of Urology* 185 (2): 551 -55. doi:10.1016/j.juro. 2010.09.088. 7. Canfield, Marta C., et al. 2010. "Prescription Opioid Use Among Patients Seeking Treatment for Opioid Dependence." *Journal of Addiction Medicine* 4 (2): 108 -13. doi:10.1097/ADM.0b013e3181b5a713. 8. The Council of Economic Advisers, 2017. The Underestimated Cost of the Opioid Crisis.

HERON THERAPEUTICS

Clinical Studies in High-Value Procedures Have Demonstrated Significantly Better Pain Reduction Than Bupivacaine

	Procedure	Annual Volume ('000s, US)						% Local Anesthetic Use	Significantly Reduced Pain vs BPV†
		Total Procedures	*Inpatient*	*Outpatient (C-code)*	*ASC (C-Code)*	*Medicare*	*Non-Medicare***	*Survey*	
Ortho Surgery	Knee arthroplasty	1,043	977	41	25	41%	59%	86%	√
	Hip arthroplasty	599	579	8	12	42%	58%	80%	
	Shoulder arthroplasty	161	149	9	3	47%	53%	85%	
	Rotator cuff repair	319	6	193	120	27%	73%	81%	
	Spine procedures	1,459*	928	456	75	34%	66%	76%	
	Bunionectomy	597	42	343	212	25%	75%	88%	√
General Surgery	Hernia repair	1,064	212	731	121	26%	74%	82%	√
	Cholecystectomy	987	323	600	64	10%	90%	83%	
	Colon and sm bowel resection	476	457	18	1	33%	67%	75%	
Plastic Surgery	Abdominoplasty	130	23	95	12	16%	84%	75%	√
	Mammoplasty	292	32	208	52	16%	84%	79%	√
OB/GYN	C-Section	1,168	1158	10	0	2%	98%	58%	

Completed studies

On-going studies

* Includes Laminectomy, Foraminotomy, Discectomy, Fusion
** Non Medicare includes Commercial, Medicaid and Cash

†HTX-011 produced significantly greater pain reduction than bupivacaine in Phase 2 and/or Phase 3 trials

Sources: DRG Claims Data 2017/ update 2018
The Link Group ATU survey May 2019

HERON THERAPEUTICS

The Commercialization of HTX-011

Advancing Pain Management

HERON THERAPEUTICS

Developing Best-in-Class Medicine. Improving Lives.™

HTX-011 is an investigational new drug and not approved by the FDA

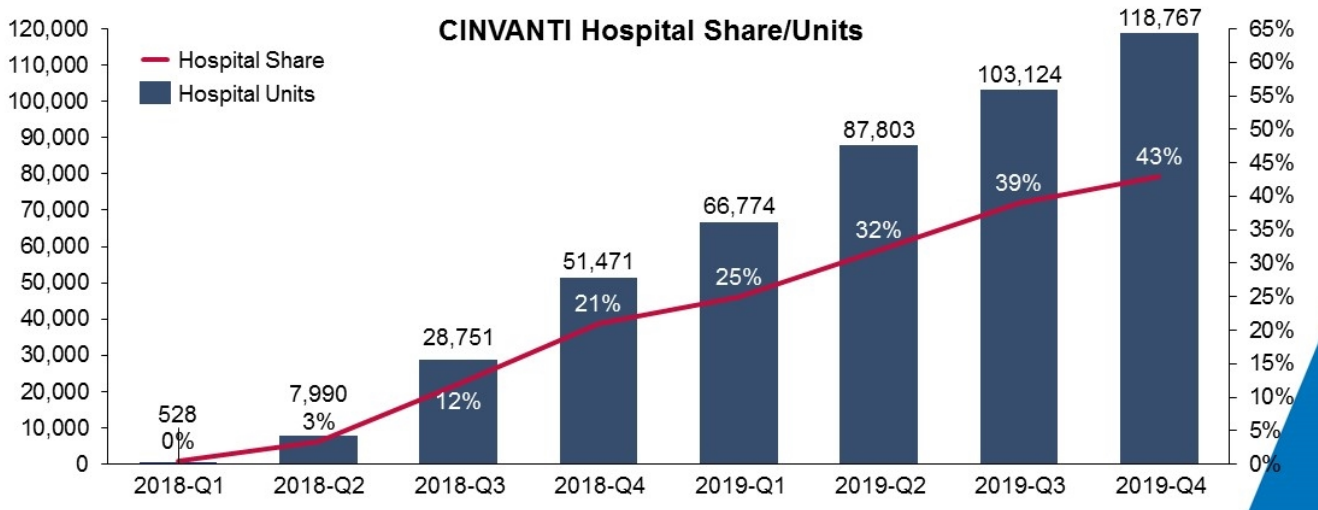
Established Platform With Experienced Teams in Place

We are prepared for the launch of HTX-011. Our critical teams are already in place, with extensive experience in successful hospital launches.

EXISTING PLATFORM ADVANTAGES

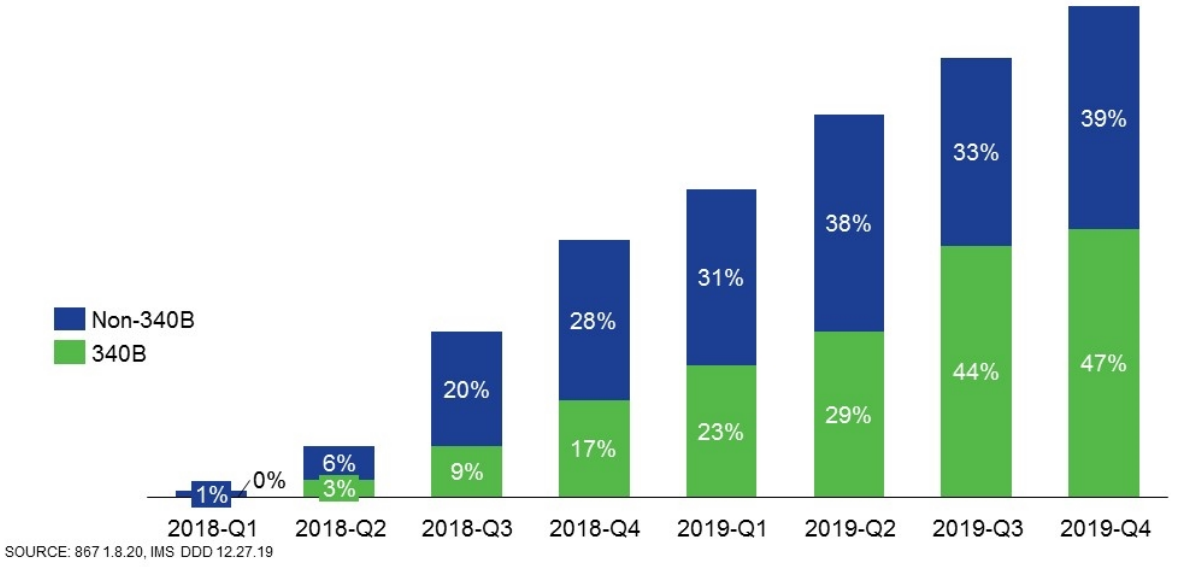
- Strong KOL relationships
- Successful hospital and pain management launch experience
- IDN/hospital/ASC expertise and relationships
- Reimbursement infrastructure in place
- GPO contracts in place
- Full Line Wholesaler agreements and 3PL in place
- Safety monitoring structure in place
- Proven compliant execution
- Robust systems in place and pressure tested for blockbuster launch

Heron has Successfully Launched a Hospital Product and Achieved >40% Market Share From Entrenched Competitor



SOURCE: 867 1.8.20, IMS DDD 12.27.19

CINVANTI Achieved Significant Penetration in Both the 340B and Non-340B Hospital Market



SOURCE: 867 1.8.20, IMS DDD 12.27.19

Hospital Launch Analysis
HTX-011 and CINVANTI Have Very Similar Profiles

	CINVANTI	HTX-011
Market Category	NK1 - CINV	Local Anesthetics
Annual Units	800,000 NK1 units in hospital	14M*
Brand Leader - Unit Share	EMEND IV 100%	EXPAREL 7% 1.0M** units
Generics at Launch - Unit Share	No 0%	YES 93%
New P&T Review	Yes	Yes
Clinical Differentiation	Yes – PS-80 free	Yes – beat SOC
Ease of Use	High – IV push, infusion	High - installation
Price Strategy vs. Brand	20% discount	Discount to brand likely
340b Pricing Offer	Yes	Yes
Brand 340b Pricing	Yes	No
3-year pass-through	Yes	Yes

*Lexus Target Procedures Q3 17-Q3 18
** SHA Pac units Q3 17 –Q3 18

HTX-011 is an investigational new drug and not approved by the FDA

The Market is Large and Waiting for an Effective Non-opioid Solution

Potential Target Market

~30M Annual U.S. Surgical Procedures Requiring Postoperative Pain Management

~14M Initial Target Procedures	~7M Procedures	~9M Procedures
Target Procedures (Initial Targets) Higher-volume procedures across 4 major specialties • ~6.0M Orthopedic procedures • ~4.5M General surgery procedures • ~2.6M OB/GYN procedures • ~900K Plastic surgery procedures	**Secondary Targets** Higher-volume procedures in non-core specialties (eg, ENT, urology, hand, others)	**Tertiary Targets** Lower-volume procedures and procedures where local anesthetics are not widely used today
~$2.8B	~$1.3B	~$1.7B

Potential Market Size

Source: DRG Claims Analysis, 2016 and 2019

Branded Product Utilization Has Grown and is Approaching ~$1B Shift Away From Opioids Continues

Product	Pack Units	% Change	WAC	% Change	Avg. Cost per Patient
Bupivacaine	20.8M	21%	$44M	31%	$5-7
Ropivacaine	1.6M	138%	$24M	159%	$39
Exparel	1.1M	20%	$323M	16%	$298
Ofirmev	10.8M	8%	$422M	14%	$86
On-Q*	-	-	~$150M	-	~$320
Opioids	178.6M	(18%)	$1.1B	(13%)	-

- Local Anesthetics grew +22% in value and +26% in pack units in 2018, while opioids declined
- Large increase in ropivacaine driven by increased use of nerve block to decrease need for opioids
- Exparel volume growth was primarily driven by the 10ml vial and limited nerve block indication

* Avanos Earnings Call 11/05/19 ; Amazon.com: Halyard Health P400X5 ON-Q Pump Fixed Flow, 400 mL, 5 mL/hour Flow Rate (Pack of Price: $1,592.58 (5 pump pack)

Symphony PHAST – 2017-2019 Market Data

Clear Shift from Inpatient (no reimbursement) to Outpatient and ASC With Opportunity for Pass-Through
HTX-011 has Strategic Advantages Across All Settings of Care

13.4 » 14 MILLION
INITIAL TARGET PROCEDURES

Hospitals account for 90% (down from 91%), with 5% decline in inpatient procedures

Ambulatory surgical centers account for 9%

52% » 47%
Hospital Inpatient
(6.6M procedures)

- Part of DRG payment
- Multiple SKUs - lower average cost
- ~50% connected 340B hospitals

39% » 43%
Hospital Outpatient
(6M procedures)

- 3-year pass through (C-Code)
- 340B opportunity
- Multiple SKUs - lower average cost

8% » 9%
Ambulatory Surgical Centers (ASCs)
(1.3M procedures)

- ASP +6%
- Lower access barriers
- Targeted facilities
- Connected to top IDNs
- Multiple SKUs - lower average cost

52% of the opportunity lends itself to favorable pricing, access and reimbursement

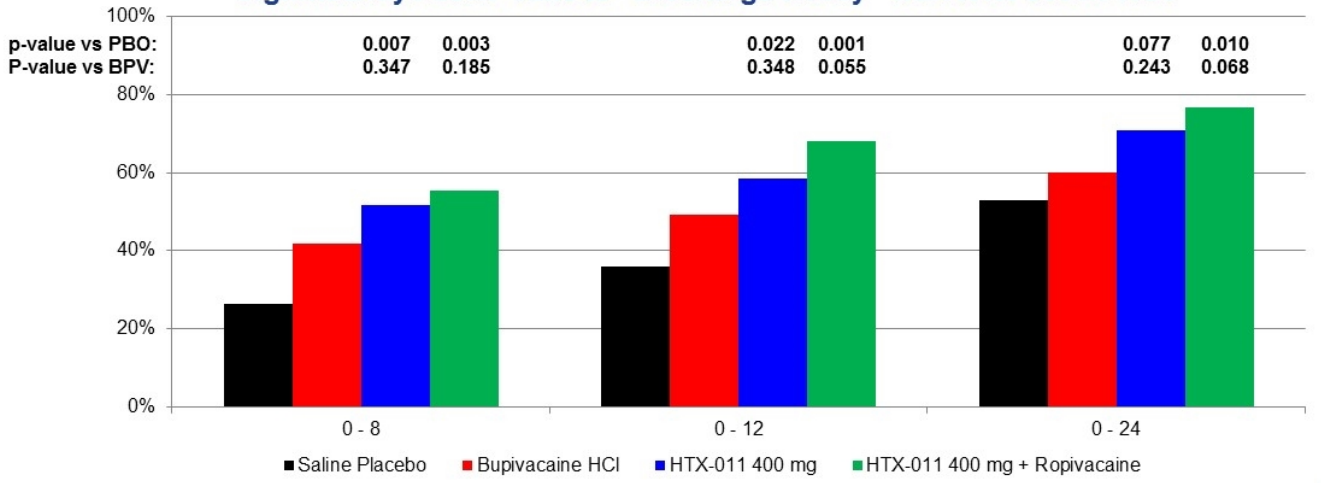
The remaining 1% of procedures are performed at private physician practices

Source: 2015/2018 DRG Claims Data: Procedures validated with thorough medical review for applicable procedures, DRG Claims and Lexis Nexis for annual volume – SHA for Drug Sales

HERON THERAPEUTICS

Improved Pain Management and Reduced Opioid Use with HTX-011 Can Potentially Move More Procedures to the Outpatient Setting

Significantly Faster Time to "Discharge Ready" with HTX-011 in TKA



*MPADSS, modified postanaesthetic discharge scoring system. The proportion of subjects who first achieve an MPADSS score ≥9 at each timepoint was analyzed cumulatively. P-values from Fisher's exact test.

