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

FORM 10-Q

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

For the quarterly period ended September 30, 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	**94-2875566**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
25 Fenton Main Street, Suite 300 **Cary, North Carolina**	**27511**
(Address of principal executive offices)	(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	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The number of shares of the registrant's common stock, par value $0.01 per share, outstanding as of November 4, 2026 was 190,273,587.

HERON THERAPEUTICS, INC.

FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 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®, the Heron logo, ZYNRELEF®, APONVIE®, CINVANTI®, SUSTOL®, and Biochronomer® 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 our plans and objectives 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, including the pending Asset Sale (as defined below), pursuant to which substantially all of our assets will be acquired by CorMedix (as defined below) 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® (bupivacaine and meloxicam) extended-release solution ("ZYNRELEF"), APONVIE® (aprepitant) injectable emulsion ("APONVIE"), and CINVANTI® (aprepitant) injectable emulsion ("CINVANTI" and together with ZYNRELEF, and APONVIE, 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, outcome, and 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;
- the scope of protection we are able to establish and maintain for our intellectual property rights regarding our Products, our product candidates, our Biochronomer Technology and our other technology;
- our ability to continue as a going concern without additional funding;
- the ability of our common stock to meet the minimum requirements for continued listing on the Nasdaq Capital Market;
- 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® 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 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 in which 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;
- our ability to comply with covenants in our Working Capital Facility Agreement;
- the cost and availability of capital and any restrictions imposed by lenders or creditors;
- 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; and
- the timing and closing of the sale of substantially all of the Company's assets, other than certain excluded assets including its federal income tax net operating loss carryforwards ("NOLs") and certain other tax attributes (the "Asset Sale"), pursuant

to that certain Asset Purchase Agreement, dated as of November 8, 2026 (the "Asset Purchase Agreement") by and between the Company and CorMedix Inc., a Delaware corporation ("CorMedix"), subject to the approval of the Company's stockholders.

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 U.S. Securities and Exchange Commission ("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)

	September 30, 2026 (Unaudited)	December 31, 2025 (See Note 2)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,595	$ 28,647
Short-term investments	11,854	17,984
Accounts receivable, net	86,735	89,587
Inventory, net	91,301	92,746
Prepaid expenses and other current assets	7,627	9,102
Total current assets	209,112	238,066
Property and equipment, net	11,081	12,403
Right-of-use lease asset	5,448	—
Other assets	4,807	5,408
Total assets	$ 230,448	$ 255,877
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,375	$ 8,994
Accrued clinical and manufacturing liabilities	20,106	26,597
Accrued payroll and employee liabilities	8,836	9,270
Other accrued liabilities	52,172	51,237
Current lease liability	359	—
Total current liabilities	89,848	96,098
Non-current notes payable, net	91,634	107,899
Non-current convertible notes payable, net	34,377	32,739
Non-current lease liability	5,359	—
Other non-current liabilities	4,314	4,808
Total liabilities	225,532	241,544
Stockholders' equity:		
Common stock	1,900	1,883
Series A convertible preferred stock	1,050	1,050
Additional paid-in capital	1,960,368	1,951,185
Accumulated other comprehensive (loss) income	(7)	4
Accumulated deficit	(1,958,395)	(1,939,789)
Total stockholders' equity	4,916	14,333
Total liabilities and stockholders' equity	$ 230,448	$ 255,877

See accompanying notes.

HERON THERAPEUTICS, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net product sales	$ 35,250	$ 38,213	$ 107,627	$ 114,316
Cost of product sales	8,958	11,914	31,168	30,228
Gross profit	26,292	26,299	76,459	84,088
Operating expenses:				
Research and development	3,099	3,470	8,186	8,683
General and administrative	12,341	13,980	35,762	41,153
Sales and marketing	12,521	12,942	40,989	36,828
Total operating expenses	27,961	30,392	84,937	86,664
Loss from operations	(1,669)	(4,093)	(8,478)	(2,576)
Loss on debt extinguishment	—	(11,339)	—	(11,339)
Other expense, net	(3,337)	(2,063)	(10,128)	(3,326)
Net loss	(5,006)	(17,495)	(18,606)	(17,241)
Other comprehensive loss:				
Unrealized (loss) gain on short-term investments	(1)	1	(11)	(13)
Comprehensive loss	$ (5,007)	$ (17,494)	$ (18,617)	$ (17,254)
Basic net loss per share	$ (0.03)	$ (0.10)	$ (0.10)	$ (0.11)
Diluted net loss per share	$ (0.03)	$ (0.10)	$ (0.10)	$ (0.11)
Weighted average common shares outstanding, basic and diluted	190,919	170,348	190,305	159,524

See accompanying notes.

