Heron Therapeutics

Q1 Earnings Call

May 7, 2024

Forward-looking Statements and non-GAAP Disclosures

This presentation contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. We caution investors that forward-looking statements are based on management's expectations and assumptions as of the date of this news release and are subject to certain risks and uncertainties that could cause actual results to differ materially, including, but not limited to, uncertainties related to market conditions; the potential market opportunities for ZYNRELEF®, APONVIE®, CINVANTI® and SUSTOL®; the net product sales guidance for the oncology care franchise and the acute care franchise; the EBITDA guidance provided by the Company; the results of the commercial launch of APONVIE; the timing of the FDA's review process and whether the FDA approves the sNDA for ZYNRELEF to further expand the U.S. label; the potential additional market opportunity for the expanded U.S. label for ZYNRELEF, if approved; the timing of the Company's development of the VAN program; the timing of the Company's submission of the PAS to the FDA for the VAN; the timing of the FDA's review process and whether the FDA approves the PAS for the VAN; the outcome of the Company's pending ANDA litigation related to CINVANTI; whether the Company is required to write-off any additional inventory in the future; the expected future balances of Heron's cash, cash equivalents and short-term investments; the expected duration over which Heron's cash, cash equivalents and short-term investments balances will fund its operations and the risk that future equity financings may be needed; any inability or delay in achieving profitability; and other risks and uncertainties identified in the Company's filings with the U.S. Securities and Exchange Commission. Forward-looking statements reflect our analysis only on their stated date, and Heron takes no obligation to update or revise these statements except as may be required by law.

In addition to the company's financial results determined in accordance with U.S. GAAP, the company provides non-GAAP measures that it determines to be useful in evaluating its operating performance and liquidity. Management believes that presentation of operating results using non-GAAP financial measures provides useful supplemental information to investors and facilitates the analysis of the Company's core operating results and comparison of operating results across reporting periods. Management uses non-GAAP financial measures to establish budgets, manage the Company's business, and set incentive and compensation arrangements. The company presents adjusted EBITDA and adjusted operating expenses. The Company has not provided a reconciliation of its full-year 2024 guidance for adjusted EBITDA or adjusted operating expenses to the most directly comparable forward-looking GAAP measures, in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K, because the Company is unable to predict, without unreasonable efforts, the timing and amount of items that would be included in such a reconciliation, including, but not limited to, stock-based compensation expense, acquisition related expense and litigation settlements. These items are uncertain and depend on various factors that are outside of the Company's control or cannot be reasonably predicted. While the Company is unable to address the probable significance of these items, they could have a material impact on GAAP net income and operating expenses for the guidance period.

Executive Summary

Heron Therapeutics Q1 2024 Achievements

HERON THERAPEUTICS®
Developing Best-in-Class Medicine. Improving Lives.®

1. Signed contract, started training and integration of CrossLink Life Sciences, LLC (“CrossLink”) sales representatives to promote ZYNRELEF®
2. FDA approval for the expanded indication of ZYNRELEF on January 23, 2024; trained salesforce in February culminating with a National Sales Meeting (“NSM”) in early March
3. Gross Margin improved to 76% for the quarter, up from 43% for the same period last year
4. The ZYNRELEF Vial Access Needle (“VAN”) program remains on track for a Prior Approval Supplement (“PAS”) submission in Q2 2024 and an anticipated launch in late 2024
5. We remain confident in our ability to achieve Q4, 2024 EBITDA profitability