Source: Table 14.2.13.2

HTX-011 is an investigational new drug and not approved by the FDA

Initial Launch Focus – Fast Moving 340b Hospitals Currently Using Branded Postop Pain Medication

340B + Branded Postop Pain Medication Use

		Inpatient		Outpatient		
# of Hospitals	Formulary Timing	# Target Procedures	Branded Pain Meds	# Procedures	Branded Pain Meds	
62	0-3	200K	$23M	184K	$15M	($38M)
201	4-8	676K	$65M	624K	$43M	($108M)

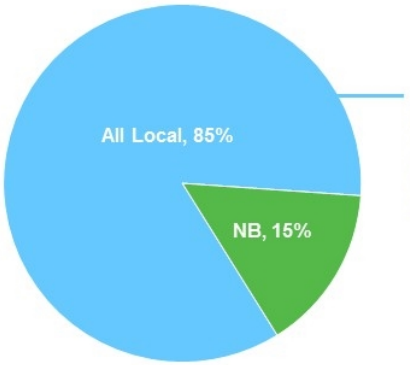
Non-340B + Branded Postop Pain Medication Use

		Inpatient		Outpatient		
# of Hospitals	Formulary Timing	# Target Procedures	Branded Pain Meds	# Procedures	Branded Pain Meds	
55	0-3	380K	$30M	182K	$20M	($50M)
188	4-8	530K	$59M	489K	$39M	($98M)

HERON THERAPEUTICS

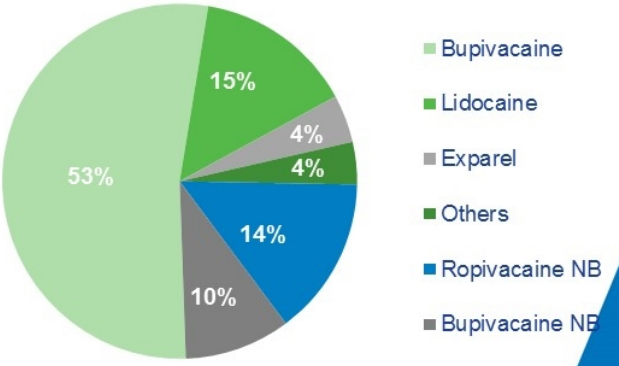
HTX-011 is Focused on the Largest Market Opportunity – Local Application

Local Anesthetic Route of Delivery



THE LARGEST OPPORTUNITY TO DRIVE VALUE AND CREATE CHANGE

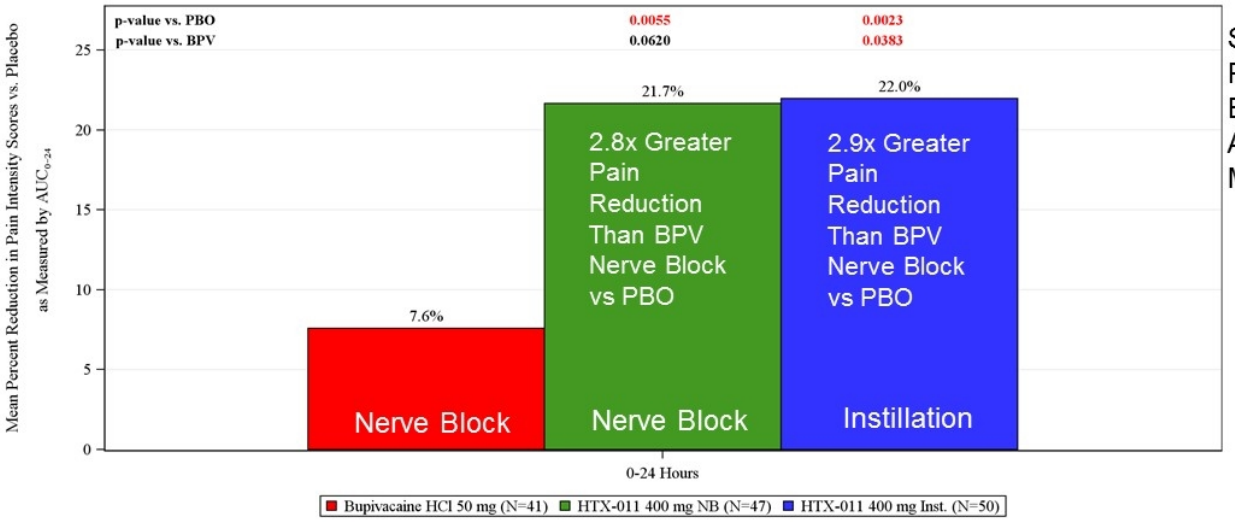
Local Anesthetic Volume Share



DRG Foundational Insights Research Dec. 2016

HTX-011 Demonstrated Significant Pain Reduction in Nerve Block
HTX-011 Instillation has Also Demonstrated Superiority to Bupivacaine NB and Similar Pain Reduction to HTX-011 Nerve Block

Study 211: Compared to Placebo, Pain Reduction with HTX-011 Instillation Approximately Triple that of Bupivacaine Nerve Block



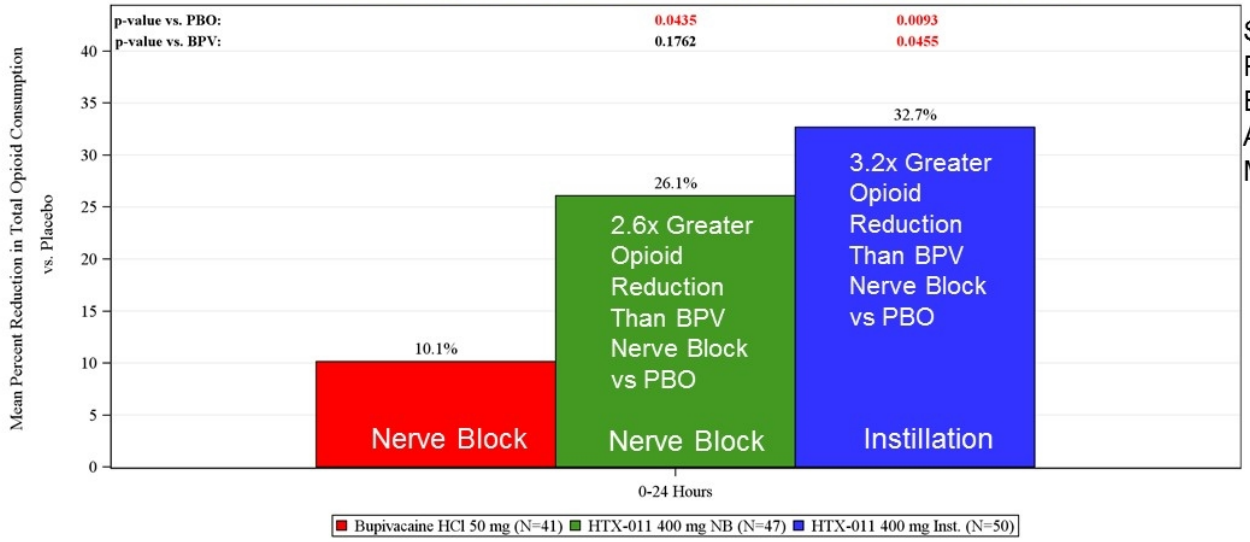
Study 211:
Phase 2b
Breast
Augmentation
Mammoplasty

Reference: Table 14.2.4.1
Program: J:\htx011\211\csr\prog\posthoc_f_14.2.10_auc_r_24h_htx400_wwocf_pctchg.sas.sas

HTX-011 is an investigational new drug and not approved by the FDA

HTX-011 Demonstrated Significant Reduction in Opioid Use with both Nerve Block and Instillation

Study 211: Compared to Placebo, HTX-011 Instillation has Demonstrated Significantly Greater Opioid Reduction Compared to Bupivacaine NB



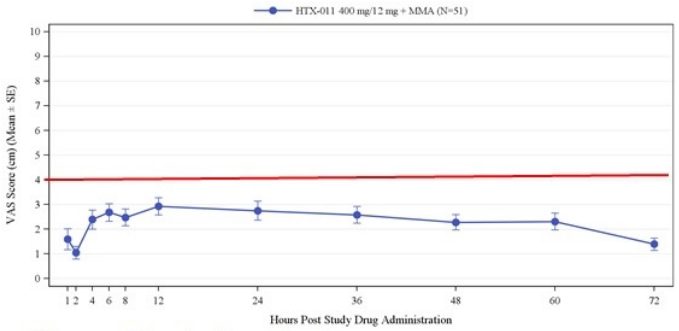
Study 211: Phase 2b Breast Augmentation Mammoplasty

Opioid consumption is presented in mean milligrams of morphine equivalents

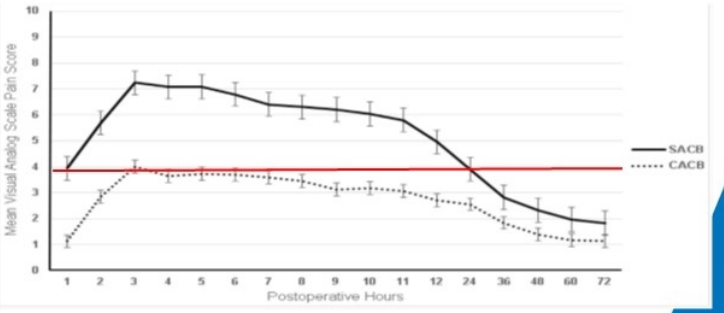
HTX-011 is an investigational new drug and not approved by the FDA

Cross-Study Comparison of TKA Study 306 to Published Adductor Canal Nerve Block Study
HTX-011 + MMA Produced Comparable or Better Pain Scores Than Nerve Block

HTX-011 + MMA with APAP and Celecoxib in Study 306



Single-Shot Adductor Canal Block (SACB) & Continuous Adductor Canal Block (CACB) with MMA[1]



1. Canbek, et al. https://doi.org/10.1016/j.aott.2019.04.001
Patients received either a single administration or continuous infusion of bupivacine plus IV diclofenac or APAP as MAA

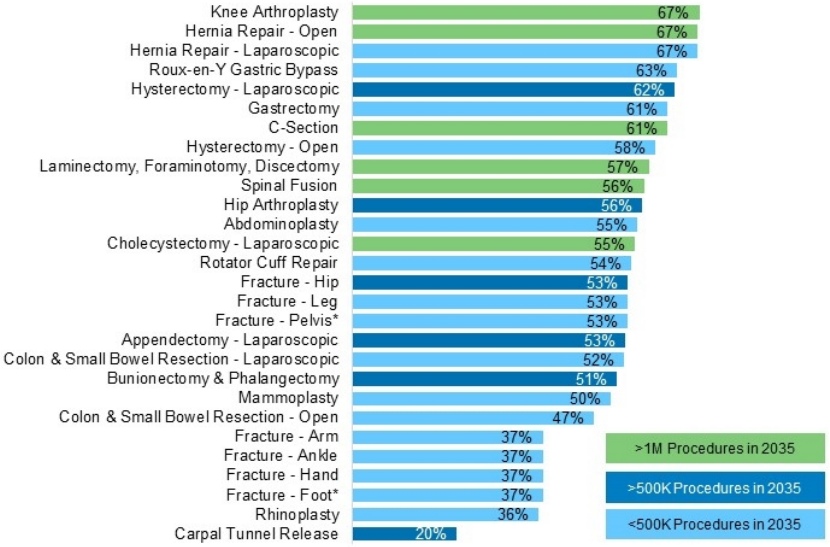
Nerve Block Conclusions

- HTX-011 nerve block significantly reduced pain
- Instillation of HTX-011 reduced pain just as well and appears to be as good or better than bupivacaine nerve block, even with continuous infusion

