

**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 **March 31, 2026**

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **001-33221**

**HERON THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**94-2875566**

(I.R.S. Employer  
Identification No.)

**25 Fenton Main Street, Suite 300**

**Cary, North Carolina**

(Address of principal executive offices)

**27511**

(Zip Code)

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

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: (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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's common stock, par value \$0.01 per share, outstanding as of May 6, 2026 was 189,279,369.

**HERON THERAPEUTICS, INC.**  
**FORM 10-Q**  
**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2026**

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In this Quarterly Report on Form 10-Q, all references to "Heron," the "Company," "we," "us," "our" and similar terms refer to Heron Therapeutics, Inc. and its wholly owned subsidiary, Heron Therapeutics B.V. Heron Therapeutics<sup>®</sup>, the Heron logo, ZYNRELEF<sup>®</sup>, APONVIE<sup>®</sup>, CINVANTI<sup>®</sup>, SUSTOL<sup>®</sup>, and Biochronomer<sup>®</sup> are our trademarks, which are protected under applicable intellectual property laws and are the property of Heron. All other trademarks appearing or incorporated by reference into this Quarterly Report on Form 10-Q are the property of their respective owners. Solely for convenience, the trademarks referred to in this Quarterly Report on Form 10-Q may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks. We do not intend our use or display of other parties' trademarks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

## Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including 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"). In some cases, you can identify forward-looking statements by the use of the words "anticipate," "assume," "believe," "could," "estimate," "expect," "intend," "may," "might," "project," "should," "will," "would," and other expressions that predict or indicate future events and trends and which do not relate to historical matters. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, business and commercialization strategy, products and product candidates, research pipeline, ongoing and planned preclinical studies and clinical trials, regulatory submissions and approvals, addressable patient population, research and development expenses, timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. These risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from our anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements include, but are not limited to, statements including:

- our ability to successfully commercialize, market and achieve market acceptance of ZYNRELEF<sup>®</sup> (bupivacaine and meloxicam) extended-release solution ("ZYNRELEF"), APONVIE<sup>®</sup> (aprepitant) injectable emulsion ("APONVIE"), CINVANTI<sup>®</sup> (aprepitant) injectable emulsion ("CINVANTI"), and SUSTOL<sup>®</sup> (granisetron) extended-release injection ("SUSTOL" and together with ZYNRELEF, APONVIE and CINVANTI, our "Products") in the United States ("U.S."), and our positioning relative to products that now or in the future compete with our Products or product candidates;
- our estimates regarding the potential market opportunities for our Products and our product candidates, if approved;
- our ability to establish and maintain successful commercial arrangements, including our co-promotion agreement with CrossLink Network, LLC ("CrossLink Network");
- the realization of anticipated benefits from our co-promotion agreement with CrossLink Network;
- the timing and outcome of our pending patent litigations;
- whether we are required to write-off any additional inventory in the future;
- our ability to establish satisfactory pricing and obtain adequate reimbursement from government and third-party payors of our Products and product candidates that receive regulatory approvals;
- whether clinical trials of our Products and product candidates are indicative of the results in future clinical trials;
- our ability to develop, acquire and advance product candidates into, and successfully complete, clinical trials, and our ability to submit for and obtain regulatory approval for product candidates in our anticipated timing, or at all;
- the clinical utility of our Products and product candidates and their potential advantages compared to other treatments;
- our competitors' activities, including decisions as to the timing of competing product launches, generic entrants, pricing and discounting;
- the safety and efficacy results of our clinical trials and other required studies for expansion of the indications for our Products and approval of any product candidates and the data to support such clinical trials, potential regulatory approval or further development of any of our Products or product candidates;
- our ability to meet the postmarketing study requirements within the mandated timelines of the U.S. Food and Drug Administration ("FDA") and to obtain favorable results and comply with standard postmarketing requirements, including U.S. federal advertising and promotion laws, federal and state anti-fraud and abuse laws, healthcare information privacy and security laws, safety information, safety surveillance and disclosure of payments or other transfers of value to healthcare professionals and entities for Products or any of our product candidates;

- our ability to successfully develop and achieve regulatory approval for any product candidates utilizing our proprietary Biochronomer<sup>®</sup> drug delivery technology ("Biochronomer Technology");
- our ability to establish key collaborations and vendor relationships for our Products and any product candidates;
- our ability to successfully develop and commercialize any technology that we may in-license or products we may acquire;
- our ability to establish and maintain arrangements for the manufacture of our Products and product candidates and the ability and sufficiency of our current manufacturing third-party partners to produce clinical and commercial quantities of our Products and product candidates without delays, supply constraints or changes in the regulatory or geopolitical environment;
- the failure to renew, or the revocation of, any license or other required permits;
- our ability to scale manufacturing capacity appropriately to meet demand;
- unanticipated delays due to manufacturing difficulties, supply constraints or changes in the regulatory environment, including as a result of geopolitical uncertainty;
- our ability to successfully operate in non-U.S. jurisdictions in which we may choose to do business, including compliance with applicable regulatory requirements and laws;
- our ability to obtain and enforce intellectual property rights to protect our Products, our product candidates, our Biochronomer Technology and our other technology;
- our ability to successfully defend ourselves against pending or threatened litigation or investigations, including unforeseen third-party infringement claims involving our Products and product candidates;
- our inability to achieve, or delay in achieving or sustaining profitability;
- the impacts of global economic and political developments on our business and the financial market, including the impact of geopolitical conflicts and acts of war, terrorism and civil disorder, global pandemics and other public health emergencies, tariffs and other trade protection measures, changes to interest rates and inflationary pressure, natural and man-made disasters, and other sources of volatility, which could result in economic slowdowns or recessions and market disruptions and adversely affect our financial condition, results of operations and cash flows;
- the impact of evolving legal and regulatory requirements and interpretations thereof, including legislative or executive actions, policy changes in governmental agencies and judicial decisions overturning or establishing new precedents;
- changes in the industry we operate;
- our ability to retain, attract and hire key personnel;
- our estimates regarding our capital requirements;
- our ability to obtain additional financing and raise capital as necessary to fund operations or pursue business opportunities;
- the cost and availability of capital and any restrictions imposed by lenders or creditors; and
- the volatility and unpredictability of the stock market, credit market conditions and impact on the value of our common stock and our ability to access capital markets.

You should refer to the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on February 26, 2026, (the "2025 Annual Report"), Quarterly reports on Form 10-Q and other reports for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or to our future financial performance. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements were based on information, plans and estimates as of the date of this Quarterly Report on Form 10-Q, and while we may elect to update these forward-looking statements in our future filings under the Exchange Act, we assume no obligation to update any forward-looking statements to reflect changes in underlying assumptions or

factors, new information, future events or other changes, except as required by law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

**PART I. FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****HERON THERAPEUTICS, INC.****Condensed Consolidated Balance Sheets**  
(In thousands)

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
	<u>(Unaudited)</u>	<u>(See Note 2)</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 26,117	\$ 28,647
Short-term investments	18,667	17,984
Accounts receivable, net	83,693	89,587
Inventory, net	92,539	92,746
Prepaid expenses and other current assets	7,968	9,102
Total current assets	228,984	238,066
Property and equipment, net	12,025	12,403
Other assets	5,207	5,408
Total assets	<u>\$ 246,216</u>	<u>\$ 255,877</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 8,970	\$ 8,994
Accrued clinical and manufacturing liabilities	25,166	26,597
Accrued payroll and employee liabilities	6,390	9,270
Other accrued liabilities	49,990	51,237
Total current liabilities	90,516	96,098
Non-current notes payable, net	108,307	107,899
Non-current convertible notes payable, net	33,327	32,739
Other non-current liabilities	4,929	4,808
Total liabilities	237,079	241,544
Stockholders' equity:		
Common stock	1,886	1,883
Series A convertible preferred stock	1,050	1,050
Additional paid-in capital	1,954,107	1,951,185
Accumulated other comprehensive loss	(6)	4
Accumulated deficit	(1,947,900)	(1,939,789)
Total stockholders' equity	9,137	14,333
Total liabilities and stockholders' equity	<u>\$ 246,216</u>	<u>\$ 255,877</u>

*See accompanying notes.*

**HERON THERAPEUTICS, INC.**

**Condensed Consolidated Statements of Operations and Comprehensive Loss**

(Unaudited)

(In thousands, except per share amounts)

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Net product sales	\$ 34,711	\$ 38,903
Cost of product sales	10,638	8,457
Gross profit	24,073	30,446
Operating expenses:		
Research and development	2,385	2,279
General and administrative	12,145	12,702
Sales and marketing	14,308	12,311
Total operating expenses	28,838	27,292
(Loss) income from operations	(4,765)	3,154
Other expense, net	(3,346)	(519)
Net (loss) income	(8,111)	2,635
Other comprehensive (loss) income:		
Unrealized loss on short-term investments	(10)	(12)
Comprehensive (loss) income	\$ (8,121)	\$ 2,623
Basic net (loss) income per share	\$ (0.04)	\$ 0.02
Diluted net (loss) income per share	\$ (0.04)	\$ 0.01
Weighted average common shares outstanding, basic	189,646	153,490
Weighted average common shares outstanding, diluted	189,646	196,921

*See accompanying notes.*

**HERON THERAPEUTICS, INC.**

**Condensed Consolidated Statements of Stockholders' Equity (Deficit)**

(Unaudited)  
(In thousands)

	<u>Common Stock</u>		<u>Series A Preferred Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
<b>Balance as of December 31, 2025</b>	188,314	\$ 1,883	70	\$ 1,050	\$ 1,951,185	\$ 4	\$ (1,939,789)	\$ 14,333
Issuance of common stock under equity incentive plan	262	3	—	—	(54)	—	—	(51)
Stock-based compensation expense	—	—	—	—	2,976	—	—	2,976
Net loss	—	—	—	—	—	—	(8,111)	(8,111)
Net unrealized loss on short-term investments	—	—	—	—	—	(10)	—	(10)
Comprehensive loss	—	—	—	—	—	—	—	(8,121)
<b>Balance as of March 31, 2026 (unaudited)</b>	188,576	\$ 1,886	70	\$ 1,050	\$ 1,954,107	\$ (6)	\$ (1,947,900)	\$ 9,137

	<u>Common Stock</u>		<u>Series A Preferred Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' (Deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
<b>Balance as of December 31, 2024</b>	152,128	\$ 1,521	—	\$ —	\$ 1,884,409	\$ 13	\$ (1,919,594)	\$ (33,651)
Issuance of common stock under equity incentive plan	299	3	—	—	61	—	—	64
Stock-based compensation expense	—	—	—	—	2,511	—	—	2,511
Net income	—	—	—	—	—	—	2,635	2,635
Net unrealized loss on short-term investments	—	—	—	—	—	(12)	—	(12)
Comprehensive income	—	—	—	—	—	—	—	2,623
<b>Balance as of March 31, 2025 (unaudited)</b>	152,427	\$ 1,524	—	\$ -	\$ 1,886,981	\$ 1	\$ (1,916,959)	\$ (28,453)

*See accompanying notes.*

**HERON THERAPEUTICS, INC.**

**Condensed Consolidated Statements of Cash Flows**

(Unaudited)  
(In thousands)

	Three Months Ended March 31,	
	2026	2025
<b>Operating activities:</b>		
Net (loss) income	\$ (8,111)	\$ 2,635
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Stock-based compensation expense	2,976	2,511
Depreciation and amortization	529	551
Amortization of debt discount and debt issuance costs	220	211
Accretion of discount on short-term investments	(144)	(281)
Retirement and impairment of property and equipment	7	—
Gain on disposal of property and equipment	—	(34)
Change in operating assets and liabilities:		
Accounts receivable	5,894	145
Inventory	(169)	(3,772)
Prepaid expenses and other assets	1,122	(8,604)
Accounts payable	(24)	624
Accrued clinical and manufacturing liabilities	(611)	(5,466)
Accrued payroll and employee related liabilities	(2,880)	(3,103)
Other accrued expenses	(349)	5,713
Net cash used in operating activities	(1,540)	(8,870)
<b>Investing activities:</b>		
Purchases of short-term investments	(13,139)	(22,902)
Maturities and sales of short-term investments	12,591	25,242
Purchases of property and equipment	(391)	(109)
Proceeds from sale of property and equipment	—	42
Net cash (used in) provided by investing activities	(939)	2,273
<b>Financing activities:</b>		
(Payments) receipts for stock issued under the equity incentive plan	(51)	64
Net cash (used in) provided by financing activities	(51)	64
Net decrease in cash and cash equivalents	(2,530)	(6,533)
Cash and cash equivalents at beginning of period	28,647	25,802
Cash and cash equivalents at end of period	\$ 26,117	\$ 19,269
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ 2,627	\$ 636

*See accompanying notes.*

# HERON THERAPEUTICS, INC.

## Notes to Condensed Consolidated Financial Statements (Unaudited)

### 1. Business

We are a commercial-stage biotechnology company focused on improving the lives of patients by developing and commercializing therapeutic innovations that improve medical care. Our advanced science, patented technologies, and innovative approach to drug discovery and development have allowed us to create and commercialize a portfolio of products that aim to advance the standard of care for acute care and oncology patients.