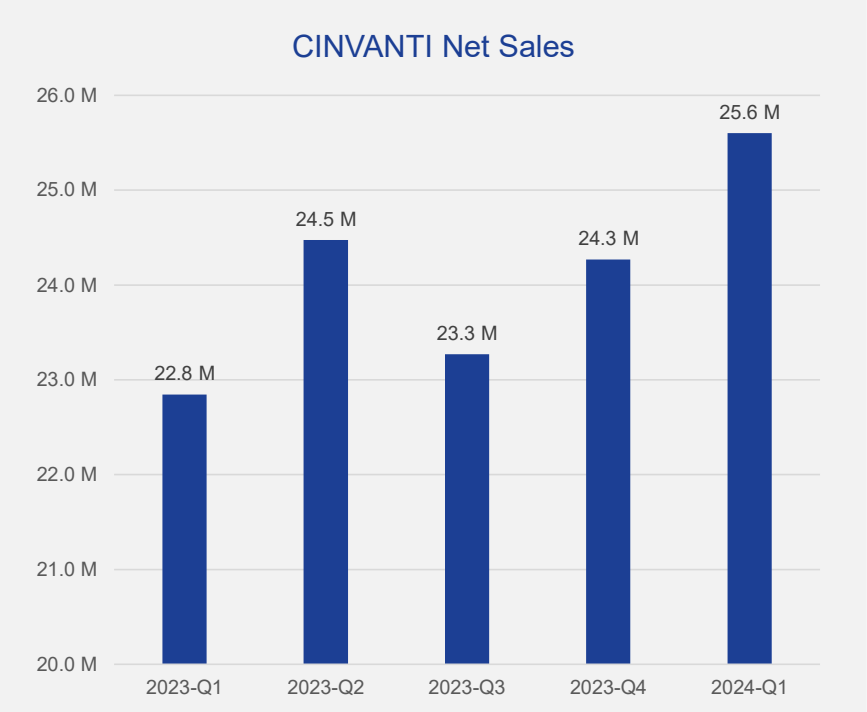
Select Financial Results

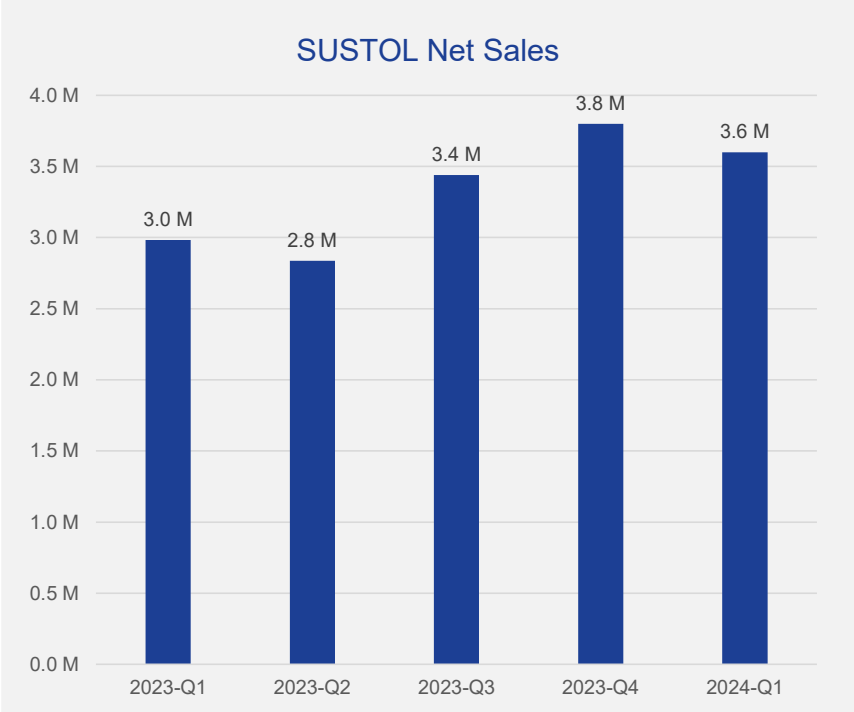
In $K	Q1 2024	Q1 2023
Net product sales	34,670	29,615
Cost of product sales	8,444	16,854
Gross profit	**26,226**	**12,761**
Operating expenses:		
Research and development	4,608	8,836
General and administrative	14,974	15,834
Sales and marketing	11,442	21,154
Total operating expense	**31,024**	**45,824**
Loss from Operations	**(4,798)**	**(33,063)**
Cash	**$ 20,450**	**$ 28,677**