HTX-011 is an investigational new drug and not approved by the FDA

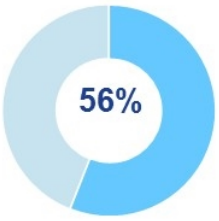
Physicians indicated a raw preference share of 56% for HTX-011 across the covered procedures

Preference Share (%, Raw)



Reference: *DRG Postoperative Pain Quantitative Research (Nov 2018) - n = 290 physicians; *Less than 100K procedures at peak*

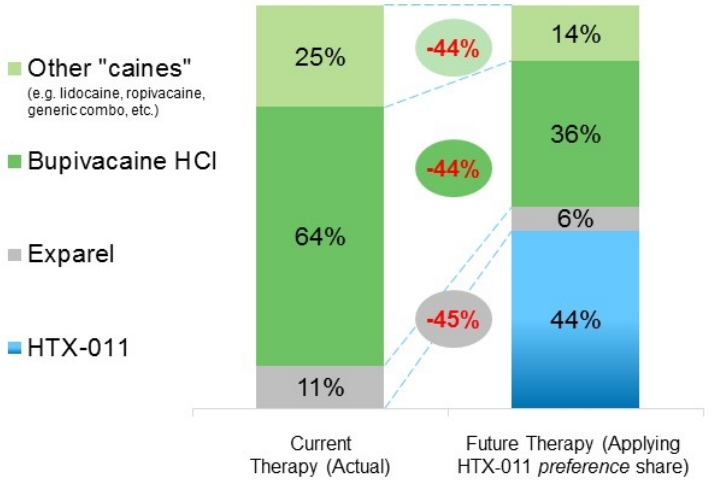
Overall Wt. Average Preference Share



- Raw preference share for HTX-011 from physicians: 56%
- The top procedures where physicians expected to use HTX-011 were knee arthroplasty and hernia repair
- Several procedures saw higher raw preference shares than prior market research, notably knee & hip arthroplasty, C-section, laparoscopic hysterectomy and spine procedures

HTX-011 Enjoyed a Physician Preference Share of 44%

Adjusted Physician Preference Share Distribution



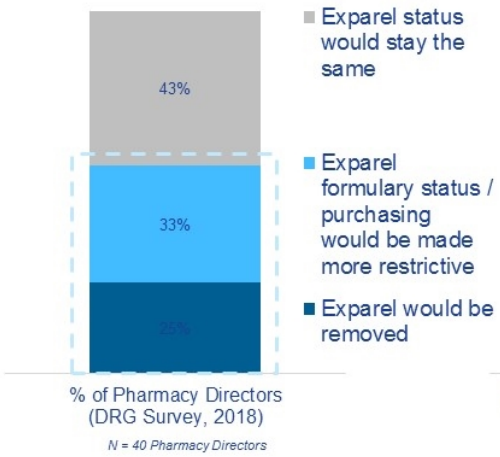
- HTX-011 is likely to initially convert share from Exparel, as well as the rest of the local anesthetics (bupivacaine & other "caines")
- There is an additional opportunity to convert physicians not using local anesthetics; physicians indicated a willingness to use HTX-011 in ~30% of procedures where they are currently not using local anesthetics

Current therapy based on Claims data from 2017 for Exparel, other agents are based on 2018 Physician Survey

Data from analysis of physician static survey & conjoint - Sample includes n = 330 physicians

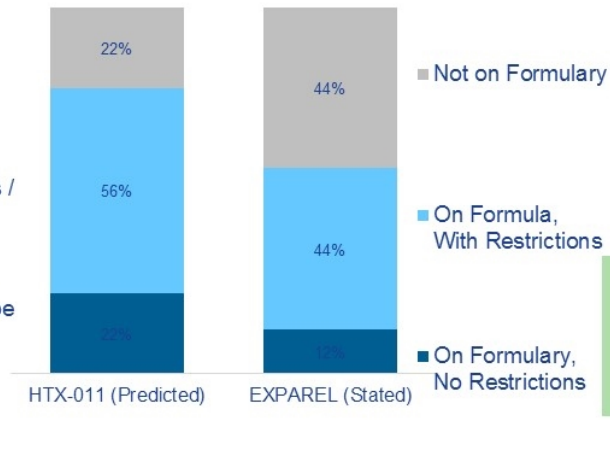
Pharmacy Directors Surveyed Prefer HTX-011 to Exparel®

Impact of HTX-011 Launch on Exparel Formulary Status



N = 40 Pharmacy Directors

Formulary Status of Exparel vs. Expected HTX-011 Status



Most pharmacy directors indicate HTX-011 would displace Exparel on formulary

Over 50% of pharmacy directors report that if HTX-011 became available on their institution's formulary, Exparel would be subject to greater restrictions or would be entirely removed from formulary

For institution's with less formulary consolidation, Exparel may continue to be stocked to accommodate a small segment of patients not using HTX-011

*"We can **encourage use of [HTX-011]** by making use of **standing order sets** and our EMR system, so if we continued to carry Exparel, we would make it restricted to only patients contraindicated to Product X."*
– Pharmacy Director

Reference: DRG Pharmacy Director Survey (2018): Q27. What would happen to EXPAREL if Product X was approved on formulary at your institution?

High Procedure Volume in Target Markets Provides a Robust ROW Market Opportunity

Country	Total Surgical Procedures	Total Procedures Requiring Postop Pain Management	Initial Target Procedures	Remaining Secondary, Lower Volume & Procedures Currently Not Using Local Anesthetics
Germany	18.6M	6.8M	4.0M	2.8M
France	13.5M	4.4M	2.5M	1.9M
UK	11.8M	3.8M	2.4M	1.4M
Italy	10.1M	2.6M	1.9M	0.7M
Spain	6.5M	2.1M	1.6M	0.5M
Top 5 EU Total	**60.5M**	**19.7M**	**12.4M**	**7.3M**
Canada	6.0M	1.6M	1.2M	0.4M
Japan	26.0M	6.6M	2.7M	3.9M

Heron is Well Positioned to Execute a Blockbuster Launch for HTX-011

- Proven track record with hospital launch success
- Existing robust platform and structure to support launch
- Significant unmet need and market opportunity
- Highly focused launch strategy to accelerate sales
- Unprecedented value proposition

HTX-011 Development Program

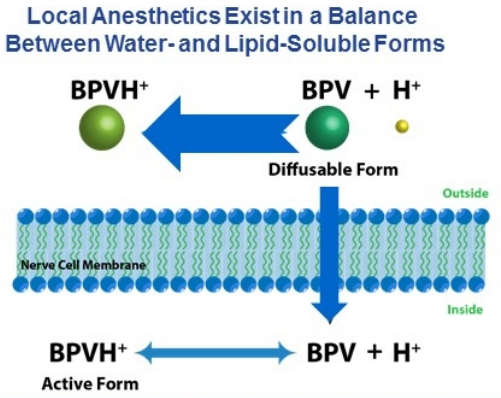
Advancing Pain Management

HERON THERAPEUTICS

Developing Best-in-Class Medicine. Improving Lives.™

HTX-011 is an investigational new drug and not approved by the FDA

A Potential Hypothesis: Inflammation, pH, and Local Anesthetic Failure



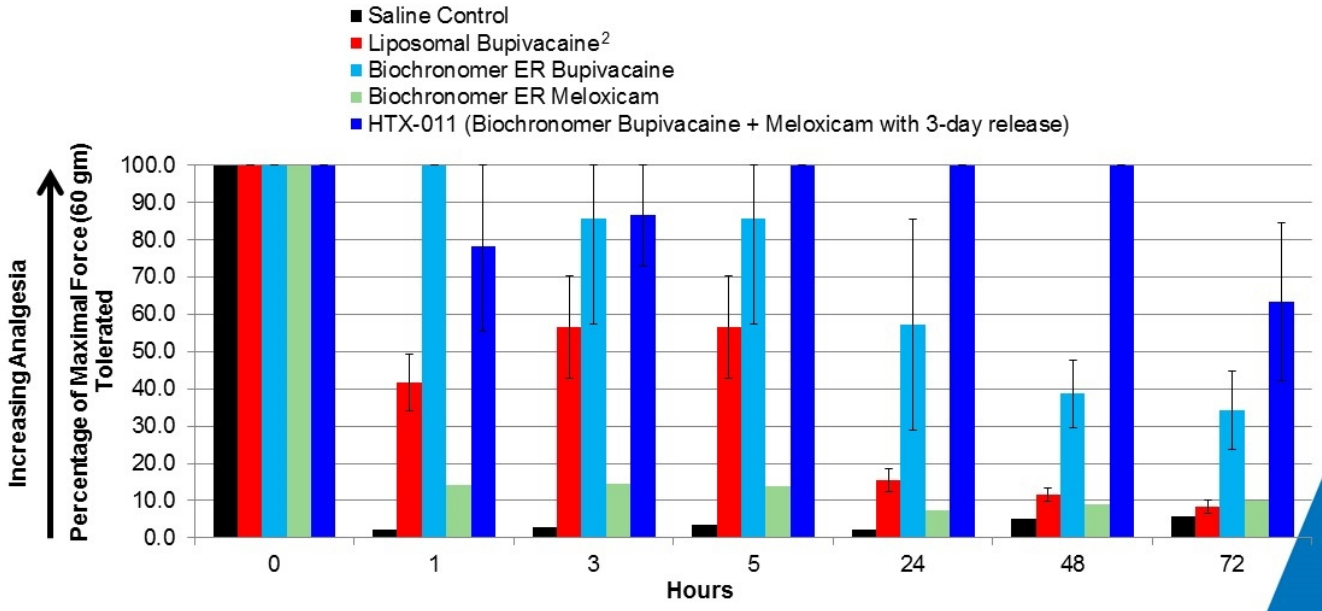
Inflammation produces an acidic environment

With a one pH unit drop, 10-fold less bupivacaine is able to penetrate the nerve cell membrane

- With a pKa of 8.1, bupivacaine is sensitive to reduced pH
- The acidic environment associated with inflammation results in far less drug penetrating the nerve membrane and reduced anesthetic effects[1,2]

HTX-011 is an investigational new drug and not approved by the FDA

HTX-011 is Designed to Produce Marked Analgesia Through the First 72 Hours After Surgery as Demonstrated in this Preclinical Model[1]

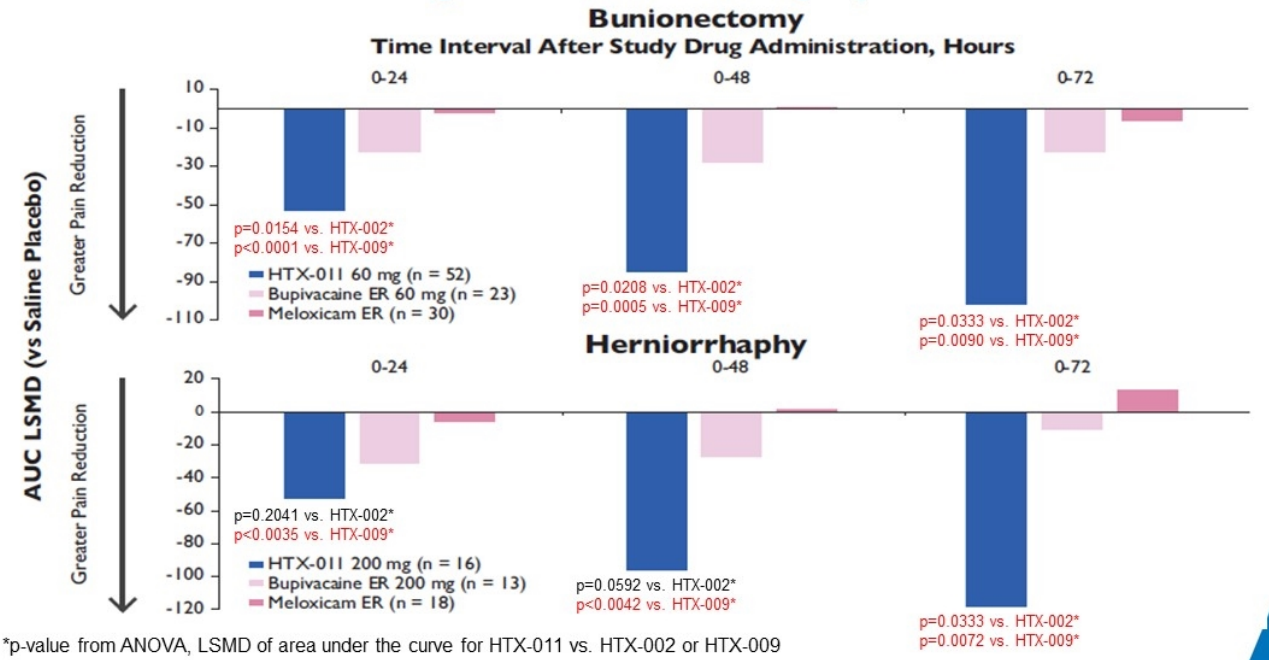


[1] Postoperative pain model in pigs from Castle et al, 2013 EPJ
[2] Human dose of liposomal bupivacaine with 40% smaller incision

(n=4 pigs in each arm)

HTX-011 is an investigational new drug and not approved by the FDA

HTX-011 Reduces Pain Better Than the Individual Components in Both Bunionectomy and Herniorrhaphy Phase 2 Studies



*p-value from ANOVA, LSMD of area under the curve for HTX-011 vs. HTX-002 or HTX-009

HTX-011 is an investigational new drug and not approved by the FDA

HTX-011 is Applied into the Surgical Site at the End of Surgery Without a Needle

HTX-011 is a single-dose application administered via a needle-free syringe to directly coat the affected tissue within the surgical site prior to suturing

Reference: Data on file.