ZYNRELEF<sup>®</sup> (bupivacaine and meloxicam) extended-release solution ("ZYNRELEF") is approved in the United States ("U.S.") for the management of postoperative pain. APONVIE<sup>®</sup> (aprepitant) injectable emulsion ("APONVIE") is approved in the U.S. for the prevention of postoperative nausea and vomiting. CINVANTI<sup>®</sup> (aprepitant) injectable emulsion ("CINVANTI") and SUSTOL<sup>®</sup> (granisetron) extended-release injection ("SUSTOL") are both approved in the U.S. for the prevention of chemotherapy-induced nausea and vomiting.

As of March 31, 2026, we had cash, cash equivalents and short-term investments of \$44.8 million. Based on our current operating plan and projections, management believes that the Company's cash, cash equivalents and short-term investments will be sufficient to meet the Company's anticipated cash requirements for a period of at least one year from the issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. We have based this estimate on assumptions that may prove wrong, and we could utilize our available capital resources sooner than we currently expect, which would have a material impact on our operations.

### 2. Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the requirements of the SEC for interim reporting. Accordingly, since they are interim statements, they do not include all of the information and disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2026, are not necessarily indicative of the results that may be expected for other quarters or the year ending December 31, 2026. The condensed consolidated balance sheet as of December 31, 2025 has been derived from the audited consolidated financial statements as of that date. For more complete financial information, these condensed consolidated financial statements and the related notes thereto should be read in conjunction with the audited consolidated financial statements included in our 2025 Annual Report.

### 3. Accounting Policies

#### *Principles of Consolidation*

The accompanying condensed consolidated financial statements include the accounts of Heron Therapeutics, Inc. and its wholly owned subsidiary, Heron Therapeutics B.V., which was organized in the Netherlands in March 2015. Heron Therapeutics B.V. has no operations and no material assets or liabilities, and there have been no significant transactions related to Heron Therapeutics B.V. since its inception.

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. Our significant accounting policies that involve significant judgment and estimates include revenue recognition, investments, inventory and the related reserves, accrued clinical and manufacturing liabilities, income taxes, stock-based compensation and accounting for debt and equity transactions. Actual results could differ materially from those estimates.

#### *Cash, Cash Equivalents and Short-Term Investments*

Cash and cash equivalents consist of cash and highly liquid investments with contractual maturities of three months or less from the original purchase date.

Short-term investments consist of securities with contractual maturities of greater than three months from the original purchase date. Securities with contractual maturities greater than one year are classified as short-term investments on the condensed consolidated balance sheets, as we have the ability, if necessary, to liquidate these securities to meet our liquidity needs in the next 12 months. We have classified our short-term investments as available-for-sale securities in the accompanying condensed consolidated financial statements. Available-for-sale securities are stated at fair market value, with net changes in unrealized gains and losses reported in other comprehensive (loss) income and realized gains and losses included in other expense, net. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in interest income within other expense, net.

Our bank and investment accounts have been placed under a control agreement in accordance with our working capital facility agreement (see Note 8 - Long-Term Debt and Convertible Notes).

### ***Concentration of Credit Risk***

Cash, cash equivalents and short-term investments are financial instruments that potentially subject us to concentrations of credit risk. We deposit our cash in financial institutions. At times, such deposits may be in excess of insured limits. We have not experienced any losses in such accounts and believe we are not exposed to significant risk with respect to our cash, cash equivalents and short-term investments, however, any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations and cash flows.

We may also invest our excess cash in money market funds, U.S. government and agencies, corporate debt securities and commercial paper. We have established guidelines relative to our diversification of our cash investments and their maturities in an effort to maintain safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates.

ZYNRELEF, APONVIE, CINVANTI and SUSTOL are distributed in the U.S. through a limited number of specialty distributors and full line wholesalers (collectively, "Customers") that resell to healthcare providers and hospitals, the end users of our Products.

The following table includes the percentage of net product sales and accounts receivable balances for our three major Customers, each of which comprised 10% or more of our product sales:

	<b>Net Product Sales</b> <b>Three Months Ended</b> <b>March 31, 2026</b>	<b>Accounts</b> <b>Receivable</b> <b>As of</b> <b>March 31, 2026</b>
Customer A	36.4%	36.2%
Customer B	36.2%	36.1%
Customer C	25.4%	27.4%
Total	<u>98.0%</u>	<u>99.7%</u>

### ***Accounts Receivable, Net***

Accounts receivable are recorded at the invoice amount, net of an allowance for credit losses. The allowance for credit losses reflects accounts receivable balances that are believed to be uncollectible. In estimating the allowance for credit losses, we consider (1) our historical experience with collections and write-offs; (2) the credit quality of our Customers and any recent or anticipated changes thereto; (3) the outstanding balances and past due amounts from our Customers; and (4) reasonable and supportable forecast of economic conditions expected to exist throughout the contractual term of the receivable. As of March 31, 2026, and December 31, 2025, we do not have an allowance for credit losses.

### ***Inventory, Net***

Inventory is stated at the lower of cost or estimated net realizable value on a first-in, first-out, or FIFO, basis. We periodically analyze our inventory levels and write down inventory that has become obsolete, inventory that has a cost basis in excess of its estimated realizable value and inventory quantities that are in excess of expected sales requirements as cost of product sales. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required, which would be recorded as cost of product sales.

### ***Property and Equipment, Net***

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets (generally 5 years). Leasehold improvements are stated at cost and amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

### ***Leases***

We determine if an arrangement is a lease or contains lease components at inception. Operating leases with an initial term greater than 12 months are recorded as lease liabilities with corresponding right-of-use ("ROU") lease assets on the condensed consolidated balance sheets. ROU lease assets represent our right to use the underlying assets over the lease term, and lease liabilities represent the present value of our obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. The ROU lease assets equal the lease liabilities, less unamortized lease incentives, unamortized initial direct costs and the cumulative difference between rent expense and amounts paid under the lease. The lease term includes any option to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense is recognized on a straight-line basis over the lease term. We have elected the practical expedient to not separate lease and non-lease components.

### ***Revenue Recognition***

Revenue is recognized in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). Topic 606 is based on the principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

### ***Product Sales***

Our Products are distributed in the U.S. through a limited number of Customers that resell to healthcare providers and hospitals, the end users of our Products.

Revenue is recognized in an amount that reflects the consideration we expect to receive in exchange for our Products. To determine revenue recognition for contracts with Customers within the scope of Topic 606, we perform the following five steps: (i) identify the contract(s) with a Customer; (ii) identify the performance obligations of the contract(s); (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract(s); and (v) recognize revenue when (or as) we satisfy the performance obligations. We recognize revenue from Product sales when there is a transfer of control of the Product to our Customers. We typically determine transfer of control based on when the Product is delivered, and title passes to our Customers.

### ***Product Sales Allowances***

We recognize product sales allowances as a reduction of product sales in the same period the related revenue is recognized. Product sales allowances are based on amounts owed or to be claimed on the related sales. Such variable consideration includes estimates that take into consideration the terms of our agreements with Customers, historical product returns, rebates or discounts taken, the shelf life of the product and specific known market events, such as competitive pricing and new product introductions. If actual future results vary from our estimates, we may need to adjust these estimates, which could have an effect on product sales and earnings in the period of adjustment. Our product sales allowances include:

- **Product Returns**—We allow the majority of our Customers to return product for credit beginning three months prior to the product expiration date and up to 12 months after the product expiration date. As such, there may be a significant period of time between the time the product is shipped and the time the credit is issued on returned product.
- **Distributor Fees**—We pay distribution service fees to our Customers based on a contractually fixed percentage of the wholesale acquisition costs and fees for data. These fees are paid no later than two months after the quarter in which product was shipped.

- **Group Purchasing Organization ("GPO") Discounts and Rebates**—We offer cash discounts to GPO members. These discounts are taken when the GPO members purchase product from our Customers, who then charge back to us the discount amount. Additionally, we offer volume and contract-tier rebates to GPO members. Rebates are based on actual purchase levels during the quarterly rebate purchase period.
- **GPO Administrative Fees**—We pay administrative fees to GPOs for services and access to data. These fees are based on contracted terms and are paid after the quarter in which the product was purchased by the GPO's members.
- **Medicaid Rebates**—We participate in Medicaid rebate programs, which provide assistance to certain low-income patients based on each individual state's guidelines regarding eligibility and services. Under the Medicaid rebate programs, we pay a rebate to each participating state, generally within six months after the quarter in which the product was sold.
- **Prompt Pay Discounts**—We may provide discounts on product sales to our Customers for prompt payment based on contractual terms.

We believe our estimated allowance for product returns and GPO discounts requires a high degree of judgment and is subject to change based on our experience and certain quantitative and qualitative factors. We believe our estimated allowances for distributor fees, GPO rebates and administrative fees, Medicaid rebates and prompt pay discounts do not require a high degree of judgment because the amounts are settled within a relatively short period of time.

Our product sales allowances and related accruals are evaluated each reporting period and adjusted when trends or significant events indicate that a change in estimate is appropriate. Changes in product sales allowance estimates could materially affect our results of operations and financial position.

The following table provides disaggregated net product sales (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
CINVANTI net product sales	\$ 20,535	\$ 25,742
SUSTOL net product sales	547	2,859
ZYNRELEF net product sales	10,235	8,042
APONVIE net product sales	3,394	2,260
<b>Total net product sales</b>	<b>\$ 34,711</b>	<b>\$ 38,903</b>

The following table provides a summary of activity with respect to our product returns, distributor fees and discounts, rebates and administrative fees, which are included in other accrued liabilities on the condensed consolidated balance sheets (in thousands):

	<b>Product Returns</b>	<b>Distributor Fees</b>	<b>Discounts, Rebates and Administrative Fees</b>	<b>Total</b>
Balance at December 31, 2025	\$ 4,515	\$ 7,328	\$ 34,152	\$ 45,995
Provision	94	8,183	52,364	\$ 60,641
Payments/credits	(382)	(9,087)	(52,529)	\$ (61,998)
Balance at March 31, 2026	<u>\$ 4,227</u>	<u>\$ 6,424</u>	<u>\$ 33,987</u>	<u>\$ 44,638</u>

### **Comprehensive Loss**

Comprehensive loss is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Net changes in unrealized gains and losses on available-for-sale securities are included in other comprehensive loss and represent the difference between our net loss and comprehensive loss for all periods presented.