Product Performance Update

Oncology Care Franchise Net Sales

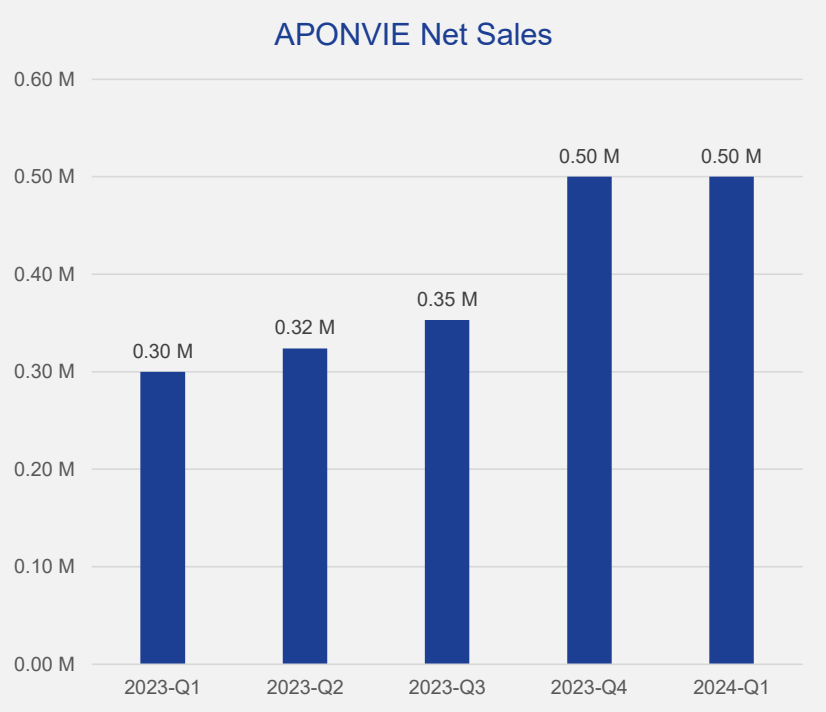
3 months ended March 31, 2024: $29.2 million