HTX-011 is an investigational new drug and not approved by the FDA

Seven Active-Controlled Studies Showing Significantly Better Pain Reduction With HTX-011 Than Bupivacaine Included in NDA

Study	Phase	Surgical Model	Tissue Type	Significant for Pain Reduction vs. PBO	Significant for Pain Reduction vs. BPV	Significant Reduction in Opioid Use
202	2	Herniorrhaphy	Soft	✓	✓	✓
203	2	Abdominoplasty	Soft	✓	✓	✓
208	2	Bunionectomy	Bony	✓	✓	✓
209	2b	TKA	Bony	✓	✓	✓
211	2b	Breast Augmentation	Soft	✓	✓	✓
301	3	Bunionectomy	Bony	✓	✓	✓
302	3	Herniorrhaphy	Soft	✓	✓	✓

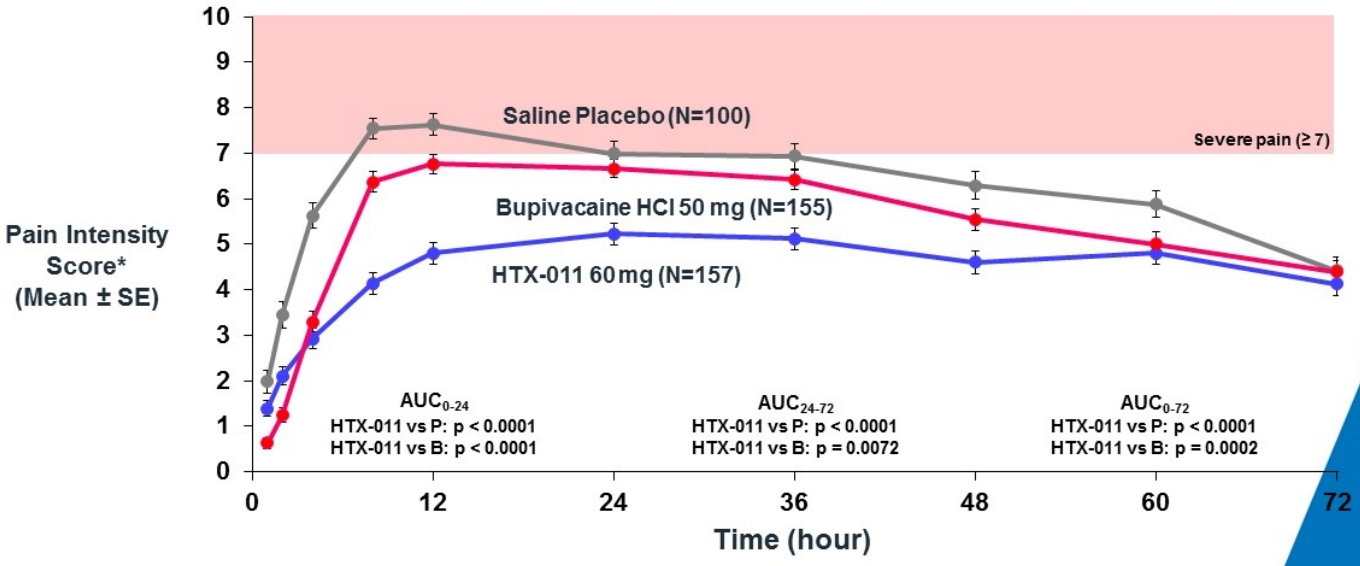
PBO = placebo; BPV = bupivacaine solution; TKA = total knee arthroplasty

HTX-011 is an investigational new drug and not approved by the FDA

EPOCH 1: Bunionectomy Results (Study 301)

EPOCH 1 Follow-on: Opioid Elimination Study in Bunionectomy

EPOCH 1 Bunionectomy: HTX-011 Provided Superior Pain Reduction Through 72-hours

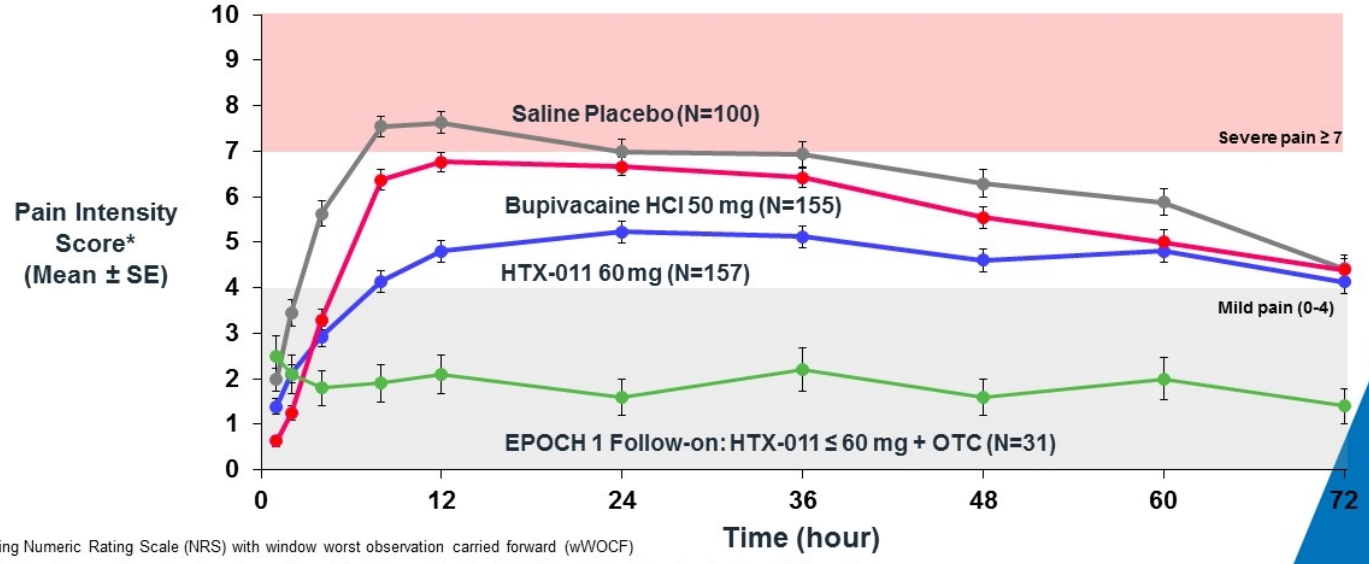


* Using Numeric Rating Scale (NRS) with window worst observation carried forward (wWOCF)

HTX-011 is an investigational new drug and not approved by the FDA

32

EPOCH 1 Follow-on: HTX-011 + OTC Acetaminophen and Ibuprofen Kept Pain in the Mild Range Through 72 Hours



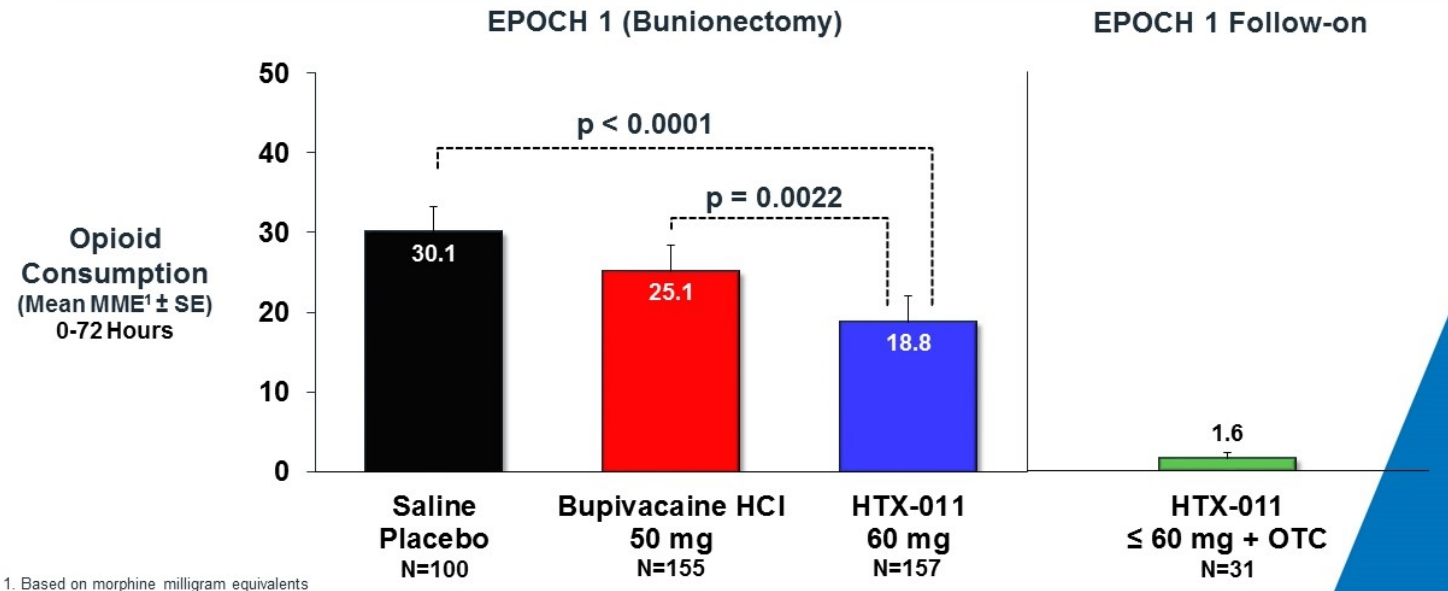
* Using Numeric Rating Scale (NRS) with window worst observation carried forward (wWOCF)