### **Net Loss per Share**

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period, including pre-funded warrants to purchase shares of common stock. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock and common stock equivalents outstanding for

the period determined using the treasury stock method. For purposes of this calculation, stock options, restricted stock units, warrants and shares of common stock underlying convertible notes are considered to be common stock equivalents and are included in the calculation of diluted net loss per share only when their effect is dilutive.

Because we have incurred a net loss for the three months ended March 31, 2026, the following common stock equivalents were not included in the computation of net loss per share because their effect would be anti-dilutive (in thousands):

	<u>As of March 31,</u> <u>2026</u>
Stock options outstanding	28,512
Restricted stock units outstanding	11,340
Warrants outstanding	298
Series A Preferred Stock convertible to common shares	700
Shares of common stock underlying convertible notes outstanding	19,444

For the three months ended March 31, 2025, we recognized net income. Accordingly, the computations of the numerator (earnings or loss) and denominator (shares) to calculate the basic and diluted earnings per share amounts presented in the accompanying condensed consolidated statements of operations and comprehensive income (loss) are as follows (in thousands, except per share amounts):

	<u>Three Months Ended</u> <u>March 31, 2025</u>	
	<u>Income</u>	<u>Shares</u>
<b>Basic:</b>		
Net income	\$ 2,635	153,490
Earnings per share, basic	\$ 0.02	
<b>Diluted:</b>		
Net income	\$ 2,635	153,490
Effect of dilutive securities:		
Stock options outstanding	—	29,462
Restricted stock units outstanding	—	3,852
Warrants outstanding	—	298
Shares of common stock underlying convertible notes outstanding	—	9,819
Net income, diluted	\$ 2,635	196,921
Earnings per share, diluted	\$ 0.01	

### **Segment Reporting**

Management, upon consideration of the organizational structure of the business and information reviewed by the Company's Chief Executive Officer, who is also the Company's chief operating decision maker ("CODM"), has concluded that we have one reportable segment. All revenues for the three months ended March 31, 2026 and 2025 were generated from customers in the U.S. The CODM allocates resources and evaluates the performance of the reportable segment, which is the consolidated entity, primarily based on net loss as reported on the consolidated statements of operations and comprehensive loss. The significant expenses reviewed by the CODM are cost of product sales, research and development expenses, general and administrative expenses, and sales and marketing expenses as reported on the consolidated statements of operations and comprehensive loss. The Company's operating segments do not record intercompany revenue nor allocate any expenses. The CODM does not evaluate operating segments using discrete asset information.

### Recently Issued Accounting Standards Not Yet Adopted

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that we adopt as of the specified effective date. We have evaluated recently issued accounting pronouncements and do not believe any will have a material impact on our condensed consolidated financial statements or related financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires disaggregated disclosures of certain categories of expenses that are included in the face of the financial statements. This standard is effective for fiscal years beginning after December 15, 2026 and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact on our disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which provides clarity regarding the existing required interim GAAP disclosures. This standard is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact on our disclosures.

### 4. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Observable inputs such as 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 for similar assets or liabilities; quoted prices 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.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We measure cash, cash equivalents and short-term investments at fair value on a recurring basis. The fair values of such assets were as follows (in thousands):

	Balance at March 31, 2026	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market funds	\$ 21,466	\$ 21,466	\$ —	\$ —
U.S. treasury bills and government agency obligations	9,651	9,651	—	—
Foreign commercial paper	6,339	—	6,339	—
Foreign corporate debt securities	3,382	—	3,382	—
U.S. corporate debt securities	2,261	—	2,261	—
U.S. commercial paper	1,685	—	1,685	—
Total	<u>\$ 44,784</u>	<u>\$ 31,117</u>	<u>\$ 13,667</u>	<u>\$ —</u>

	Fair Value Measurements at Reporting Date Using			
	Balance at December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market funds	\$ 22,313	\$ 22,313	\$ —	\$ —
U.S. treasury bills and government agency obligations	9,534	9,534	—	—
Foreign commercial paper	3,979	—	3,979	—
Foreign corporate debt securities	2,225	—	2,225	—
U.S. corporate debt securities	7,035	—	7,035	—
U.S. commercial paper	1,545	—	1,545	—
<b>Total</b>	<b>\$ 46,631</b>	<b>\$ 31,847</b>	<b>\$ 14,784</b>	<b>\$ —</b>

We have not transferred any investment securities between the three levels of the fair value hierarchy for the three months ended March 31, 2026 or 2025.

As of March 31, 2026, cash equivalents included \$11.3 million of available-for-sale securities with contractual maturities of three months or less and short-term investments included \$7.1 million of available-for-sale securities with contractual maturities of three months to one year. As of December 31, 2025, cash equivalents included \$11.6 million of available-for-sale securities with contractual maturities of three months or less and short-term investments included \$5.4 million of available-for-sale securities with contractual maturities of three months to one year. The money market funds as of March 31, 2026 and December 31, 2025 are included in cash and cash equivalents on the condensed consolidated balance sheets.

A company may elect to use fair value to measure accounts receivable, available-for-sale securities, accounts payable, guarantees and issued debt, among others. If the use of fair value is elected, any upfront costs and fees related to the item such as debt issuance costs must be recognized in earnings and cannot be deferred. The fair value election is irrevocable and generally made on an instrument-by-instrument basis, even if a company has similar instruments that it elects not to measure based on fair value. Unrealized gains and losses on existing items for which fair value has been elected are reported as a cumulative adjustment to beginning retained earnings and any changes in fair value are recognized in earnings. We have elected to not apply the fair value option to our financial assets and liabilities.

Financial instruments, including cash, cash equivalents, receivables, inventory, prepaid expenses, other current assets, accounts payable and accrued expenses are carried at cost, which is considered to be representative of their respective fair values because of the short-term maturity of these instruments. Short-term available-for-sale investments are carried at fair value. Our notes payable and convertible notes payable outstanding at March 31, 2026 and December 31, 2025 do not have a readily available ascertainable market value; however, their carrying value, which is measured at carrying value less unamortized debt issuance costs and debt discounts, is considered to approximate their fair value.

## 5. Short-Term Investments

The following is a summary of our short-term investments (in thousands):

	March 31, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. treasury bills and government agency obligations	\$ 8,155	\$ —	\$ —	\$ 8,155
Foreign commercial paper	6,341	—	(2)	6,339
Foreign corporate debt securities	2,586	—	(2)	2,584
U.S. corporate debt securities	799	—	(2)	797
U.S. commercial paper	792	—	—	792
<b>Total</b>	<b>\$ 18,673</b>	<b>\$ —</b>	<b>\$ (6)</b>	<b>\$ 18,667</b>

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. treasury bills and government agency obligations	\$ 5,542	\$ 2	\$ —	\$ 5,544
U.S. corporate debt securities	5,439	1	—	5,440
Foreign commercial paper	3,979	—	—	3,979
U.S. commercial paper	1,545	—	—	1,545
Foreign corporate debt securities	1,475	1	—	1,476
Total	<u>\$ 17,980</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 17,984</u>

The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. We regularly monitor and evaluate the realizable value of our marketable securities. We did not recognize any impairment losses during the three months ended March 31, 2026 and 2025.

Unrealized gains and losses associated with our investments are reported in accumulated other comprehensive loss. Realized gains and losses associated with our investments, if any, are reported in the statements of operations and comprehensive loss. We did not recognize any realized gains or losses during the three months ended March 31, 2026 and 2025.

## 6. Inventory

Inventory consists of the following (in thousands):

	March 31, 2026	December 31, 2025
Raw materials	\$ 60,558	\$ 59,250
Work in process	21,622	26,613
Finished goods	10,359	6,883
Total inventory	<u>\$ 92,539</u>	<u>\$ 92,746</u>

	March 31, 2026	December 31, 2025
CINVANTI	\$ 26,631	\$ 27,417
SUSTOL	951	1,307
ZYNRELEF	61,266	60,436
APONVIE	3,691	3,586
Total inventory	<u>\$ 92,539</u>	<u>\$ 92,746</u>

For the three months ended March 31, 2026, cost of product sales included charges of \$0.3 million relating to reserves and write-offs of inventory. For the three months ended March 31, 2025, we did not incur any charges relating to reserves and write-offs of inventory.

## 7. Commitments and Contingencies

### *Litigation and other contingencies*

The Company is, from time to time, subject to a variety of litigation and other proceedings incidental to its business, including lawsuits involving claims relating to intellectual property matters, employment matters, commercial disputes; as well as regulatory investigations or enforcement. The Company may also become subject to lawsuits as a result of past or future acquisitions, or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with divested businesses. Some of these lawsuits may include claims for punitive and consequential as well as compensatory damages. Based upon experience, current information and applicable law, the Company does not believe that these proceedings and claims will have a material adverse effect on its financial position, results of operations or cash flows.

### *Leases*

In August 2025, we entered into a lease agreement for 16,837 square feet of office space in Cary, North Carolina, with the lease term expected to commence no later than May 25, 2026 (“lease commencement date”) and expire 111 months from the lease

commencement date, with the option to extend for one additional period of 84 months upon written notice. As the lease commencement date has not yet occurred, no right-of-use asset or lease liability has been recognized in the accompanying condensed consolidated financial statements. We provided the landlord with a letter of credit for \$0.2 million, which is included within cash and cash equivalents in the condensed consolidated balance sheet.

In December 2025, we entered into a short-term lease agreement for 9,882 square feet of office space in Cary, North Carolina, with a lease term that expired on February 28, 2026.

During the three months ended March 31, 2026, we recognized \$0.1 million of operating lease expense. During the three months ended March 31, 2026, we paid \$0.1 million for our operating leases.

During the three months ended March 31, 2025, we recognized \$0.8 million of operating lease expense. During the three months ended March 31, 2025, we paid \$0.8 million for our operating leases.

## **8. Long-Term Debt and Convertible Notes**

### ***Working Capital Facility Agreement***

On August 9, 2023, we entered into a working capital facility agreement (the "Initial Working Capital Facility Agreement") with Hercules Capital, Inc., as administrative agent, collateral agent, and lender (the "Lender"). The Initial Working Capital Facility Agreement provided for an aggregate principal amount of up to \$50.0 million with tranches availability as follows: (i) \$25.0 million at closing on August 9, 2023 ("tranche 1A"), (ii) \$5.0 million available through December 15, 2024 ("tranche 1B") and (iii) \$20.0 million available from the earlier of: (a) the full draw of tranche 1B and (b) the expiration of tranche 1B, and available through December 15, 2025 ("tranche 1C"), and in the case of tranches 1B and 1C, subject to certain customary conditions to draw down.

The Initial Working Capital Facility Agreement had a term of four years, with a springing maturity date that was 91 days prior to the stated maturity of our 2026 Convertible Notes (as defined below), if still outstanding at such time. The loans thereunder did not have any scheduled amortization payments and accrued interest at a floating rate equal to 9.95% per annum, payable in cash on a monthly basis and upon maturity or payoff. In addition, any loans under the Initial Working Capital Facility Agreement also accrued paid-in-kind interest at a fixed rate of 1.5% per annum which was due upon maturity or payoff.

In addition, in connection with the tranche 1A funding, we issued warrants to the Lender to purchase up to 297,619 shares of our common stock at an exercise price of \$1.68 per share (the "Lender Warrants"). The Lender Warrants are equal to 2.00% of the principal amount of the tranche 1A loans funded by the Lender (the "Warrant Coverage"). The Initial Working Capital Facility Agreement also required that we issue additional warrants to the Lender at the time of each draw down of tranches 1B and 1C with the same Warrant Coverage. Each Lender Warrant is exercisable for seven years from the date of issuance. The Lender Warrant issued in conjunction with the tranche 1A funding remains outstanding at March 31, 2026.