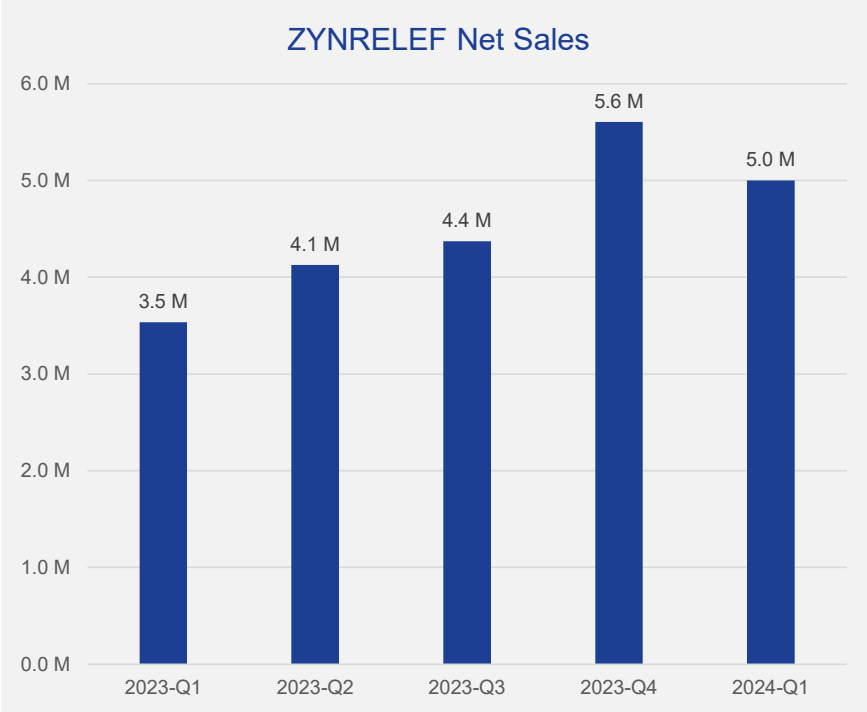




Acute Care Franchise Net Sales

3 months ended March 31, 2024: $5.5 million





APONVIE® Pipeline Continues to Build

70 P&T wins since training in Q4 2023

35 P&T wins in Q1 alone

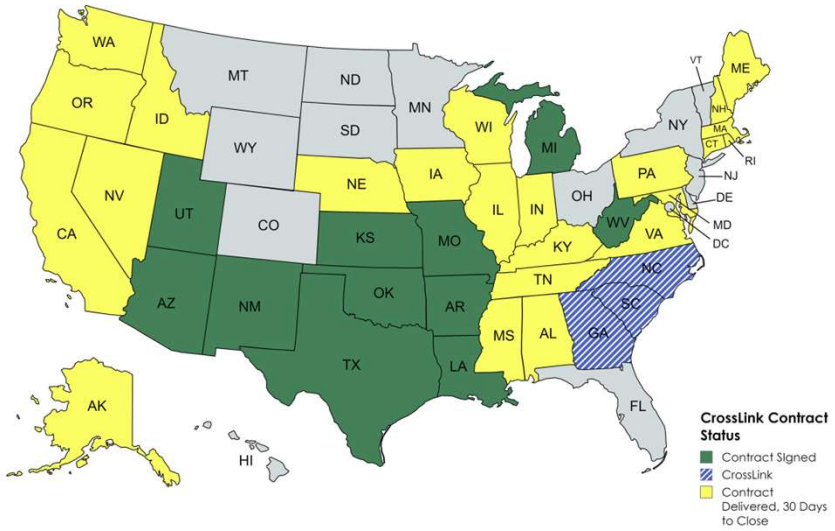
- Ohio State University Health System
- Altru Hospital
- Wellstar
- Memorial Slone Kettering
- NYU
- Tanner Health
- NYP Hudson Valley Center
- Hospital for Special Surgery Westside and Eastside ASC
- University of Kansas Health System
- St. Luke's Health System
- MultiCare
- Palomar Health
- UC Davis
- John Muir Health
- Barnes Jewish
- Missouri Baptist Medical Center
- Caromont Health
- Rush University expansion
- Miami VA
- Vail Health
- Boulder Community Health
- Brodstone Memorial
- Antelope Health
- Westchester Medical Center
- Fountain Point Center
- Anmed Health
- Cape Fear Medical Center
- Jupiter Medical Center
- Middlesex Hospital
- Swedish American
- Waukesha Memorial
- Dartmouth Health
- Regional Medical Center
- Butler County Health Care Center
- St. Claire Medical Center

CrossLink Implementation Continues to Progress

- **CL Legacy/Southeast Region**
  - Joint Team ~150 Reps
  - Trauma Team ~50 reps
- **National Expansion**
  - 11 Signed ~200 reps
  - 13 Under Review ~335 reps
  - 8 Discovery Phase

Training

- 216 CrossLink representatives have completed ZYNRELEF product training to date



CrossLink Partnership Making an Early Impact

~10 new Orthopedic surgeons generated per month by Heron team prior to CrossLink partnership

+20 new Orthopedic surgeons (NC, SC, and GA) in first month of promotion with CrossLink; anticipating another 40 new Orthopedic surgeons in the next thirty days

12-fold increase in sales within the initial rollout states (NC, SC and GA) versus the rest of the country

+3 unit increase in non-CrossLink states

+36 unit increase in NC, SC and GA

ZYNRELEF Regulatory and Development Offer Continued Expansion of Opportunity

2024-2026 Milestones

sNDA Approval

Expanded label almost doubled ZYNRELEF opportunity to ~13M procedures

January 23, 2024

Vial Access Needle (VAN) Approval

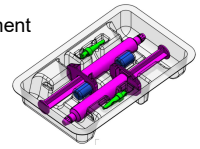
VAN reduces withdrawal time from >1 minute to 20-30 seconds

Q4 2024

Prefilled Syringe (PFS) Approval

Perceived as the most meaningful improvement given potential to more rapidly administer intra-operatively in market research*

Q4 2026



ZYNRELEF is indicated in adults for instillation to produce postsurgical analgesia for up to 72 hours after soft tissue and orthopedic procedures including foot and ankle, and other procedures in which direct exposure to articular cartilage is avoided.

VAN is on track for a Prior Approval Supplement submission in Q2 2024 and an anticipated launch in late 2024

*Market research conducted in September 2023

Finance

Reaffirm 2024 Guidance

$M	2024
Revenues	$138M- $158M
Gross Profit	$94M - $111M
Gross Margin	70%+
Cash OpEx	$108M - $116M
EBITDA (excluding stock compensation)	$(22M) - $3M

Questions