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA

33

HTX-011 Significantly Reduced Total Opioid Consumption



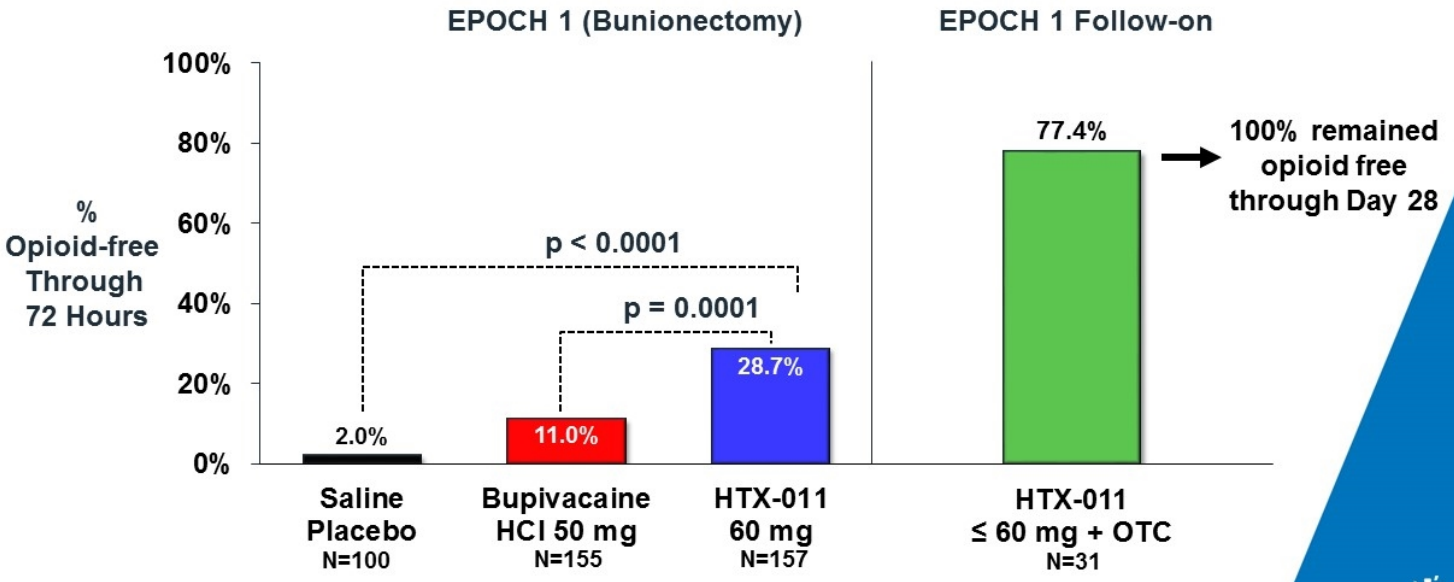
1. Based on morphine milligram equivalents

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA

34

HTX-011 Significantly Increased Proportion of Opioid-Free Patients



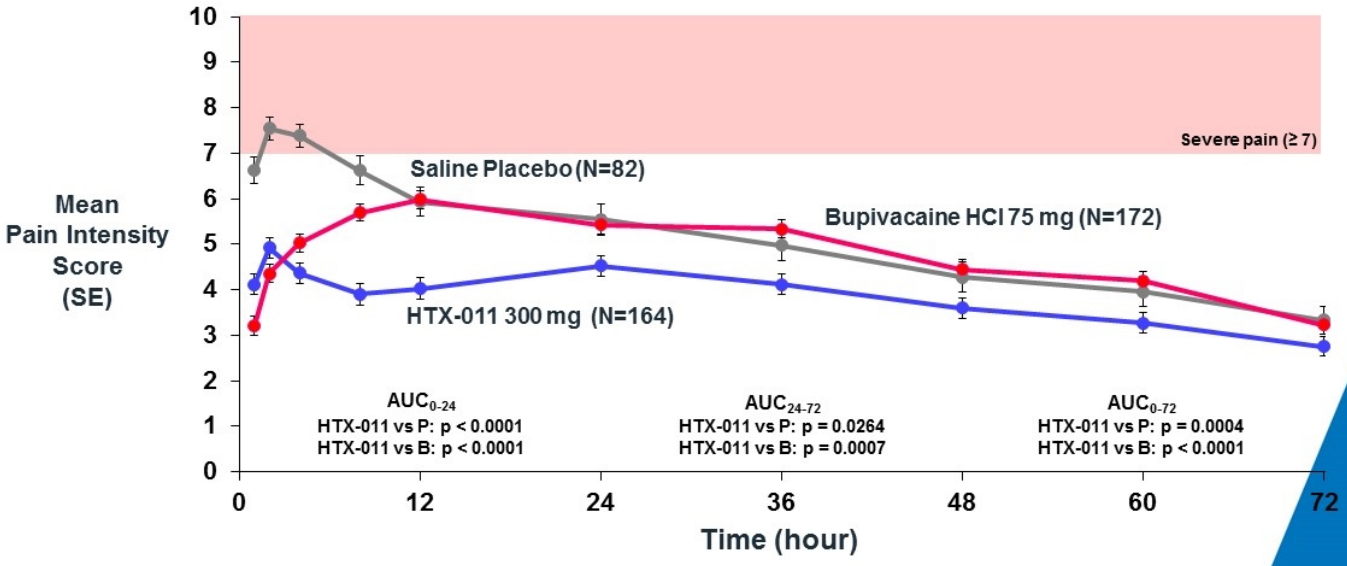
OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA

EPOCH 2: Herniorrhaphy Results (Study 302)

EPOCH 2 Follow-on: Opioid Elimination Study in Herniorrhaphy

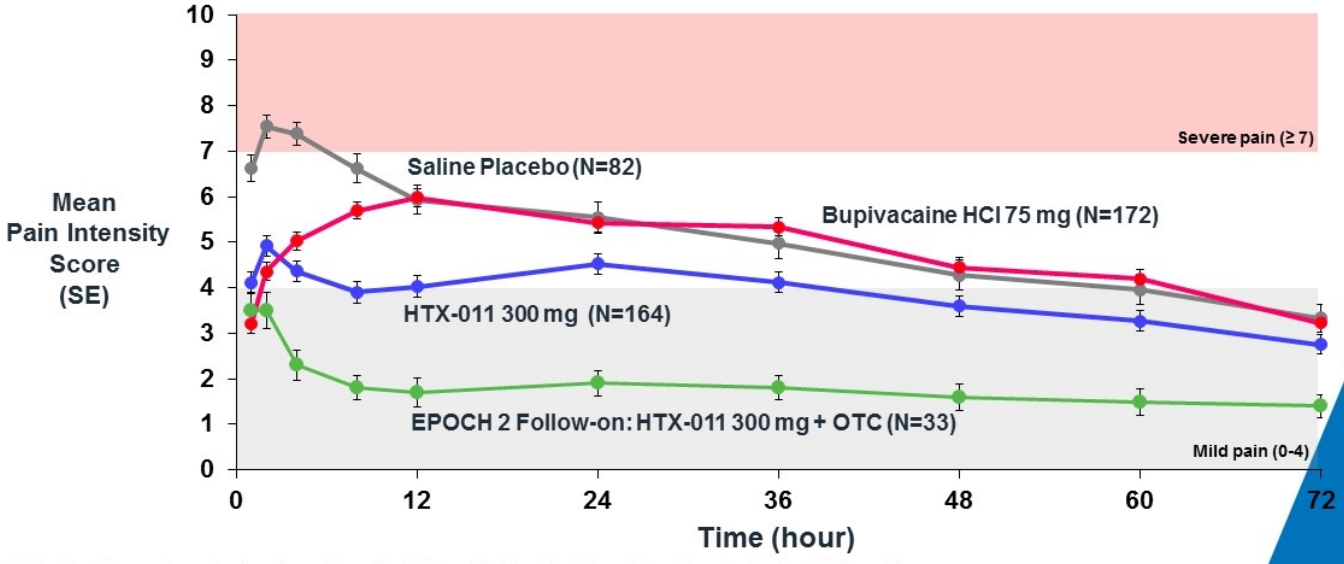
EPOCH 2 Herniorrhaphy: HTX-011 Provided Superior Pain Reduction Through 72-hours



Source: Figure 14.2.7

HTX-011 is an investigational new drug and not approved by the FDA

EPOCH 2 Follow-on: HTX-011 + OTC Acetaminophen and Ibuprofen Kept Pain in the Mild Range Through 72 Hours



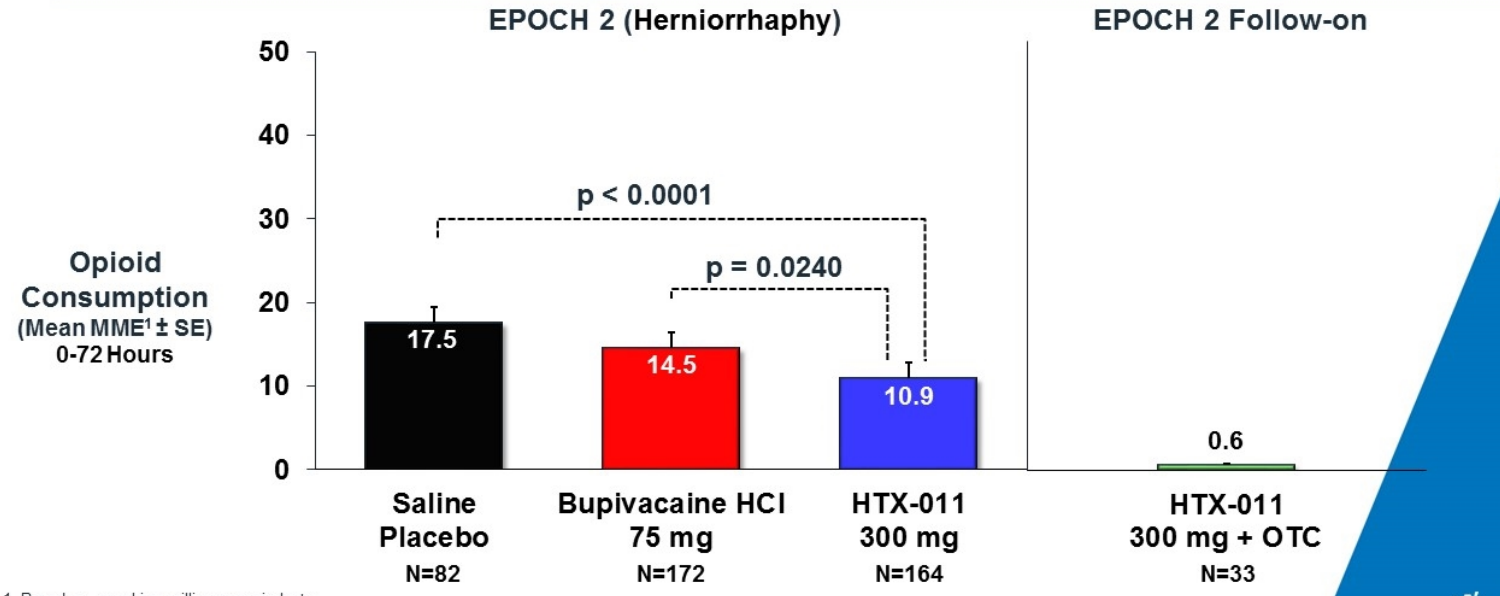
OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

Source: Figure 14.2.7

HTX-011 is an investigational new drug and not approved by the FDA

38

HTX-011 Significantly Reduced Total Opioid Consumption



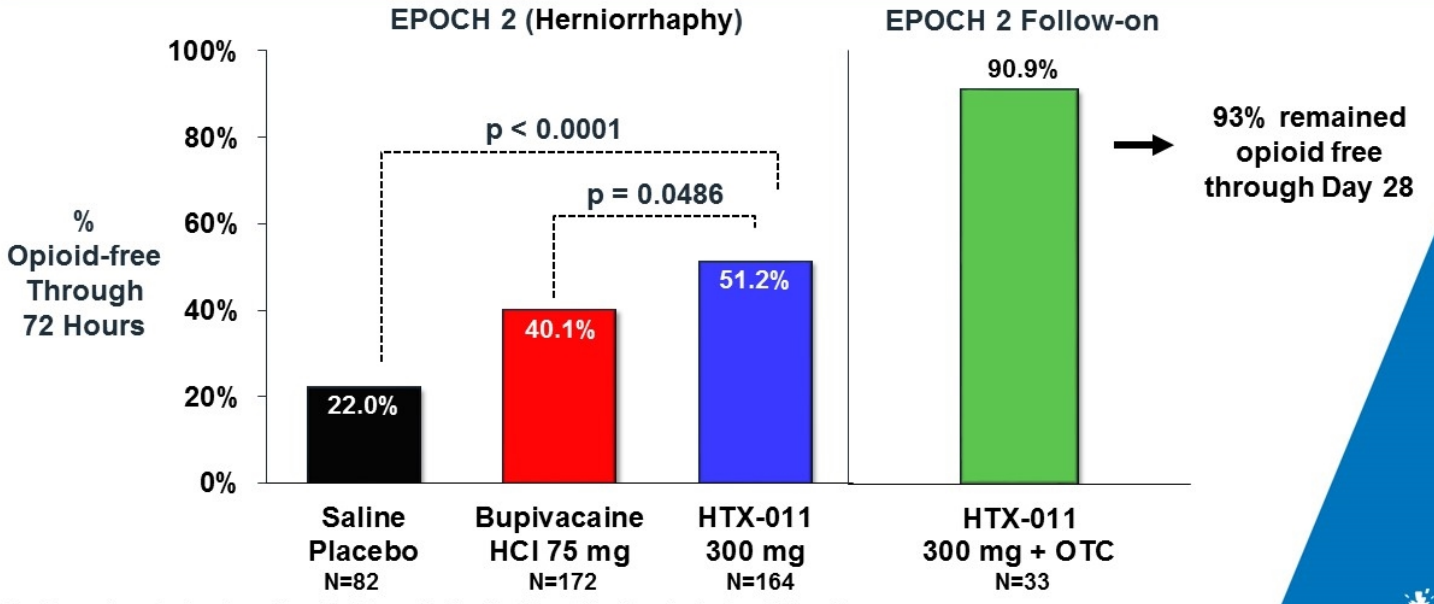
1. Based on morphine milligram equivalents