On February 13, 2025, we entered into an amendment to the Initial Working Capital Facility Agreement (the "First Amendment to the Working Capital Facility Agreement") to extend the maturity date to the earlier of (a) September 1, 2027 and (b) to the extent that any of the 2026 Convertible Notes remain outstanding on such date, (i) May 12, 2026 or (ii) in the event that the maturity date of any 2026 Convertible Notes is extended, prior to May 12, 2026, to August 11, 2026, or later, the date that is 91 days prior to the maturity date of such further extended 2026 Convertible Notes.

On August 8, 2025, we entered into an amendment to the Initial Working Capital Facility Agreement, as amended by the First Amendment to the Working Capital Facility Agreement (the "Second Amendment to the Working Capital Facility Agreement"). The Second Amendment to the Working Capital Facility Agreement (i) provides for an aggregate principal amount of up to \$150.0 million plus the accrued and unpaid paid-in-kind interest on the existing debt under the Initial Working Capital Facility Agreement at closing on August 12, 2025, (ii) extends the maturity date under the First Amendment to the Working Capital Facility Agreement to September 1, 2030, (iii) adjusts the interest rate to Prime, with a 7.5% floor, plus 1.95%, (iv) adjusts the paid-in-kind interest rate to 1.0% per annum, which is due upon maturity or payoff, (v) provides for payment of a 1.0% upfront facility charge and an end of term charge of up to 6.25% of principal drawn. The loans under the Second Amendment to the Working Capital Facility Agreement do not have any scheduled amortization payments. The approximately \$150.0 million aggregate principal has tranches availability as follows: (i) \$110.0 million plus capitalized paid-in-kind interest of approximately \$0.8 million on August 12, 2025 ("tranche 1"), (ii) \$20.0 million available through December 15, 2026 ("tranche 2") and (iii) \$20.0 million available from the earlier of: (a) the full draw

of tranche 2 and (b) September 30, 2027 (“tranche 3”), and in the case of tranches 2 and 3, subject to certain customary conditions to draw down.

The Second Amendment to the Working Capital Facility Agreement contains a minimum cash covenant, a minimum revenue covenant and a minimum EBITDA covenant. The Second Amendment to the Working Capital Facility Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness, and dividends and other distributions, subject to certain exceptions.

On January 30, 2026, we entered into an amendment to the Initial Working Capital Facility Agreement, as amended by the First Amendment to the Working Capital Facility Agreement and the Second Amendment to the Working Capital Facility Agreement (the “Third Amendment to Working Capital Facility Agreement”) to increase the end of term charge to be up to 6.50%, depending on the end of term. We were in compliance with all covenants of the Third Amendment to the Working Capital Facility Agreement as of March 31, 2026.

The Initial Working Capital Facility Agreement, together with the First Amendment to the Working Capital Facility Agreement, the Second Amendment to the Working Capital Facility Agreement and the Third Amendment to the Working Capital Facility Agreement are referred to collectively as the “Working Capital Facility Agreement”.

The Second Amendment to the Working Capital Facility Agreement was accounted for in accordance with ASC Topic 470, Debt. Amendments are assessed by management to determine appropriate treatment as troubled debt restructurings, extinguishments or modifications. The Second Amendment to the Working Capital Facility Agreement qualifies as a debt extinguishment and issuance of a new debt instrument. We recorded a loss on extinguishment during the quarter ended September 30, 2025, of \$5.5 million, equal to the carrying value of the Second Amendment to the Working Capital Facility Agreement less the carrying value of the First Working Capital Facility Agreement on August 12, 2025 of \$0.3 million, the facility charge of \$1.1 million paid to the lenders, the remaining Initial Working Capital Facility Agreement end of term fee of \$0.2 million and the present value of Second Amendment to the Working Capital Facility Agreement end of term fee of \$3.9 million. The Initial Working Capital Facility Agreement end of term fee is payable on September 1, 2027. The remaining Second Amendment to the Working Capital Facility Agreement end of term fee will be accreted to interest expense over the term of the agreement using the effective interest rate method.

The Third Amendment to the Working Capital Facility Agreement was accounted for in accordance with ASC Topic 470, Debt. Amendments are assessed by management to determine appropriate treatment as troubled debt restructurings, extinguishments or modifications. The Third Amendment to the Working Capital Facility Agreement qualifies as a modification.

The tranche 1 funding under the Second Amendment to the Working Capital Facility Agreement of \$110.0 million plus the accrued and unpaid paid-in-kind interest of \$0.7 million from the Initial Working Capital Facility Agreement are accounted for as debt and was recorded as a liability on the condensed consolidated balance sheets. In addition, the additional borrowings available under the Second Amendment to the Working Capital Facility Agreement are accounted for as a single freestanding financial instrument that are not assets or obligations of ours and will be accounted for when and if we borrow additional tranches in the future.

In connection with the Second Amendment to the Working Capital Facility Agreement, we incurred debt issuance costs of \$3.5 million, which was recorded as a debt discount. The debt discount is being amortized into interest expense using the effective interest rate method over the term of the Second Amendment to the Working Capital Facility Agreement. The effective interest rate as of March 31, 2026 is 11.7%.

For the three months ended March 31, 2026, interest expense related to the Working Capital Facility Agreement was \$3.2 million, which included \$2.6 million related to the stated interest rate, \$0.3 million related to paid-in-kind interest, and \$0.3 million related to the amortization of the debt discounts and accretion of the end of term fee.

For the three months ended March 31, 2025, interest expense related to the Working Capital Facility Agreement was \$0.9 million, which included \$0.6 million related to the stated interest rate, \$0.1 million related to paid-in-kind interest, and \$0.2 million related to the amortization of the debt discounts.

As of March 31, 2026, the carrying value of the Working Capital Facility Agreement was \$108.3 million, which is comprised of the \$110.8 million principal amount outstanding, \$0.7 million of accumulated paid-in-kind interest, less debt discounts of \$3.2 million.

The end of term fee accreted as of March 31, 2026, of \$4.9 million is recorded in other non-current liabilities on the condensed consolidated balance sheets.

### ***2026 Senior Unsecured Convertible Notes***

In May 2021, we entered into a note purchase agreement with funds affiliated with Baker Bros. Advisors LP for a private placement of \$150.0 million aggregate principal amount of senior unsecured convertible notes due 2026 (the “2026 Convertible Notes”). We received a total of \$149.0 million, net of issuance costs, from the issuance of the 2026 Convertible Notes.

The 2026 Convertible Notes bear interest at a rate of 1.5% per annum, payable in cash semi-annually in arrears on June 15 and December 15 of each year with a maturity date of May 26, 2026, unless earlier converted, redeemed or repurchased.

The 2026 Convertible Notes were accounted for in accordance with ASC Subtopic 470-20, Debt with Conversion and Other Options (“ASC 470-20”), and ASC Subtopic 815-40, Contracts in Entity's Own Equity (“ASC 815-40”). Under ASC 815-40, to qualify for equity classification (or non-bifurcation, if embedded), the instrument (or embedded feature) must be both (1) indexed to the issuer's stock and (2) meet the requirements of the equity classification guidance. Based upon our analysis, it was determined that the 2026 Convertible Notes do contain embedded features indexed to our common stock, but do not meet the requirements for bifurcation, and therefore do not need to be separately accounted for as an equity component. Since the embedded conversion feature meets the equity scope exception from derivative accounting, and, also since the embedded conversion option does not need to be separately accounted for as an equity component under ASC 470-20, the proceeds received from the issuance of the 2026 Convertible Notes were recorded as a liability on the condensed consolidated balance sheets.

We incurred issuance costs related to the 2026 Convertible Notes of \$1.0 million, which we recorded as debt issuance costs and were included as a reduction to the 2026 Convertible Notes on the condensed consolidated balance sheets. The debt issuance costs are being amortized to interest expense using the effective interest rate method over the term of the 2026 Convertible Notes, resulting in an effective interest rate of 1.6%.

On August 8, 2025, we entered into an exchange agreement pursuant to which \$150.0 million aggregate principal amount of the 2026 Convertible Notes outstanding were exchanged for (i) 16,666,666 shares of common stock for an aggregate principal amount of \$25.0 million of the 2026 Convertible Notes and (ii) the remaining \$125.0 million plus accrued and unpaid interest under the 2026 Convertible Notes paid in cash, and which closed on August 12, 2025. As of March 31, 2026, no 2026 Convertible Notes remain outstanding.

The exchange agreement was accounted for in accordance with ASC 470-20, after the adoption of ASU 2024-04, whereby we concluded that the exchange did not qualify as an induced conversion. Thus, we accounted for the exchange as a debt extinguishment. We recorded a loss on extinguishment during the quarter ended September 30, 2025 of \$5.8 million, which was equal to the carrying value of the 2026 Convertible Notes less the fair value of the consideration offered in the exchange. The fair value of the consideration offered in the exchange was determined to be \$125.0 million for the cash consideration and \$30.7 million for the common shares offered. The fair value of the common stock exchanged was determined using the closing price of the common stock on August 7, 2025.

For the three months ended March 31, 2025, interest expense related to the 2026 Convertible Notes was \$0.6 million, which included \$0.5 million related to the stated interest rate and \$0.1 million related to the amortization of debt issuance costs.

### ***2031 Senior Unsecured Convertible Notes***

On August 8, 2025, we entered into a note purchase agreement with a fund affiliated with Rubric Capital Management LP, for a private placement of \$35.0 million aggregate principal amount of senior unsecured convertible notes due 2031 (the “2031 Convertible Notes”), which closed on August 12, 2025. We received a total of \$31.9 million, net of issuance costs and original issuance discount, from the issuance of the 2031 Convertible Notes.

The 2031 Convertible Notes were issued at par. The 2031 Convertible Notes bear interest at a rate of 5.0% per annum, payable in cash semi-annually in arrears on March 1 and September 1 of each year, or at a rate of 7.0% per annum for paid-in-kind interest prior to September 1, 2026. The 2031 Convertible Notes mature on March 1, 2031, unless earlier converted, redeemed or repurchased.

The 2031 Convertible Notes are subject to redemption at our option, after September 1, 2026, but only if the last reported sale price per share of our common stock exceeds 200% of the conversion price for a specified period of time. The redemption price will be equal to the principal amount of the 2031 Convertible Notes to be redeemed, plus accrued and unpaid interest.

The 2031 Convertible Notes can be settled in either shares of common stock, cash or a combination of cash and shares of common stock based on the conversion rate in effect on the date of conversion. The initial conversion rate for the 2031 Convertible Notes is 555.5556 shares per \$1,000 principal amount of the 2031 Convertible Notes (equivalent to an initial conversion price of \$1.80 per share of common stock), subject to certain adjustments.

If a holder of the 2031 Convertible Notes converts upon a make-whole fundamental change or Company redemption, the holder may be eligible to receive a make-whole premium through an increase to the conversion rate.

The 19,444,444 shares of common stock issuable upon the conversion, at the option of the holder, of the 2031 Convertible Notes, which includes the maximum number of shares of common stock issuable under the make-whole premium, are registered for resale pursuant to a registration statement filed with and declared effective by the SEC in September 2025.

At a special meeting of stockholders held on October 13, 2025, the Company's stockholders approved, pursuant to Nasdaq Listing Rule 5635(d), the issuance of shares of common stock in connection with the conversion of the 2031 Convertible Notes, which could, under certain circumstances that may occur in the future, exceed 19.99% of the number of shares of the common stock issued and outstanding prior to such issuance.

The 2031 Convertible Notes were accounted for in accordance with ASC 470-20 and ASC 815-40. Under ASC 815-40, to qualify for equity classification (or non-bifurcation, if embedded), the instrument (or embedded feature) must be both (1) indexed to the issuer's stock and (2) meet the requirements of the equity classification guidance. Based upon our analysis, it was determined that the 2031 Convertible Notes do contain embedded features indexed to our common stock, but do not meet the requirements for bifurcation, and therefore do not need to be separately accounted for as an equity component. Since the embedded conversion feature meets the equity scope exception from derivative accounting, and, also since the embedded conversion option does not need to be separately accounted for as an equity component under ASC 470-20, the proceeds received from the issuance of the 2031 Convertible Notes were recorded as a liability on the condensed consolidated balance sheets.