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA

39

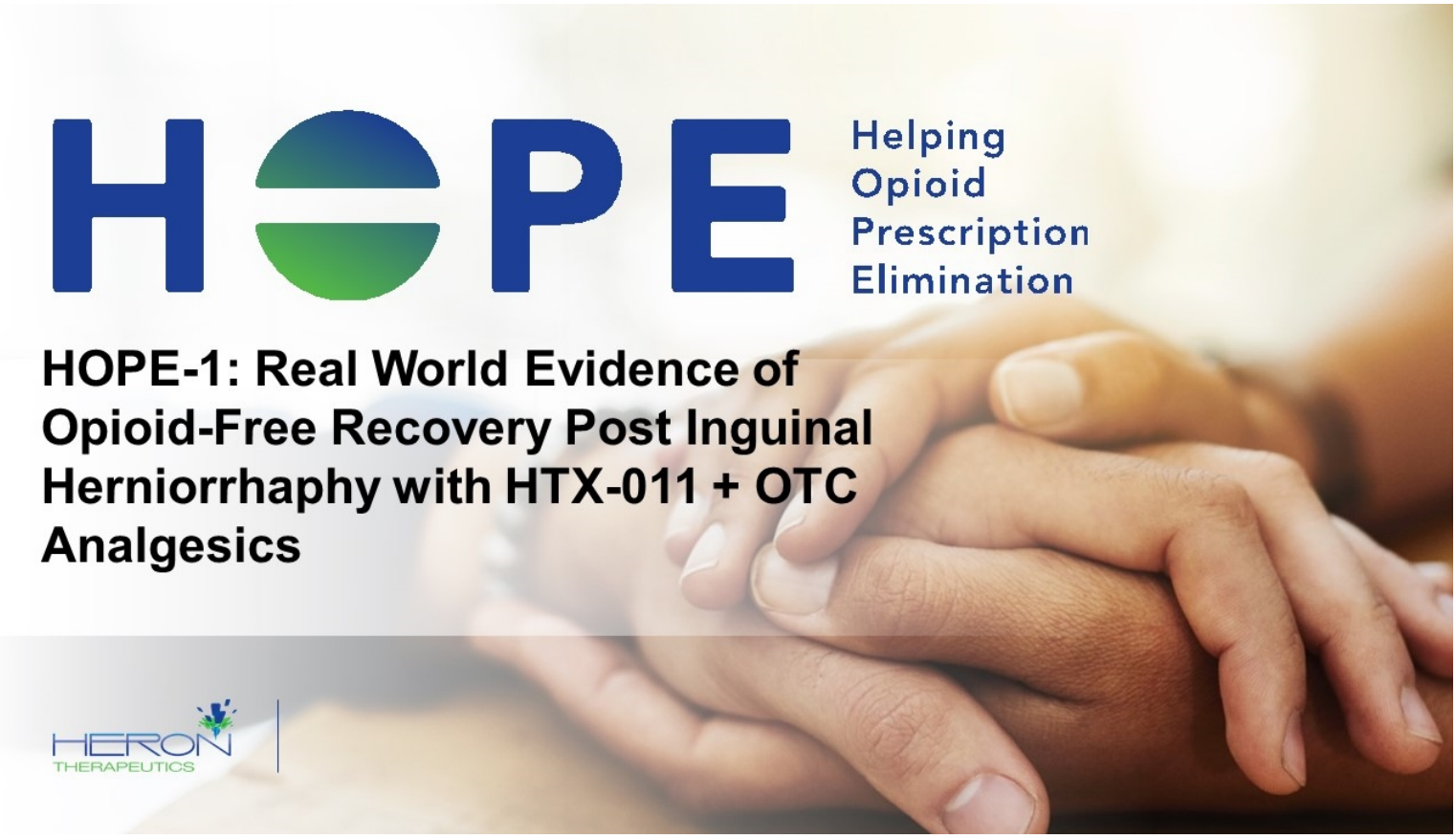
HTX-011 Significantly Increased Proportion of Opioid-Free Patients



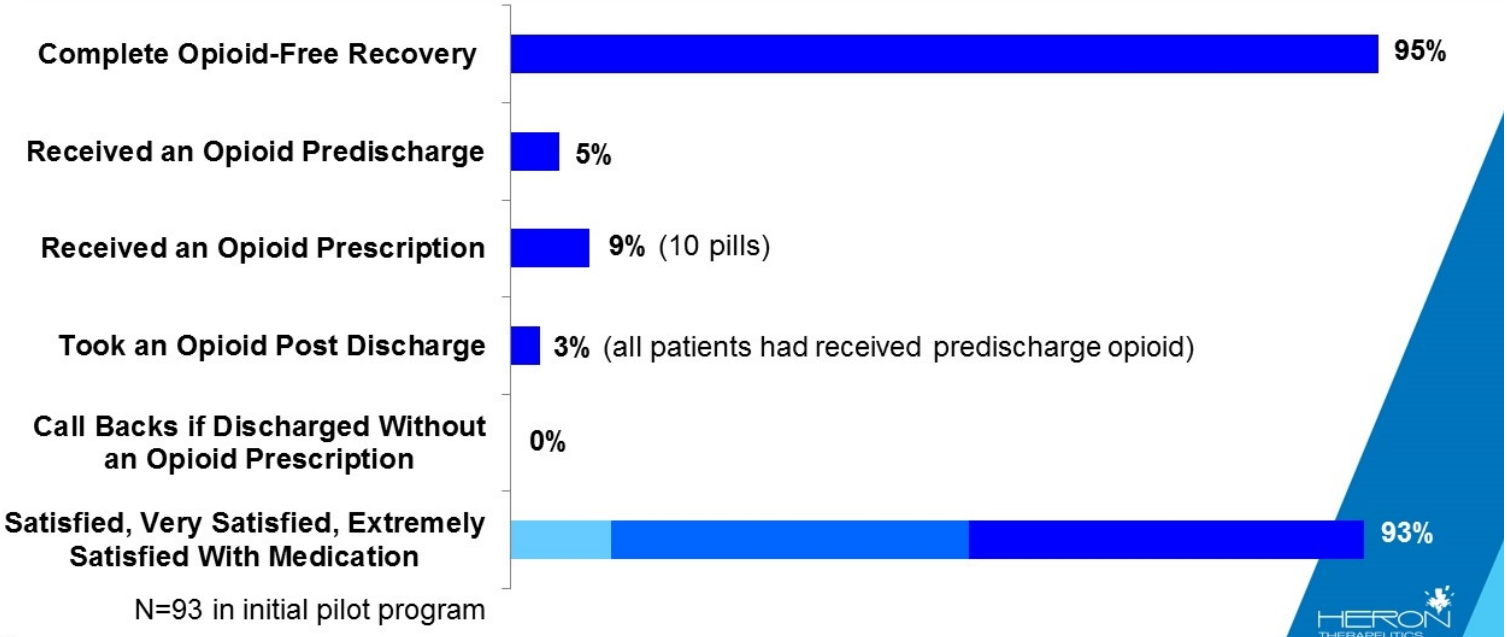
OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA

40


HOPE
Helping
Opioid
Prescription
Elimination
HOPE-1: Real World Evidence of Opioid-Free Recovery Post Inguinal Herniorrhaphy with HTX-011 + OTC Analgesics
HERON
THERAPEUTICS

HOPE-1: Near Total Opioid-Free Recovery with HTX-011 + OTC



HTX-011 is an investigational new drug and not approved by the FDA

42

Potential Reduction of Discharge Opioids Based on HOPE-1

- Currently, following inguinal hernia repair an average of 30 opioid pills are prescribed per patient of which an average of 9 pills are consumed[1]

Potential Impact if HOPE-1 Extrapolated to the ~800,000[2] Inguinal Hernia Surgeries Annually

	Pills Prescribed	Pills Consumed	Pills Leftover
Current Practice Estimates	24,000,000	7,200,000	16,800,000
HOPE-1 Estimates	774,194	283,871	490,323
Potential Reduction with HTX-011 + OTC	**23,225,806↓**	**6,916,129↓**	**16,309,677↓**

1. Meeting of the Anesthetic and Analgesic Drug Products Advisory Committee (AADPAC)November 15, 2018
2. Decisions Resources Group claims data 2017 ;

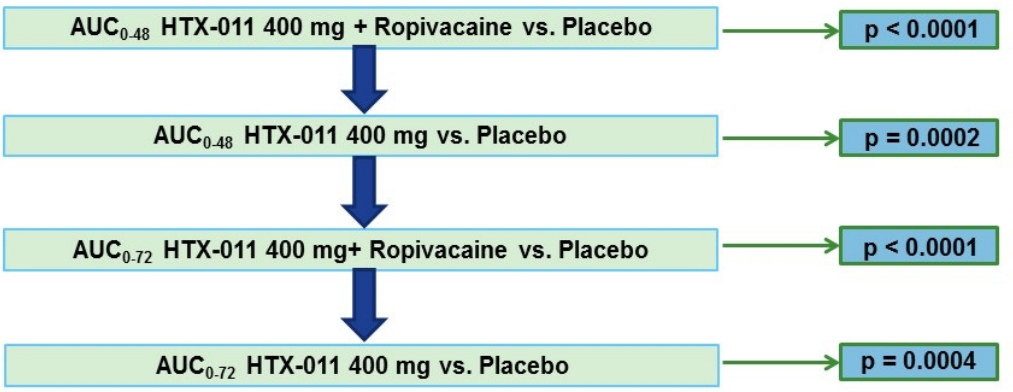
Phase 2b Total Knee Arthroplasty (TKA) (Study 209)

Study 209 Follow-on: HTX-011 + MMA in TKA* (Study 306)

*The multimodal analgesic (MMA) regimen used in this study was identical to the PILLAR Study of liposomal bupivacaine

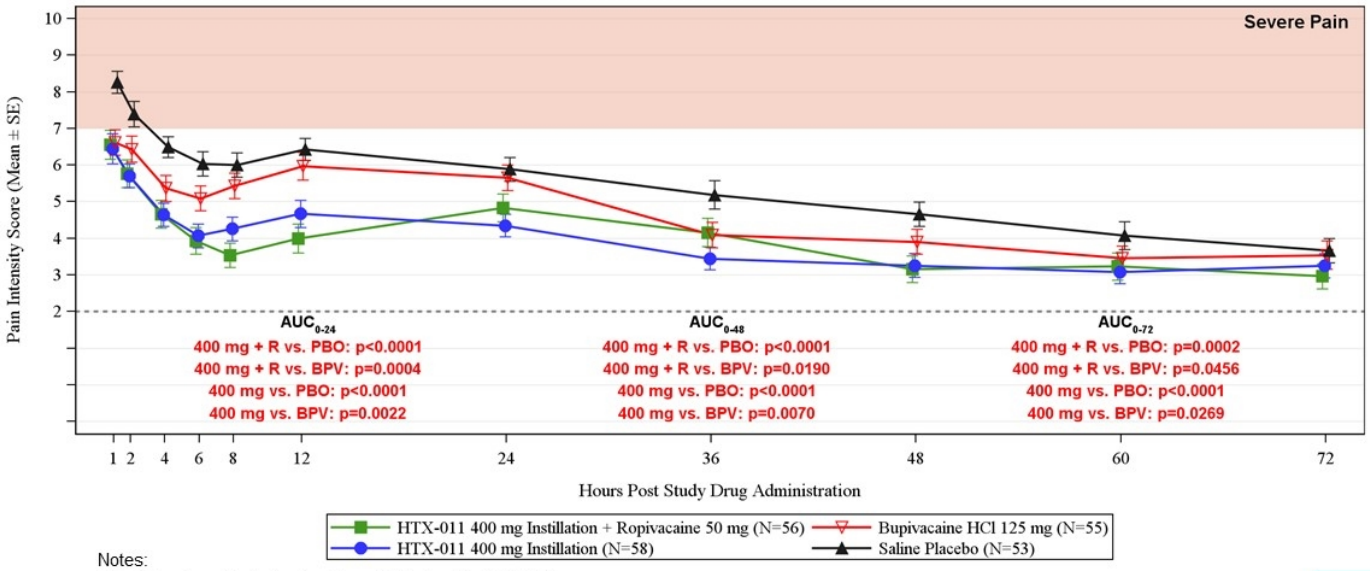
Study 209 TKA: Results Hierarchy

HTX-011 via instillation achieved primary and key secondary endpoints for reduction in pain intensity scores



HTX-011 is an investigational new drug and not approved by the FDA

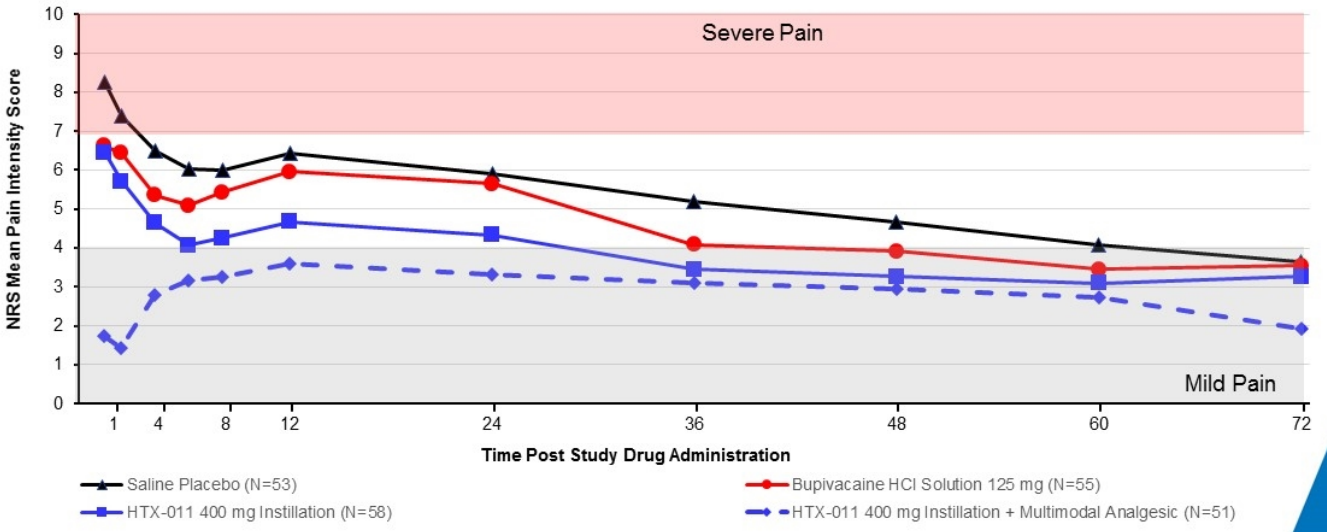
Study 209 TKA: HTX-011 Produced Significantly Superior Pain Reduction to Both Placebo and Bupivacaine Through 72 Hours



Notes:
Pain intensity collected using Numeric Rating Scale (NRS)
LOCF for missing data and no adjustment for use of opioid rescue medication

HTX-011 is an investigational new drug and not approved by the FDA

Study 209 Follow-on: HTX-011 + Generic Analgesics* Kept Pain in the Mild Range Through 72 Hours With 68% Less Opioid Than Bupivacaine



LOCF for missing pain data

*** Patients received oral acetaminophen 975 to 1000 mg every 8 hours (maximum 3000 mg/d) and oral celecoxib 200 mg every 12 hours until discharge. Mont doi: 10.1016/j.arth.2017.07.024**

HTX-011 is an investigational new drug and not approved by the FDA

Cross-Study Comparison of Day 1 in Study 306 and Exparel PILLAR Study (Dysart 2019)

Cross-Study Comparison of 0 – 24 Hour Results in TKA Using Pillar-Based MMA and the Same Analysis[1]	Study 306 HTX-011 (N=51)	PILLAR Study	
		Exparel + Bupivacaine[1] (N = 70)	Bupivacaine[1] (N = 69)
AUC0-24 VAS Pain[2]	59.5	98.5	121.6
Opioid-Free	21.6%	17.1%	1.4%
Mean Opioid Consumption MME (SD)	10.6 (9.2)	45.5 (35.01)	56.8 (38.26)
Log-transformed Geometric Mean Opioid Consumption MME	0.54	3.5	38.5
Discharge Ready in 12 hours Based MPADSS ≥ 9	60.8%	42.9%	27.5%

1. https://doi.org/10.1016/j.arth.2018.12.026.
2. Assumes LOCF as publication does not describe any correction for opioid use

Disclaimer

- This is a cross-study comparison of Study 306 to the PILLAR Study of Exparel plus bupivacaine; these comparisons do not imply a clinical benefit of HTX-011 over Exparel

HTX-011 is an investigational new drug and not approved by the FDA

Cross-Study Comparison of 48 Hour Results From Study 306 (Preliminary Results) and Exparel Pillar Study (Mont 2017)

Comparison of 48 Hr Results in TKA Using Pillar-Based MMA and the Same Analysis[1]	Study 306 HTX-011 (N=51)	PILLAR Study	
		Exparel + Bupivacine[1] (N = 70)	Bupivacaine[1] (N = 69)
Mean AUC12-48 VAS Pain	143.2	180.8	209.3
Opioid-Free	11.8%	10%	0%
Mean Opioid Consumption (MME)	19.6 (Median=16.7)	Not Shown	Not Shown
Log-transformed Geometric Mean Opioid Consumption MME	3.0	18.7	84.9
≤ 20 MME @ 48 hr	56.9%	18.6%	4.4%
> 20 and ≤ 220 MME @ 48hr	43.1%	78.6%	87%
> 220 MME @ 48 hr	0	2.9%	8.7%
DID NOT Receive a Discharge Prescription for Opioids	74.5%	Not Shown	Not Shown

1. Mont doi: 10.1016/j.arth.2017.07.024

Disclaimer

- This is a cross-study comparison of Study 306 to the PILLAR Study of Exparel plus bupivacaine; these comparisons do not imply a clinical benefit of HTX-011 over Exparel

HTX-011 is an investigational new drug and not approved by the FDA

Potential Reduction of Discharge Opioids Based on Study 306

- Currently, following TKA an average of 90 opioid pills are prescribed per patient at the time of discharge, with an additional 4 refills over the next year[1]

Potential Impact on Discharge Opioids of Study 306 Extrapolated to the 1,043,000 TKA Surgeries Annually[2]	
	Pills Prescribed
Current Practice Estimates With Initial Rx	93,870.000
Study 306 Results (25.5% only)	23,936,850
Potential Reduction with HTX-011 + MMA	**69,933,150↓**

1. Truven Database – Commercial patients
2. Decisions Resources Group claims data 2018;

HTX-011 is an investigational new drug and not approved by the FDA

Safety Summary

HTX-011 was generally well tolerated across all Phase 2 and Phase 3 studies with no clinically meaningful differences from placebo and bupivacaine in:

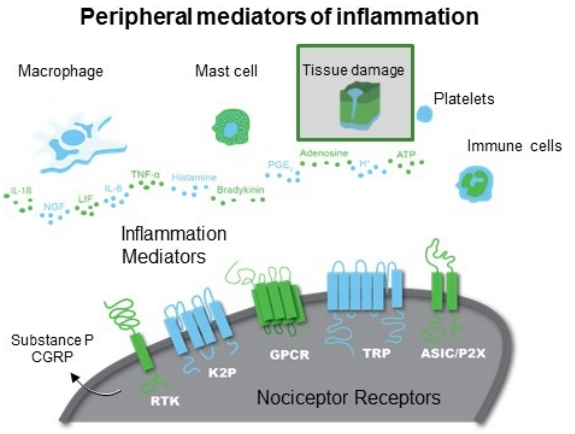
- Overall adverse events
- The incidence of serious adverse events
- Premature discontinuations due to adverse events
- Potential local anesthetic systemic toxicity (LAST) adverse events
- Potential wound healing related adverse events
- No deaths on HTX-011 (one on bupivacaine)

HTX-034 Development

Next Generation Product for Postoperative Pain

In Addition to Changes in pH, Inflammation From Surgery Modifies Pain Pathways and Can Produce Hyperalgesia

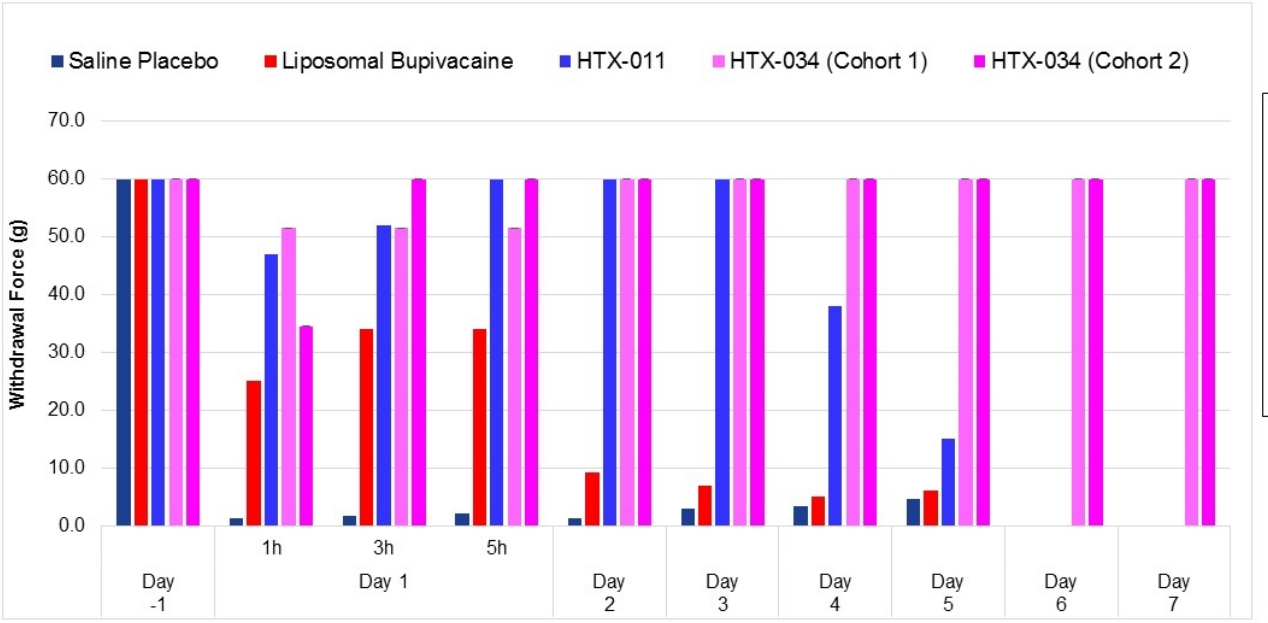
Local tissue damage activates a variety of cells, which release inflammatory mediators[1,2]



References: 1. Woolf CJ. Pain: moving from symptom control toward mechanism-specific pharmacologic management. *Ann Intern Med*. 2004;140(6):441-451. **2.** Basbaum AI, Bautista DM, Scherrer G, Julius D. Cellular and molecular mechanisms of pain. *Cell*. 2009;139(2): 267-284.