We incurred issuance costs related to the 2031 Convertible Notes of \$1.4 million, which we recorded as debt issuance costs and are included as a reduction to the 2031 Convertible Notes on the condensed consolidated balance sheets. We also incurred an original issuance discount of \$1.75 million, which we recorded as a reduction to the 2031 Convertible Notes on the condensed consolidated balance sheets. The debt issuance costs and original issuance discount are being amortized to interest expense using the effective interest rate method over the term of the 2031 Convertible Notes, resulting in an effective interest rate of 7.14%.

For the three months ended March 31, 2026, interest expense related to the 2031 Convertible Notes was \$0.6 million, which included \$0.6 million related to paid-in-kind interest and \$0.03 million related to the accretion of debt issuance costs.

As of March 31, 2026, the carrying value of the 2031 Convertible Notes was \$33.3 million, which is comprised of the \$35.0 million principal amount of the 2031 Convertible Notes outstanding, \$1.6 million of accumulated paid-in-kind interest, less debt issuance costs of \$3.3 million.

## **9. Private Placement Equity Offering**

On August 8, 2025, we entered into a securities purchase agreement with the purchasers, for a private placement of (i) 13,225,227 shares of common stock at a purchase price of \$1.50 per share and (ii) 524,141 shares of Series A convertible preferred stock, which would automatically convert upon stockholder approval into 5,241,410 shares of common stock, at a conversion price of \$1.50 per share (stated value of \$15.00 per share) for aggregate gross proceeds of \$27.7 million, and which closed on August 12, 2025. In connection with the private placement equity offering, we incurred issuance costs of \$1.5 million. The Series A convertible preferred stock is convertible to common stock at a ratio of ten shares of common stock for each share of Series A convertible preferred stock and has a par value of \$0.01. The Series A convertible preferred stock ranks senior to common stock with respect to dividend rights and rights on the distribution of assets in an event of liquidation. The Series A convertible preferred stockholders have no voting rights and are entitled to receive dividends on an as converted basis in the same form as dividends granted to holders of common stock. Upon a liquidation, the proceeds available for distribution would be paid pari passu among the holders of shares of

common stock and Series A convertible preferred stock, pro rata based on the number of shares held by each such holder and on an as converted basis.

The 13,225,227 shares of common stock and 5,241,410 shares of common stock issuable upon automatic conversion of the Series A convertible preferred stock are registered for resale pursuant to a registration statement filed with and declared effective by the SEC in September 2025.

At a special meeting of stockholders held on October 13, 2025, the Company's stockholders approved, pursuant to Nasdaq Listing Rule 5635(d), the issuance of shares of common stock in connection with the conversion of the Series A convertible preferred stock, which could, under certain circumstances that may occur in the future, exceed 19.99% of the number of shares of the common stock issued and outstanding prior to such issuance.

Upon shareholder approval in October 2025, 454,129 shares of Series A convertible preferred stock were converted to common stock, resulting in the issuance of 4,541,290 shares of common stock. The remaining 70,012 shares of Series A convertible preferred stock are subject to beneficial ownership limitations and thus did not convert to common stock as of March 31, 2026.

## 10. Equity Incentive Plan

### Option Plan Activity

The following table summarizes the stock option activity for the three months ended March 31, 2026:

	Shares (in thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)
Outstanding at December 31, 2025	28,705	\$ 2.98	7.64
Granted	219	\$ 1.14	
Exercised	—	\$ —	
Expired and forfeited	(412)	\$ 6.10	
Outstanding at March 31, 2026	<u>28,512</u>	<u>\$ 2.92</u>	<u>7.42</u>

We estimated the fair value of each option grant on the grant date using the Black-Scholes option pricing model and for market-based stock option grants using the Monte Carlo simulation model. The following are the weighted-average assumptions:

	For the Three Months Ended March 31,	
	2026	2025
Risk-free interest rate	3.9%	4.3%
Dividend yield	0.0%	0.0%
Volatility	79.8%	80.1%
Expected life (years)	6 to 10	6 to 10

The following table summarizes the restricted stock unit activity ("RSUs") for the three months ended March 31, 2026:

	Shares (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2025	3,799	\$ 1.91
Granted	7,947	\$ 1.32
Released	(302)	\$ 1.89
Expired and forfeited	(104)	\$ 1.54
Outstanding at March 31, 2026	<u>11,340</u>	<u>\$ 1.50</u>

The fair value of RSUs is estimated based on the closing market price of our common stock on the date of the grant. RSUs generally vest quarterly over a four-year period.

We estimated the fair value of each purchase right granted under our 1997 Employee Stock Purchase Plan, as amended, at the beginning of each new offering period using the Black-Scholes option pricing model. The following are the weighted average assumptions:

	For the Three Months Ended	
	March 31,	
	2026	2025
Risk-free interest rate	3.8%	4.9%
Dividend yield	0.0%	0.0%
Volatility	71.3%	95.3%
Expected life (months)	6	6

### ***Stock-Based Compensation***

The following table summarizes stock-based compensation expense related to stock-based payment awards granted pursuant to all of our equity compensation arrangements (in thousands):

	Three Months Ended	
	March 31,	
	2026	2025
Research and development	\$ 254	\$ 244
General and administrative	1,854	1,572
Sales and marketing	868	695
Total stock-based compensation expense	\$ 2,976	\$ 2,511

As of March 31, 2026, there was \$29.3 million of total unrecognized compensation cost related to non-vested, stock-based payment awards granted under all of our equity compensation plans and all non-plan option grants. Total unrecognized compensation cost will be adjusted for future changes in estimated forfeitures. We expect to recognize this compensation cost over a weighted-average period of two years.

## **11. Income Taxes**

Deferred income tax assets and liabilities are recognized for temporary differences between financial statements and income tax carrying values using tax rates in effect for the years such differences are expected to reverse. Due to uncertainties surrounding our ability to generate future taxable income and consequently realize such deferred income tax assets, a full valuation allowance has been established. We continue to maintain a full valuation allowance against our deferred tax assets as of March 31, 2026.

The impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will be recognized when it is more likely than not of being sustained. The disclosures regarding uncertain tax positions included in our 2025 Annual Report, continue to be accurate for the three months ended March 31, 2026.

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

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes included in our 2025 Annual Report. Some information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, include forward-looking statements that involve risks and uncertainties. You should review the sections entitled "Forward-Looking Statements" and "Risk Factors" in our 2025 Annual Report, Quarterly Reports on Form 10-Q and other reports for a discussion of important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

### Introduction

Management's discussion and analysis of financial condition and results of operations is provided as a supplement to the consolidated financial statements and notes, included in this Quarterly Report on Form 10-Q to help provide an understanding of our financial condition, the changes in our financial condition and our results of operations. Our discussion is organized as follows:

- *Overview.* This section provides a general description of our business and operating expenses, as well as other matters that we believe are important to understanding our results of operations and financial condition and in anticipating future trends.
- *Critical Accounting Estimates.* This section contains a discussion of the accounting estimates that require a significant level of estimation uncertainty, and changes in which are reasonably likely to have a material effect on our financial condition or results of operations. In addition, all of our significant accounting policies are summarized in Note 3—Accounting Policies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.
- *Results of Operations.* This section provides an analysis of our results of operations presented in the accompanying condensed consolidated statements of operations and comprehensive loss by comparing the results for the three months ended March 31, 2026 and 2025.
- *Liquidity and Capital Resources.* This section provides a discussion of our financial condition and liquidity, an analysis of our cash flows for the three months ended March 31, 2026 and 2025, and a discussion of our outstanding commitments and contingencies that existed as of March 31, 2026.

### Overview

We are a commercial-stage biotechnology company focused on improving the lives of patients by developing and commercializing therapeutic innovations that improve medical care. Our advanced science, patented technologies, and innovative approach to drug discovery and development have allowed us to create and commercialize a portfolio of products that aim to advance the standard of care for acute care and oncology patients.

#### *Acute Care Product Portfolio*

##### **ZYNRELEF**

ZYNRELEF is a dual-acting local anesthetic that delivers a fixed-dose combination of the local anesthetic bupivacaine and a low dose of the nonsteroidal anti-inflammatory drug meloxicam. ZYNRELEF is the first and only modified-release local anesthetic to be classified by the FDA as an extended-release product because ZYNRELEF demonstrated in Phase 3 studies significantly reduced pain and significantly increased proportion of patients requiring no opioids through the first 72 hours following surgery compared to bupivacaine solution, the current standard-of-care local anesthetic for postoperative pain control.

ZYNRELEF was initially approved by the FDA in May 2021, and we commenced commercial sales in the U.S. in July 2021. In each of December 2021 and January 2024, the FDA approved an expansion of ZYNRELEF's indication. ZYNRELEF is approved for use in adults for postsurgical analgesia for up to 72 hours after soft tissue and orthopedic surgical procedures including foot and ankle, and other orthopedic surgical procedures in which direct exposure to articular cartilage is avoided. In September 2024, the FDA approved the prior approval supplement ("PAS") application for ZYNRELEF Vial Access Needle ("VAN"), which is replacing the current vented vial spike.

Through March 31, 2025, ZYNRELEF was reimbursed outside of the surgical bundle payment in the Hospital Outpatient Department ("HOPD") setting of care through pass-through status granted by the Centers for Medicare and Medicaid Services ("CMS").

Effective April 1, 2025, ZYNRELEF is reimbursed through inclusion in the Non-Opioids Prevent Addiction in the Nation ("NOPAIN") Act, which directs CMS to provide separate Medicare reimbursement for non-opioid treatments that are used to manage pain during surgeries conducted in hospital outpatient departments or in ambulatory surgical centers. To qualify, the non-opioid treatment must demonstrate the ability to replace, reduce, or avoid intraoperative or postoperative opioid use or the quantity of opioids prescribed in a clinical trial or through data published in a peer-reviewed journal. The hospital outpatient prospective payment system and ambulatory surgical center proposed rule for calendar year 2025 includes ZYNRELEF as a qualifying non-opioid requiring CMS to provide separate Medicare reimbursement in both the hospital outpatient department and ambulatory surgical center settings through December 31, 2027.

Effective October 1, 2025, CMS has approved a new permanent Healthcare Common Procedure Coding System J-code for ZYNRELEF. ZYNRELEF will continue to qualify under the Non-Opioid Policy for Pain Relief with the J-code and will be reimbursed outside the surgical supply package for Medicare, aligning with the policy goals to remove financial barriers to qualifying non-opioid pain management options.

## **APONVIE**

APONVIE is the first and only intravenous formulation of aprepitant, a substance P/neurokinin-1 ("NK1") receptor antagonist indicated for postoperative nausea and vomiting ("PONV") in adults. Delivered via a single 30-second intravenous ("IV") injection, APONVIE has demonstrated rapid achievement of therapeutic drug levels ideally suited for the surgical setting.

APONVIE was approved by the FDA in September 2022 and became commercially available in the U.S. in March 2023. APONVIE is indicated for the prevention of PONV in adults. CMS granted pass-through payment status for APONVIE, effective April 1, 2023, which expired March 31, 2026. Effective April 1, 2026, CMS has approved a new permanent Healthcare Common Procedure Coding System J-code for APONVIE.

In 2025, APONVIE was included in the Fifth Consensus Guidelines for the Management of Postoperative Nausea and Vomiting as published in *Anesthesia and Analgesia*.

## ***Oncology Care Product Portfolio***

### **CINVANTI**

CINVANTI is an IV formulation of aprepitant, a substance NK1 receptor antagonist. CINVANTI is the first IV formulation to directly deliver aprepitant, the active ingredient in EMEND® capsules. Aprepitant (including its prodrug, fosaprepitant) is a single-agent NK1 receptor antagonist 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). CINVANTI is the first and only IV formulation of an NK1 receptor antagonist indicated for the prevention of acute and delayed nausea and vomiting associated with Highly Emetogenic Cancer ("HEC") and nausea and vomiting associated with Moderately Emetogenic Cancer ("MEC") that is free of synthetic surfactants, including polysorbate 80.

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 as a single-dose regimen, delayed nausea and vomiting associated with initial and repeat courses of MEC as a single-dose regimen, and nausea and vomiting associated with initial and repeat courses of MEC as a 3-day regimen.

NK1 receptor antagonists are typically used in combination with 5-hydroxytryptamine ("5-HT3") receptor antagonists. The only other injectable NK1 receptor antagonist currently approved in the U.S. for both acute and delayed chemotherapy induced nausea and vomiting ("CINV"), EMEND® IV (fosaprepitant), contains polysorbate 80, a synthetic surfactant, which has been linked to hypersensitivity reactions, including anaphylaxis, and infusion site reactions. The CINVANTI formulation does not contain polysorbate 80 or any other synthetic surfactant. Our CINVANTI data has demonstrated the bioequivalence of CINVANTI to EMEND IV, supporting its efficacy for the prevention of both acute and delayed nausea and vomiting associated with HEC and nausea and vomiting associated with MEC. Results also showed CINVANTI was better tolerated in healthy volunteers than EMEND IV, with significantly fewer adverse events reported with CINVANTI.

CINVANTI was approved by the FDA in November 2017, and we commenced commercial sales in the U.S. in January 2018.

## **SUSTOL**

SUSTOL is the first extended-release 5-HT<sub>3</sub> receptor antagonist approved for the prevention of acute and delayed nausea and vomiting associated with both MEC and anthracycline and cyclophosphamide ("AC") combination chemotherapy regimens. A standard of care in the treatment of breast cancer and other cancer types, AC regimens are among the most commonly prescribed HEC regimens, as defined by both the National Comprehensive Cancer Network ("NCCN") and the American Society of Clinical Oncology ("ASCO").

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 MEC or AC combination chemotherapy regimens. SUSTOL is an extended-release, injectable 5-HT<sub>3</sub> receptor antagonist that utilizes our Biochronomer Technology to maintain therapeutic levels of granisetron for  $\geq 5$  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 following chemotherapy) and the delayed phase (24–120 hours following chemotherapy).

SUSTOL was approved by the FDA in August 2016, and we commenced commercial sales in the U.S. in October 2016.

### ***Biochronomer Technology***

Our proprietary Biochronomer Technology is designed to deliver therapeutic levels of a wide range of otherwise short-acting pharmacological agents over a period from days to weeks with a single administration. Our Biochronomer Technology consists of polymers that have been the subject of comprehensive animal and human toxicology studies that have shown evidence of the safety of the polymer. When administered, the polymers undergo controlled hydrolysis, resulting in a controlled, sustained release of the pharmacological agent encapsulated within the Biochronomer-based composition. Furthermore, our Biochronomer Technology is designed to permit more than one pharmacological agent to be incorporated, such that multimodal therapy can be delivered with a single administration.

### ***Recent Events***

There are no other material recent events during the three months ended March 31, 2026.

### ***Material Trends and Developments***

There are no other material changes to our material trends and developments disclosures included in our 2025 Annual Report during the three months ended March 31, 2026.

### ***Contractual Obligations and Commitments***

#### *Purchase Obligations*

##### Framework Agreement

On August 6, 2025, we entered into a Framework Agreement (the "Framework Agreement") with Patheon Austria GmbH & Co KG ("Patheon") and Thermo Fisher Scientific Inc. (solely for purposes as specified therein). Under the Framework Agreement, Patheon will manufacture and supply specific quantities of certain products, continue to perform certain ongoing stability studies related to such products and provide warehousing services, subject to the terms of a manufacturing and supply agreement previously entered into by us and Patheon, as amended by the amendments set forth in the Framework Agreement. We are required to purchase certain quantities of such products through December 31, 2026, but our monthly payment for such products may be reduced for unreleased products or non-conforming products if the products are not released by specified release dates. The Framework Agreement was effective on August 6, 2025 and will be in effect through and terminate automatically on December 31, 2026, other than with respect to any ongoing project addendums for stability studies entered into prior to December 31, 2026.

#### *Lease Obligations*

We have entered into two operating leases for laboratory and office space. Our laboratory and office space in San Diego, California, a portion of which has been subleased to a third party, has a lease term that expires on December 31, 2025. Our one five-year option to renew this lease on expiration applies only with respect to the portion of the premise that has not been subleased. The lease for office space in Cary, North Carolina is expected to commence no later than May 25, 2026 and expire 111 months from the

lease commencement date, with the option to extend for one additional period of 84 months upon written notice. As the lease commencement date has not yet occurred, no right-of-use asset or lease liability has been recognized in the accompanying condensed consolidated financial statements. We provided the landlord with a letter of credit for \$0.2 million, which is included within cash and cash equivalents in the condensed consolidated balance sheet.

### **Critical Accounting Estimates**

The discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis, including those related to revenue recognition, investments, inventory and the related reserves, accrued clinical and manufacturing liabilities, income taxes, stock-based compensation and accounting for debt and equity transactions. We base our estimates on historical experience and on assumptions that we believe to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Our critical accounting estimates include: revenue recognition, investments, inventory and the related reserves, accrued clinical and manufacturing liabilities, income taxes, stock-based compensation and accounting for debt and equity transactions. There are no material changes to our critical accounting estimates disclosures included in our 2025 Annual Report, during the three months ended March 31, 2026.

### **Recent Accounting Pronouncements**

See Note 3 - Accounting Policies - Recent Accounting Pronouncements to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

### **Results of Operations for the Three Months Ended March 31, 2026 and 2025**

The following table summarizes the results of our operations for the three months ended March 31, 2026 and 2025 (in thousands):

(\$ in thousands)	Three Months Ended March 31,			
	2026	% of Sales	2025	% of Sales
Net product sales	\$ 34,711		\$ 38,903	
Cost of product sales	10,638	30.6%	8,457	21.7%
Gross profit	\$ 24,073		\$ 30,446	
Operating expenses:				
Research and development	2,385	6.9%	2,279	5.9%
General and administrative	12,145	35.0%	12,702	32.7%
Sales and marketing	14,308	41.2%	12,311	31.6%
(Loss) income from operations	\$ (4,765)	(13.7%)	\$ 3,154	8.1%

### **Net Product Sales**

	Three Months Ended March 31,	
	2026	2025
Acute Care Net Product Sales	\$ 13,629	\$ 10,302
Oncology Net Product Sales	21,082	28,601
<b>Total Net Product Sales</b>	<b>\$ 34,711</b>	<b>\$ 38,903</b>

Total acute care net product sales increased by \$3.3 million or 32.3% during the three months ended March 31, 2026, as compared to the comparable period in 2025. The increase was primarily attributable to an increase in the units sold as a result of an increase in market share and new customers for both ZYNRELEF and APONVIE.

Total oncology net product sales decreased by \$7.5 million or 26.3% during the three months ended March 31, 2026, as compared to the comparable period in 2025. The decrease was primarily attributable to a decrease in units sold.

### Cost of Product Sales and Gross Profit

Cost of product sales increased by \$2.2 million or 25.8% during the three months ended March 31, 2026, as compared to the comparable period in 2025 and as a percentage of sales increased 8.9% during the same period.

Gross profit for the three months ended March 31, 2026 was 69.4%, compared to 78.3% for the comparable period in 2025.

The increase in cost of product sales for the three months ended March 31, 2026, as compared to the same period in 2025, is primarily attributable to an increase of \$0.3 million of inventory reserves and write-offs recorded and an increase of \$1.9 million in the cost of units sold, primarily due to supplier mix.

### Research and Development Expense

Research and development expense consisted of the following (in thousands):

	Three Months Ended	
	March 31,	
	2026	2025
ZYNRELEF-related costs	\$ 967	\$ 818
CINVANTI-related costs	154	—
Personnel costs and other expenses	1,010	1,217
Stock-based compensation expense	254	244
Total research and development expense	<u>\$ 2,385</u>	<u>\$ 2,279</u>

Research and development expense increased by \$0.1 million or 4.7%, during the three months ended March 31, 2026 compared to the same period in 2025. The increase in costs is primarily attributable to an increase in contract services due to timing.

### General and Administrative Expense

General and administrative expense decreased by \$0.6 million or 4.4%, during the three months ended March 31, 2026 compared to the same period in 2025. The decrease in costs is primarily attributable to a decrease in rent expense of \$1.0 million due to the termination of leases and a decrease in legal expenses of \$0.9 million due to timing of litigation proceedings. These decreases were offset by an increase in personnel related costs and stock compensation expense of \$1.1 million due to an increase in headcount.

### Sales and Marketing Expense

Sales and marketing expense increased by \$2.0 million or 16.2%, during the three months ended March 31, 2026 compared to the same period in 2025. The increase is primarily attributable to an increase in personnel related costs and stock compensation expense of \$1.0 million due to an increase in headcount, and an increase in marketing expense, primarily related to ZYNRELEF, of \$1.0 million.

### Other Expense, Net

For the three months ended March 31, 2026, other expense, net was \$3.3 million, compared to \$0.5 million, for the same period in 2025. The increase in expense is related to the increase in interest expense of \$2.3 million as a result of the debt refinancing completed in 2025 and the loss of sublease income of \$0.3 million due to the San Diego, California lease termination.

### Liquidity and Capital Resources

#### Sources of Liquidity

As of March 31, 2026, we had cash, cash equivalents and short-term investments of \$44.8 million. Our net loss for the three months ended March 31, 2026 was \$8.1 million, or loss per share of \$0.04, compared to net income of \$2.6 million, or earnings per share of \$0.02, for the same period in 2025. We have incurred significant operating losses and negative cash flows from operations and had an accumulated deficit of \$1.9 billion as of March 31, 2026. From our inception through March 31, 2026, we have financed our growth and operations, including technology and product research and development, primarily through the issuance of common stock, convertible notes and warrants, product sales and debt financings. Based on our current operating plan and projections, management believes that the Company's cash, cash equivalents and short-term investments will be sufficient to meet the Company's anticipated cash requirements for a period of at least one year from the issuance of the condensed consolidated financial statements

included in this Quarterly Report on Form 10-Q. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect, which would have a material impact on our operations.

#### **Future Funding Requirements**

We continuously evaluate our liquidity and capital resources, including access to external capital, in light of current economic and market conditions and our operational performance. Our future cash requirements and the adequacy of our available funds will depend on many factors, primarily including our ability to generate revenue and the scope and costs of our commercial and research and development activities. We were in compliance with all covenants of the Third Amendment to the Working Capital Facility Agreement as of March 31, 2026. In the event of a default under the Working Capital Facility Agreement or any future debt agreement, our lenders could declare all outstanding principal, together with accrued and unpaid interest, to be immediately due and payable. If the payment of the debt is accelerated, cash flows from our operations may be insufficient to repay such debt in full.

#### **Cash Flows**

The net change in cash and cash equivalents consisted of the following:

Our net cash used in operating activities for the three months ended March 31, 2026 and 2025 was \$1.5 million and \$8.9 million, respectively. The decrease in net cash used in operating activities of \$7.4 million or 82.6%, was primarily attributable to the net loss of \$8.1 million for the three months ended March 31, 2026 compared to net income of \$2.6 million for the three months ended March 31, 2025, as well as payments for inventory, accounts payable, and accrued clinical and manufacturing liabilities.