53

HTX-034 Produces Complete Elimination of Pain Through 7 Days in Pig Postoperative Pain Model



This validated pig model of postoperative pain has been predictive of clinical observations with HTX-011, HTX-002 and HTX-009

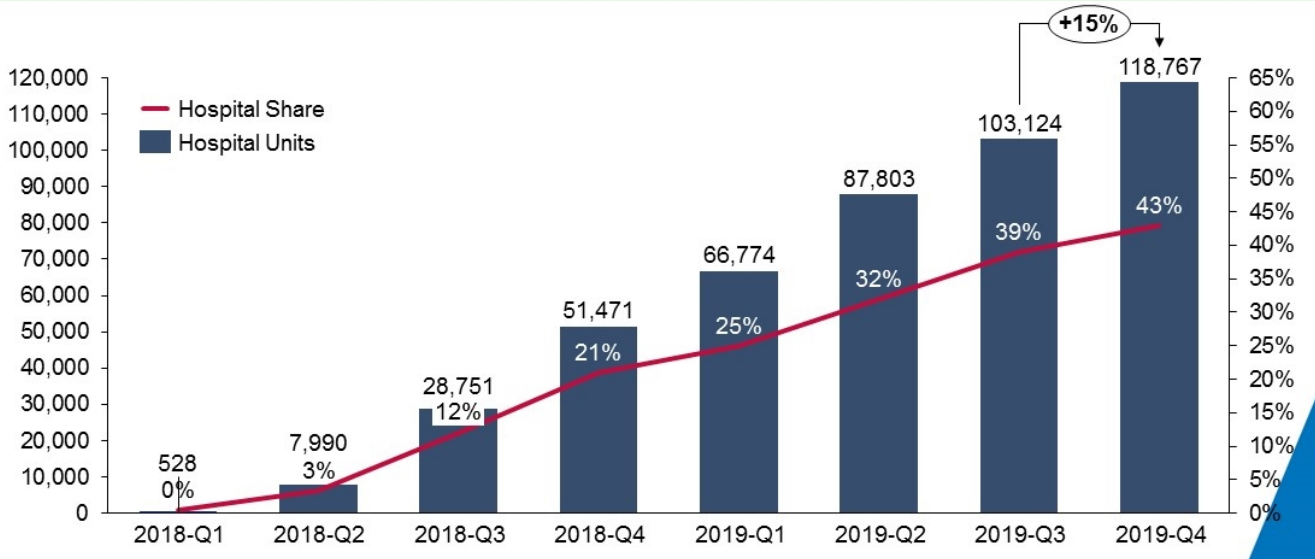
HTX-011 & HTX-034 are investigational new drugs and not approved by the FDA

CINV Commercial Products

With CINVANTI Leading the Way, Heron's CINV Portfolio Achieved 2019 Net Sales of $145.7M, an 88% Increase from 2018

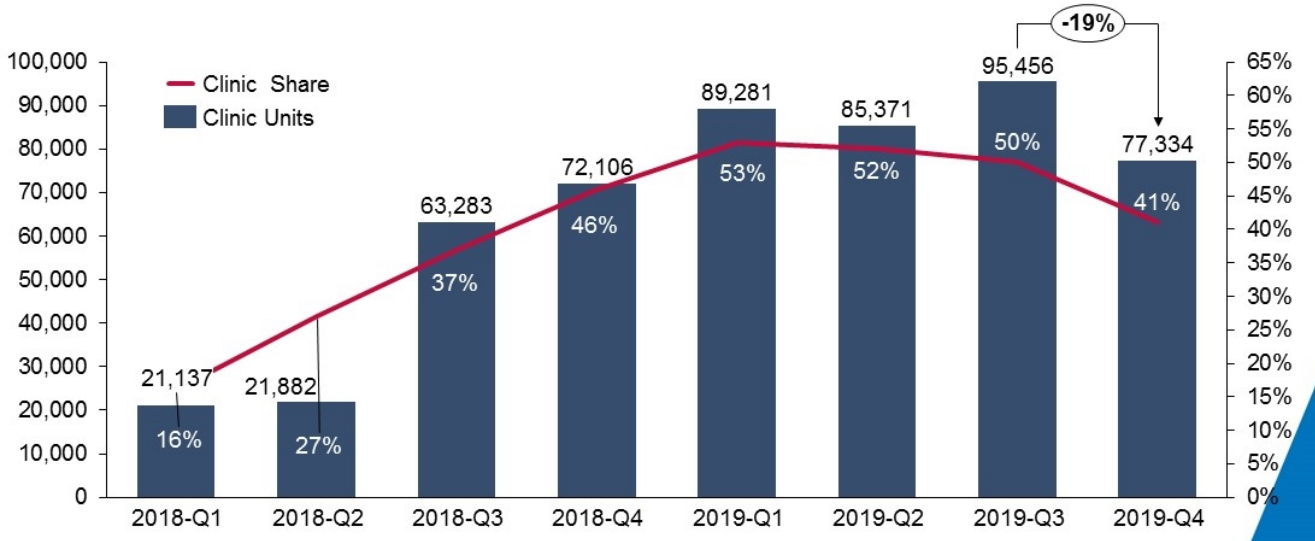
- Launch of generic Emend IV in September resulted in a small decline in CINVANTI sales in 4Q
  - ➢ Clinic-based practices are much faster to take advantage of the arbitrage
- SUSTOL sales declined in 4Q due to the Refresh Program; sales should return in 1Q2021

CINVANTI – Hospital Share/Units Continued to Grow in 4Q2019



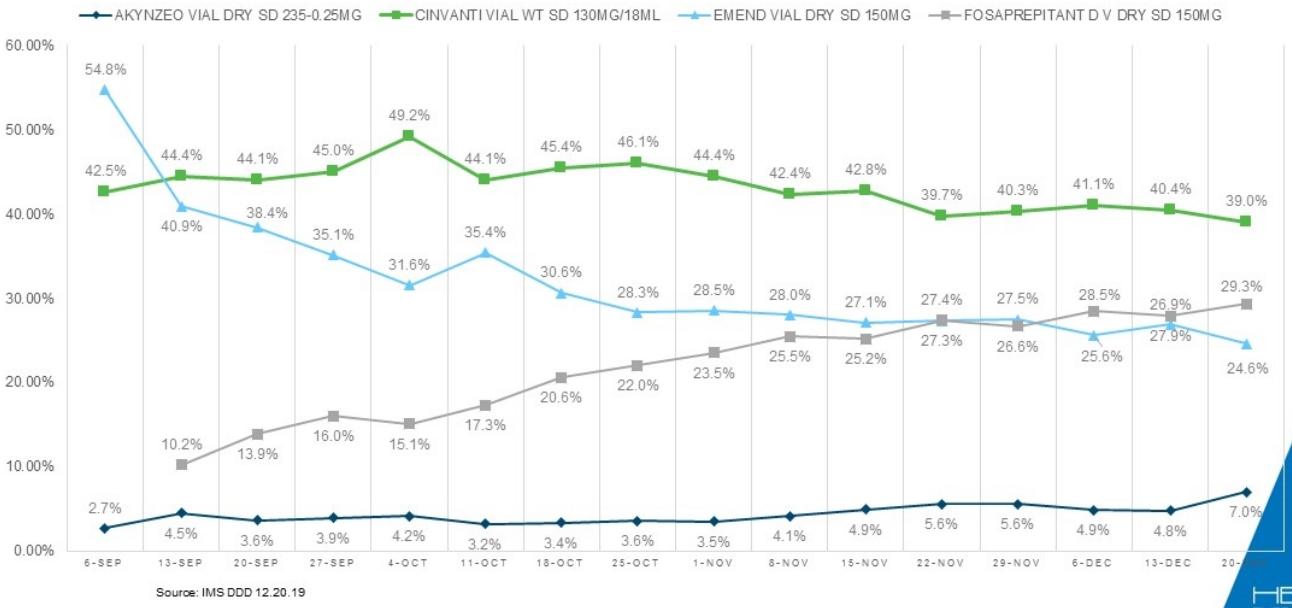
SOURCE: 867 1.8.20, IMS DDD 12.27.19

CINVANTI – Clinic Share/Units Declined in 4Q2019 Due to the Emend IV Arbitrage



SOURCE: 867 1.8.20, IMS DDD 12.27.19

CINVANTI Maintains Market Leadership 15 Weeks After the Launch of Multiple EMEND IV Generics



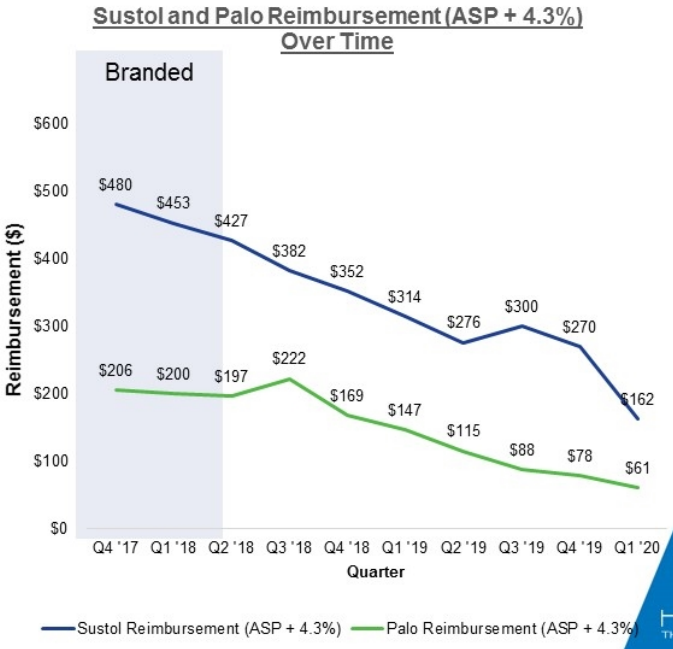
Source: IMS DDD 12.20.19

Strategy to Preserve CINVANTI Through Generic Arbitrage

- Leverage favorable 340B pass through status, ASP+ 6% through 2020
- IV push sNDA approved further differentiating CINVANTI from Emend and generics
- Practices are staying with CINVANTI due to the improved safety profile they have observed
- CINVANTI has become an established brand across both clinics and hospital capturing 45% of the market in Q3 2019

ALOXI/Palonosetron Arbitrage Lasted Much Longer Than Projected, Resulting in an Accelerated Decline in Sustol ASP

- Even with multiple generics on the market, the **price of palonosetron did not drop** as quickly as in past arbitrage periods
- Slow decline in prices resulted in a very long arbitrage, which also **resulted in an accelerated decline in the Sustol ASP**
- **The only way to rebuild value in the brand is to implement an innovative strategy:**
  - **Starting October 1, all discounting of Sustol was discontinued, which will result in lower sales**
  - **In approximately 5 quarters the ASP of Sustol will reset to approximately the WAC**
  - **Sustol will be re-launched with enhanced value for practices and Heron**



2020 CINV Franchise Outlook

CINVANTI®

- Cinvanti continues to have the best overall profile compared to the other available NK_1 antagonists and is completely differentiated from generic fosaprepitant with the 2-min IV Push administration
- CINVANTI (aprepitant) injectable emulsion received unique J-Code J0185 effective January 1, 2019, so generic pricing does not effect Cinvanti reimbursement
- Generic fosaprepitant IV entered the market in September 2019
  - Due to significant sales in 340b hospitals, IV push label and other factors, we expect to maintain XX% of our market during the arbitrage
  - Based on early price reductions within weeks of the first generic entry, the duration of the arbitrage should also be shorter than with Aloxi and essentially be over by the end of 2020

SUSTOL®

- To recover from the protracted palonosetron arbitrage, Heron has implemented an innovative strategy to refresh the ASP
- This will result in greatly reduced sales for approximately 5 quarters, followed by a significant rebound in units and revenue.

CINV Franchise

- **2019 net product sales: ~$145.7M**
  - **2019 guidance: $115M - 120M raised to $135M**
- **2020 net sales guidance for CINV franchise will be provided after 1Q2020 when the impact of the arbitrage is known**

Financial Summary

Heron ended 2019 with cash, cash equivalents and short-term investments of ~$391 million.

Summary Statement of Operations and Net Cash Used in Operations (In thousands, except per share data)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Net product sales	$ 42,624	$ 110,885
Operating expenses[1]	77,477	262,217
Other income, net	1,258	4,503
Net loss[1]	$ (33,595)	$ (146,829)
Net loss per share[2]	$ (0.42)	$ (1.85)
Net cash used in operations	$ (25,471)	$ (97,603)

Condensed Balance Sheet Data (In thousands)	September 30, 2019
Cash, cash equivalents and short-term investments (see note above)	$ 256,278
Accounts receivable, net	$ 66,955
Total assets	$ 392,962
Total stockholders' equity	$ 285,442

Common shares outstanding at September 30, 2019 totaled 80.0 million. Adjusting for our October 2019 public offering of common stock, as of September 30, 2019, pro forma common shares outstanding totaled 89.9 million.

[1] Includes $9.7 million and $40.3 million of non-cash, stock-based compensation expense for the three and nine months ended September 30, 2019, respectively.
[2] Based on 79.9 million and 79.3 million weighted-average common shares outstanding for the three and nine months ended September 30, 2019, respectively.

Key Catalysts in Pain Management & CINV Franchises

HTX-011 & HTX-034 for Postoperative Pain	CINVANTI® and SUSTOL® for CINV
▪ **Revised NDA submitted 26 Sep 2019 addressing CRL** ➢ **New PDUFA date: 26 March 2020** ▪ **EU MAA filing by Centralised Procedure in March 2019** ➢ **Potential CHMP opinion 2Q2020** ▪ **Canadian NDS screening completed** ▪ **Potential approval in early 3Q2020**	• **2020 net sales guidance for CINV franchise will be provided after 1Q2020 when the impact of the arbitrage is known**
• HOPE Project launched across the US	
• Publication of Phase 3 and Phase 2b studies ✓ Phase 3 studies published in peer-reviewed journals ➢ EPOCH 1: Reg Anesth Pain Med. 2019;0:1–7. doi:10.1136/rapm-2019-100531 ➢ *EPOCH 2: Hernia*. doi: 10.1007/s10029-019-02023-6	
• Phase 2 with HTX-034 planned for 1Q2020	

HTX-011 & HTX-034 are investigational new drugs and not approved by the FDA