Our net cash used in investing activities for the three months ended March 31, 2026 was \$0.9 million compared to net cash provided by investing activities for the three months ended March 31, 2025 was \$2.3 million. The change in net cash used in investing activities of \$3.2 million, was primarily attributable to net purchases of short-term investments of \$0.5 million for the three months ended March 31, 2026 compared to net maturities of short-term investments of \$2.3 million for the three months ended March 31, 2025.

Our net cash used in financing activities for the three months ended March 31, 2026 was \$0.05 million, compared to net cash provided by financing activities for the three months ended March 31, 2025, which was \$0.06 million.

#### **Material Cash Requirements**

There are no material changes to our material cash requirements disclosures included in our 2025 Annual Report during the three months ended March 31, 2026.

#### **Off-Balance Sheet Arrangements**

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Quantitative and qualitative disclosures about market risk are included in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Quantitative and Qualitative Disclosures about Market Risk" in our 2025 Annual Report. There are no material changes to the quantitative and qualitative disclosures included in our 2025 Annual Report during the three months ended March 31, 2026.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### ***Disclosure Controls and Procedures***

Our management, with the participation of our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive and principal financial officers concluded that our disclosure controls and procedures were effective as of such time.

#### ***Limitations on Effectiveness of Controls***

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports, filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including, without limitation, controls and procedures designed to ensure that information required to be disclosed in such reports is accumulated and communicated to our management, including our principal executive officer, principal financial officer, and principal accounting officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

#### ***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting that occurred during the quarter covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

Except as discussed below, there are no material changes from the legal proceedings previously disclosed in our 2025 Annual Report during the three months ended March 31, 2026.

On June 14, 2022, the Company received a Paragraph IV notice of certification (the “Fresenius Kabi Notice”) from Fresenius Kabi advising that Fresenius Kabi had submitted an abbreviated new drug application (“ANDA”) to the U.S. Food and Drug Administration (“FDA”) seeking approval to manufacture, use or sell a generic version of CINVANTI in the U.S. prior to the expiration of U.S. Patent Nos.: 9,561,229; 9,808,465; 9,974,742; 9,974,793; 9,974,794; 10,500,208; 10,624,850; 10,953,018; and 11,173,118 (the “CINVANTI Patents”), which are listed in the FDA’s Approved Drug Products with Therapeutic Equivalence Evaluations (the “Orange Book”). The Fresenius Kabi Notice alleges that the CINVANTI Patents are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of the generic product described in Fresenius Kabi’s ANDA.

On July 27, 2022, the Company filed a complaint for patent infringement of the CINVANTI Patents against Fresenius Kabi and a related entity in the U.S. District Court for the District of Delaware (the “Court”) in response to Fresenius Kabi’s ANDA filing. The complaint seeks, among other relief, equitable relief enjoining Fresenius Kabi from infringing the CINVANTI Patents. On May 15, 2024, the Court granted partial summary judgment of infringement for the Company and found no indefiniteness of U.S. Patent Nos. 9,561,229 and 9,974,794. On June 24, 2024, the parties commenced a four-day bench trial centered on Fresenius Kabi’s defense of obviousness of claims from U.S. Patent Nos. 9,561,229 and 9,974,794 that cover CINVANTI. Oral argument was held on August 29, 2024.

On December 3, 2024, the Court issued a ruling in the Company’s favor. The Court found that the Company’s U.S. Patent Nos. 9,561,229 and 9,974,794, which expire in 2035, are valid and would be infringed by Fresenius Kabi’s proposed generic product. In view of the decision, the Court ordered that the effective date of any final approval by the FDA of Fresenius Kabi’s ANDA shall not be a date earlier than September 18, 2035, the expiration date of each of U.S. Patent Nos. 9,561,229 and 9,974,794. On January 8, 2025, Fresenius Kabi filed notice of appeal to the U.S. Court of Appeals for the Federal Circuit. On September 24, 2025, the briefing was completed, and the Company awaits a date for oral argument. The Company intends to vigorously enforce its intellectual property rights relating to CINVANTI.

On August 4, 2023, the Company received a Notice Letter (the “Mylan August Notice”) from Mylan Pharmaceuticals Inc. (“Mylan”) advising that Mylan had submitted an ANDA to the FDA seeking approval to manufacture, use or sell a generic version of CINVANTI (“Mylan’s ANDA for a generic version of CINVANTI”) in the U.S. prior to the expiration of the CINVANTI Patents, which are listed in the Orange Book. On September 15, 2023, the Company filed a complaint for patent infringement of the CINVANTI Patents against Mylan in the U.S. District Court for the District of Delaware in response to the filing of Mylan’s ANDA for a generic version of CINVANTI. On May 6, 2025, the Company announced that it entered into a settlement agreement with Mylan to resolve the ongoing patent litigation in the U.S. District Court for the District of Delaware related to Mylan’s ANDA for a generic version of CINVANTI. Pursuant to the terms of the settlement agreement, the Company has granted Mylan a license under the Orange Book-listed patents for CINVANTI to market a generic version of CINVANTI in the United States beginning June 1, 2032, or earlier under certain customary circumstances. In connection with the settlement, on May 6, 2025, the Court granted the Stipulation and Order of Dismissal with the U.S. District Court for the District of Delaware requesting that the Court dismiss the pending litigation between the parties.

On December 16, 2023, the Company received a Notice Letter (the “Mylan December Notice”) from Mylan advising that Mylan had submitted an ANDA to the FDA seeking approval to manufacture, use or sell a generic version of APONVIE in the U.S. (“Mylan’s ANDA for a generic version of APONVIE”) prior to the expiration of U.S. Patent Nos.: 9,561,229; 9,808,465; 9,974,742; 9,974,793; 9,974,794; 10,500,208; 10,624,850; 10,953,018; 11,173,118; and 11,744,800 (the “APONVIE Patents”), which are listed in the Orange Book. On January 11, 2024, the Company filed a complaint for patent infringement of the APONVIE Patents against Mylan in the U.S. District Court for the District of Delaware in response to Mylan filing its ANDA for a generic version of APONVIE. On May 6, 2025, the Company announced that it entered into a settlement agreement with Mylan to resolve the ongoing patent litigation in the U.S. District Court for the District of Delaware related to Mylan’s ANDA for a generic version of APONVIE. Pursuant to the terms of the settlement agreement, the Company has granted Mylan a license under the Orange Book-listed patents for APONVIE to market a generic version of APONVIE in the United States beginning June 1, 2032, or earlier under certain customary circumstances. In connection with the settlement, on May 6, 2025, the Court granted the Stipulation and Order of Dismissal with the U.S. District Court for the District of Delaware requesting that the Court dismiss the pending litigation between the parties.

On December 11, 2023, the Company received a Paragraph IV notice of certification (the “Slayback Notice”) from Slayback Pharma LLC (“Slayback”) (now owned by Azurity Pharmaceuticals, Inc. (“Azurity”)) advising that Slayback had submitted a new drug application (“NDA”) under Section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act to the FDA seeking approval to manufacture, use or sell a generic version of CINVANTI in the U.S. (“Slayback’s NDA”) prior to the expiration of the patents listed in the Orange Book. The Slayback Notice alleges that the CINVANTI Patents are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of the generic product described in Slayback’s NDA. On January 24, 2024, the Company filed a complaint for patent infringement of the CINVANTI Patents against Slayback and a related entity in the U.S. District Court for the District of New Jersey in response to Slayback’s NDA filing. The complaint seeks, among other relief, equitable relief enjoining Slayback from infringing those patents. On July 2, 2024, the U.S. District Court for the District of New Jersey granted Slayback’s motion to transfer this matter to the U.S. District Court for the District of Delaware. On December 12, 2024, the Company filed a complaint against Slayback, Azurity, and related entities in the U.S. District Court for District of Delaware for patent infringement of U.S. Patent Nos. 12,115,254 and 12,115,255. On May 23, 2025, the Company filed an amended complaint against Slayback, Azurity and related entities adding an allegation of patent infringement of U.S. Patent No. 12,290,520. On September 16, 2025, the parties entered into a stipulation (Case No. 24-1363, D.I. 119) limiting the issues for trial. On November 17, 2025, the parties commenced a two-day bench trial centered on Azurity’s §112 defenses of claims from U.S. Patent Nos. 12,115,255 and 12,290,520 that cover CINVANTI. On February 6, 2026, the post-trial briefing was completed, and, on March 24, 2026, the Court held closing arguments. The Company awaits the Court’s decision. The Company intends to vigorously enforce its intellectual property rights relating to CINVANTI. As a result of our initial complaint for patent infringement, the FDA may not approve Slayback’s NDA until the earlier of June 12, 2026 or resolution of the litigation.

On February 28, 2025, Azurity, Azurity Pharma India LLP, and Slayback requested Post-Grant Review (“PGR”) of U.S. Patent Nos. 12,115,254 and 12,115,255 in PGR2025-00035 and PGR2025-00036, respectively. On April 14, 2025, the Petitions were accorded a filing date. On June 16, 2025, the Company filed a brief requesting discretionary denial of the Petitions in PGR2025-00035 and PGR2025-00036. On July 14, 2025, the Company filed its Patent Owner Preliminary Response. On August 14, 2025, the Patent Trial and Appeal Board discretionarily denied institution of Azurity’s PGRs.

On February 7, 2025, the Company received a Notice Letter (the “Qilu Notice”) from Qilu Pharmaceutical (Hainan) Co., Ltd and Qilu Pharma, Inc. (“Qilu”) advising that Qilu had submitted an ANDA to the FDA seeking approval to manufacture, use or sell a generic version of APONVIE in the U.S. (“Qilu’s ANDA for a generic version of APONVIE”) prior to the expiration of U.S. Patent Nos.: 9,561,229; 9,808,465; 9,974,742; 9,974,793; 9,974,794; 10,500,208; 10,624,850; 10,953,018; 11,173,118; 11,744,800, 11,878,074, 12,115,254, and 12,115,255 (the “Noticed APONVIE Patents”), which are listed in the Orange Book. On March 21, 2025, the Company filed a complaint for patent infringement of the Noticed APONVIE Patents against Qilu in the U.S. District Court for the District of Delaware in response to Qilu’s ANDA for a generic version of APONVIE.

On June 11, 2025, the Company received a Notice Letter (the “Qilu CINVANTI Notice”) from Qilu advising that Qilu had submitted an ANDA to the FDA seeking approval to manufacture, use or sell a generic version of CINVANTI in the U.S. (“Qilu’s ANDA for a generic version of CINVANTI”) prior to the expiration of U.S. Patent Nos.: 9,561,229; 9,808,465; 9,974,742; 9,974,793; 9,974,794; 10,500,208; 10,624,850; 10,953,018; 11,173,118; 11,744,800; 12,115,254; 12,115,255; and 12,290,520 (the “Noticed CINVANTI Patents”), which are listed in the Orange Book for CINVANTI. On July 3, 2025, the Company filed a complaint for patent infringement of the Noticed CINVANTI Patents against Qilu in the U.S. District Court for the District of Delaware in response to Qilu’s ANDA for a generic version of CINVANTI.

On July 15, 2025, the Qilu CINVANTI and APONVIE litigations were consolidated. The Company entered into a settlement agreement with Qilu to resolve the ongoing patent litigation in the U.S. District Court for the District of Delaware related to Qilu’s ANDAs for generic versions of CINVANTI and APONVIE. In connection with the settlement, on November 6, 2025, the Court granted the Stipulation and Order of Dismissal with the U.S. District Court for the District of Delaware requesting that the Court dismiss the pending litigation between the parties.

On November 19, 2025, the Company received a Paragraph IV notice of certification (the “Baxter Notice”) from Baxter Healthcare Corporation (“Baxter”) advising that Baxter had submitted an ANDA to the FDA seeking approval to manufacture, use or sell a generic version of CINVANTI (“Baxter’s ANDA for a generic version of CINVANTI”) in the U.S. prior to the expiration of the Noticed CINVANTI Patents, which are listed in the Orange Book. On December 23, 2025, the Company filed a complaint for patent infringement of the Noticed CINVANTI Patents against Baxter and a related entity in the U.S. District Court for the District of Delaware in response to the filing of Baxter’s ANDA for a generic version of CINVANTI. The Company entered into a settlement

agreement with Baxter to resolve the ongoing patent litigation in the U.S. District Court for the District of Delaware related to Baxter's ANDA for a generic version of CINVANTI. In connection with the settlement, on April 28, 2026, the Court granted the Stipulation and Order of Dismissal with the U.S. District Court for the District of Delaware requesting that the Court dismiss the pending litigation between the parties.

## ITEM 1A. RISK FACTORS

Investing in our common stock involves risks. We operate in a rapidly changing environment that involves a number of risks that could materially affect our business, financial condition or future results, some of which are beyond our control. The risks and uncertainties that we believe are most important for you to consider are discussed in Part I, Item 1A. "Risk Factors" in our 2025 Annual Report, Quarterly Reports on Form 10-Q, and other reports, including our financial statements and the related notes thereto, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the information contained in the section entitled "Forward-Looking Statements." Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

### ***Changes in government policies, laws, and regulations and with respect to the government workforce may have a negative impact on our business and the markets in which we operate.***

The laws and regulations governing our operations, as well as their interpretation, may change from time to time, and new laws and regulations may be enacted. Similarly, operational changes at government agencies, including actions intended to reduce government spending at agencies that regulate significant parts of our business, such as the FDA and CMS, could have a significant impact on the implementation of laws and regulations that impact our business.

For example, the layoffs and reorganizations at several U.S. health agencies, including the FDA, the Department of Health and Human Services (the "HHS"), the Centers for Disease Control and Prevention and the National Institutes of Health, are expected to impact the FDA's ability to review and approve new medicines and conduct necessary inspections. Over the last several years, the U.S. government has also shut down several times and certain regulatory agencies, such as the FDA and SEC, have had to furlough employees, experience substantial funding cuts and pause or delay critical activities. In addition, government funding of agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable, and spending allocations may undergo significant changes through congressional budgeting and appropriations processes. Such disruptions at the FDA and other agencies may also increase the time necessary for new drugs or modifications to approved drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. There is also a great degree of uncertainty related to the impact of U.S. Supreme Court decisions and executive orders on the enforcement and decision-making authority of regulatory agencies, including those in the FDA, which may lead to delays, if not cancellations, of pending and proposed regulations at federal agencies and subject significant regulatory actions by the agencies to presidential supervision and control.

Accordingly, any change in these laws or regulations, changes in their interpretation, or newly enacted laws or regulations and any failure by us to comply with these laws or regulations could require changes to certain of our business practices, negatively impact our operations, cash flow or financial condition, impose additional costs on us or otherwise adversely affect our business. For example, significant changes to U.S. trade policy, including potential new or increased tariffs, along with countermeasures by the affected countries, may impact global trade, create sourcing challenges with respect to raw materials and instruments and increase our costs, potentially harming our business. The U.S. has imposed increased tariffs on certain countries and other countries have responded by announcing retaliatory tariffs on U.S. imports. The tariffs have disrupted and may continue to disrupt the global markets and escalate geopolitical tensions between the U.S. and other countries. The extent of the impact of such tariffs and proposed regulations on our business specifically, or on the U.S. market and global economy generally, are uncertain and unpredictable, and could adversely affect our business, financial condition and results of operations. Further, the U.S. may also enact other regulations or policies that affect trade or otherwise impact the pharmaceutical industry by restricting U.S. pharmaceutical companies from contracting with certain countries for the development, research or manufacturing of pharmaceutical products. For a discussion on the BIOSECURE Act and related risks, see "Risk Factors - Risks Related to Our Business - If we cannot maintain satisfactory pricing of our Products that is also acceptable to the U.S. government, insurance companies, managed care organizations and other payors, or arrange for favorable reimbursement policies, our product sales may be adversely affected and our future revenue may suffer" in our Annual Report on Form 10-K for the year ended December 31, 2025.

In addition, the U.S. Department of Commerce has initiated national security investigations into the importation of pharmaceuticals and pharmaceutical ingredients pursuant to Section 232 of the Trade Expansion Act of 1962, as amended (“Section 232”). Further, the U.S. announced a 100% tariff on any branded or patented pharmaceuticals imported into the U.S., from drug manufacturers that do not have, or are not in the process of building, a manufacturing facility in the U.S., which has been delayed as negotiations with large drug manufacturers continue. Following the Section 232 investigations and other policy changes related to Most Favored Nation drug pricing, in April 2026, an executive order issued pursuant to Section 232, which seeks to impose up to a 100% tariff on imported patented pharmaceuticals, subject to certain exceptions for certain products and for companies that have an agreement regarding Most Favored Nation drug pricing or onshore manufacturing. Currently, the various tariffs that have been announced and enacted are not expected to have a material impact on the Company. However, new tariffs or changes in the facts and circumstances impacting the Company could have a material impact to the Company. The terms and effects of such tariffs, if and as they are implemented, and other policy changes are uncertain and could have adverse implications on drug pricing, drug production levels and patient access, and may result in supply chain or other operational disruptions. Further, if we are required to change our current manufacturing partners or suppliers now or in the future in order to avoid such tariffs, the terms of new agreements that we may enter into may not be favorable to us and related operational disruptions may heighten manufacturing and compliance risks and derail commercialization plans.

Moreover, uncertainty with respect to legislation, regulation and government policy at the federal, state and local levels, has introduced new and difficult-to-quantify macroeconomic and geopolitical risks with potentially far-reaching implications. There are currently a number of laws and regulations in the U.S. that have recently been adopted but not yet implemented, have been proposed or are being considered to which we or our customers may become subject, including healthcare reform initiatives and potential spending and tax proposals, but at this time their impact on our business and results of operations remains uncertain. Changes in legislation, regulation or policy increase the likelihood that we will fail to appropriately adapt to changes in our compliance obligations, particularly when such changes happen abruptly, such as following a change in government. Any of the foregoing changes could increase our litigation and regulatory exposure, directly impact our results of operations and cash flows, adversely affect our ability to provide our products, or adversely impact the demand for our Products. Such changes may also impact our business by creating increased volatility and uncertainty in the markets in which we operate. At this time, we cannot predict the ultimate content, timing, or effect of these changes, including any legislative, regulatory and other actions under the new U.S. administration, or estimate the overall impact of any such changes on our business, results of operations and financial condition.

***Provisions contained in our debt instruments may have a negative impact on our business.***

Our Working Capital Facility Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness, and dividends and other distributions, subject to certain exceptions. Our 2031 Convertible Notes also contain provisions that trigger events of default for incurring certain additional indebtedness or any default of our obligations under certain material agreements we may enter into. As a result, we may not be able to raise funds through the issuance of additional debt in the future, which could impair our ability to finance our business obligations or pursue business expansion initiatives. In addition, our Working Capital Facility Agreement contains a minimum cash covenant, a minimum revenue covenant and a minimum EBITDA covenant. Our ability to comply with these restrictions and covenants, including meeting any financial ratios and tests, may be affected by events beyond our control. We are in compliance with all covenants as of the period covered by this Quarterly Report on Form 10-Q. We cannot provide any assurances that we will be able to maintain compliance with such restrictions and covenants in the future. In the event of a default under the Working Capital Facility Agreement or any future debt agreement, our lenders could declare all outstanding principal, together with accrued and unpaid interest, to be immediately due and payable. If the payment of the debt is accelerated, cash flows from our operations may be insufficient to repay such debt in full.

***We may not be able to satisfy the continued listing requirements of Nasdaq to maintain a listing of our common stock.***

As a company listed on The Nasdaq Capital Market, we must meet certain financial and liquidity criteria to maintain such listing. If we violate Nasdaq's maintenance requirements for the continued listing of our common stock, our common stock may be delisted. For the 27 consecutive business days from March 10, 2026 through April 16, 2026, the closing bid price of our common stock did not meet the \$1.00 per share minimum bid price required for continued listing on Nasdaq. Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), a failure to meet the continued listing requirement for minimum price shall be determined to exist if the deficiency continues for a period of 30 consecutive business days. Upon receipt of notice from Nasdaq of such failure, a registrant has an initial 180-calendar day compliance period to regain compliance, and if a registrant is unable to regain compliance during this initial period, such registrant may be eligible for an additional 180-day compliance period, subject to meeting other continued listing standards and providing written notice to Nasdaq of its intent to cure the deficiency. A registrant regains compliance by having a closing bid price of at least \$1.00 per share of common stock for a minimum of 10 consecutive business days, unless Nasdaq exercises its discretion to extend this 10-day period pursuant to Nasdaq Listing Rule 5810(c)(3)(H).

Although we are currently in compliance with all continued listing requirements through the period covered by this Quarterly Report on Form 10-Q, we cannot provide any assurances that we will continue to satisfy these requirements in the future. If our common stock is delisted, it may result in reduced liquidity of our common stock, limited availability of market quotations for our common stock, limited news and analyst coverage of our common stock, and a decreased ability to issue additional securities or raise capital through financing sources on terms that are acceptable to us, or at all.

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

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

*Rule 10b5-1 Trading Plans*

During the three months ended March 31, 2026, no new Rule 10b5-1 trading arrangements (as defined in Item 408(a)(1)(i) of Regulation S-K) and non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K) intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act were adopted or terminated by our directors and/or executive officers (as defined in Section 16 of the Exchange Act).

During the three months ended March 31, 2026, the Company did not adopt or terminate a Rule 10b5-1 trading arrangement (as defined in Item 408(a)(1)(i) of Regulation S-K).

## ITEM 6. EXHIBITS

The exhibits listed on the Exhibit Index hereto are filed or furnished (as stated therein) as part of this Quarterly Report on Form 10-Q.

<u>Exhibit Number</u>	<u>Description</u>
31.1+	<a href="#"><u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
31.2+	<a href="#"><u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
32.1++	<a href="#"><u>Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Extension Definition
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document included as Exhibit 101)

+ Filed herewith

++ Furnished herewith

\* Certain information has been omitted from the exhibit in compliance with Item 601(b)(10) of Regulation S-K. The omitted information is not material and would likely cause competitive harm to the Company if publicly disclosed.

† Management contract or compensatory plan, contract or arrangement.

**SIGNATURES**

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

Heron Therapeutics, Inc.

Date: May 11, 2026

By: /s/ Craig Collard  
Craig Collard  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Ira Duarte  
Ira Duarte  
Executive Vice President, Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

## SECTION 302 CERTIFICATION

I, Craig Collard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Heron Therapeutics, 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2026

By: /s/ Craig Collard  
Craig Collard  
Chief Executive Officer  
(Principal Executive Officer)

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## SECTION 302 CERTIFICATION

I, Ira Duarte, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Heron Therapeutics, 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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2026

By: /s/ Ira Duarte

Ira Duarte

Executive Vice President, Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

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

Each of the undersigned, in their capacity as Principal Executive Officer and Principal Financial Officer, respectively, of Heron Therapeutics, Inc. (the “Registrant”), hereby certifies, for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his or her knowledge that:

- the Quarterly Report of the Registrant on Form 10-Q for the quarter ended March 31, 2026 (the “Report”), which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition of the Registrant at the end of such quarter and the results of operations of the Registrant for such quarter.

Dated: May 11, 2026

By: /s/ Craig Collard  
Craig Collard  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Ira Duarte  
Ira Duarte  
Executive Vice President, Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

This certification accompanies the Report to which it relates, is not deemed to be filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Heron Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

Note: A signed original of this written statement required by Section 906 has been provided to Heron Therapeutics, Inc. and will be retained by Heron Therapeutics, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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