HERON THERAPEUTICS, INC.

Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands)

	Common Stock		Series A Convertible Preferred Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	(Loss) Income	Deficit	Equity
Balance as of December 31, 2025	188,314	$ 3	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)
Balance as of March 31, 2026 (unaudited)	188,576	1,886	70	1,050	1,954,107	(6)	(1,947,900)	9,137
Issuance of common stock under equity incentive plan	654	7	—	—	(150)	—	—	(143)
Issuance of common stock under the employee stock purchase plan	229	2	—	—	223	—	—	225
Stock-based compensation expense	—	—	—	—	3,178	—	—	3,178
Net loss and comprehensive loss	—	—	—	—	—	—	(5,489)	(5,489)
Balance as of June 30, 2026 (unaudited)	189,459	1,895	70	1,050	1,957,358	(6)	(1,953,389)	6,908
Issuance of common stock under equity incentive plan	453	5	—	—	(73)	—	—	(68)
Stock-based compensation expense	—	—	—	—	3,083	—	—	3,083
Net loss	—	—	—	—	—	—	(5,006)	(5,006)
Net unrealized loss on short-term investments	—	—	—	—	—	(1)	—	(1)
Comprehensive loss								(5,007)
Balance as of September 30, 2026 (unaudited)	189,912	$ 1,900	70	$ 1,050	$ 1,960,368	$ (7)	$ (1,958,395)	$ 4,916

	Common Stock		Series A Convertible Preferred Stock		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	(Loss) Income	Deficit	Equity
Balance as of December 31, 2024	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
Balance as of March 31, 2025 (unaudited)	152,427	1,524	—	—	1,886,981	1	(1,916,959)	(28,453)
Issuance of common stock under equity incentive plan	438	5	—	—	189	—	—	194
Issuance of common stock under the employee stock purchase plan	388	4	—	—	583	—	—	587
Stock-based compensation expense	—	—	—	—	2,797	—	—	2,797
Net loss	—	—	—	—	—	—	(2,381)	(2,381)
Net unrealized loss on short-term investments	—	—	—	—	—	(2)	—	(2)
Comprehensive loss								(2,383)
Balance as of June 30, 2025 (unaudited)	153,253	1,533	—	—	1,890,550	(1)	(1,919,340)	(27,258)
Issuance of common stock under equity incentive plan	179	1	—	—	(52)	—	—	(51)
Issuance of common stock in settlement of 2026 Convertible Notes	16,667	167	—	—	30,500	—	—	30,667
Issuance of common stock in a private placement equity offering	13,225	132	—	—	18,175	—	—	18,307
Issuance of Series A convertible preferred stock in a private placement equity offering	—	—	524	7,862	—	—	—	7,862
Stock-based compensation expense	—	—	—	—	2,852	—	—	2,852
Net loss	—	—	—	—	—	—	(17,495)	(17,495)
Net unrealized gain on short-term investments	—	—	—	—	—	1	—	1
Comprehensive loss								(17,494)
Balance as of September 30, 2025 (unaudited)	183,324	$ 1,833	524	$ 7,862	$ 1,942,025	$ —	$ (1,936,835)	$ 14,885

See accompanying notes.

HERON THERAPEUTICS, INC.

Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2026	2025
Operating activities:		
Net loss	$ (18,606)	$ (17,241)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	9,237	8,160
Depreciation and amortization	1,372	1,777
Amortization of debt discount and debt issuance costs	734	613
Accretion of discount on short-term investments	(403)	(650)
Retirement and impairment of property and equipment	349	409
Loss on extinguishment of debt	—	11,339
Change in operating assets and liabilities:		
Accounts receivable	2,852	(2,166)
Inventory	(1,587)	(16,865)
Prepaid expenses and other assets	1,921	(4,550)
Accounts payable	(619)	308
Accrued clinical and manufacturing liabilities	(3,072)	(5,787)
Accrued payroll and employee related liabilities	(434)	(806)
Other accrued expenses	3,709	7,052
Net cash used in operating activities	(4,547)	(18,407)
Investing activities:		
Purchases of short-term investments	(33,898)	(38,214)
Maturities and sales of short-term investments	40,419	59,914
Purchases of property and equipment	(631)	(317)
Proceeds from sale of property and equipment	—	82
Net cash provided by investing activities	5,890	21,465
Financing activities:		
Principal and end of term fee payment for notes payable	(18,358)	—
Proceeds from the sale of common stock	—	19,838
Cash paid for issuance costs of stock	—	(1,531)
Proceeds from sale of Series A convertible preferred stock	—	7,862
Cash paid for 2026 Convertible Notes extinguishment	—	(125,000)
Cash paid for notes payable extinguishment	—	(25,000)
Proceeds from 2031 Convertible Notes issuance	—	33,250
Cash paid for 2031 Convertible Notes debt issuance costs	—	(1,386)
Proceeds from notes payable issuance	—	108,787
Cash paid for notes payable debt issuance cost	—	(3,406)
(Payments) receipts for stock issued under the equity incentive plan	(262)	207
Proceeds from purchases under the employee stock purchase plan	225	587
Net cash (used in) provided by financing activities	(18,395)	14,208
Net (decrease) increase in cash and cash equivalents	(17,052)	17,266
Cash and cash equivalents at beginning of period	28,647	25,802
Cash and cash equivalents at end of period	$ 11,595	$ 43,068
Supplemental disclosure of cash flow information:		
Interest paid	$ 7,971	$ 3,862
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 5,695	$ —

See accompanying notes.

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® (bupivacaine and meloxicam) extended-release solution ("ZYNRELEF") is approved in the United States ("U.S.") for the management of postoperative pain. APONVIE® (aprepitant) injectable emulsion ("APONVIE") is approved in the U.S. for the prevention of postoperative nausea and vomiting. CINVANTI® (aprepitant) injectable emulsion ("CINVANTI") is approved in the U.S. for the prevention of chemotherapy-induced nausea and vomiting. SUSTOL® (granisetron) extended-release injection ("SUSTOL") is also approved in the U.S. for the prevention of chemotherapy-induced nausea and vomiting. As of September 30, 2026, we have ceased distribution of SUSTOL.

Liquidity and Going Concern

In accordance with Accounting Standards Update ("ASU") No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40)*, we have evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern for a period of at least one year from the date of issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

From our inception through September 30, 2026, we have financed our operations, including technology and product research and development, primarily through issuances of our common stock, convertible notes and warrants, product sales and debt financings.

As of September 30, 2026, we had cash, cash equivalents and short-term investments of $23.4 million. Based on our current operating plan and projections, management believes that our cash, cash equivalents and short-term investments will be sufficient to meet our anticipated cash requirements for operations for at least one year from the date of issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. However, our Working Capital Facility Agreement (as described further below), contains a minimum cash covenant, a minimum revenue covenant and a minimum EBITDA covenant. Based on our results of operations for the nine months ended September 30, 2026 and without additional funding, from the closing of the Asset Sale or otherwise, there is a possibility we may not satisfy one or more covenants under our Working Capital Facility Agreement within the next twelve months, absent a waiver, consent or amendment under our Working Capital Facility Agreement. If an event of default occurs under the Working Capital Facility Agreement due to the failure to satisfy certain covenants, our lenders could declare all outstanding principal, together with accrued and unpaid interest and end of term fee, to be immediately due and payable. If the payment of the debt is accelerated, absent any additional funding, cash flows from our operations will be insufficient to repay such debt in full. Therefore, if all outstanding amounts under the Working Capital Facility Agreement are accelerated, management expects there will be substantial doubt about our ability to continue as a going concern for a period of at least one year from the date of issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. If an event of default occurs under the note purchase agreement in connection with the 2031 Convertible Notes ("the 2031 Convertible Notes Purchase Agreement") due to the acceleration of all outstanding amounts under the Working Capital Facility Agreement, the required purchasers under the 2031 Convertible Notes Purchase Agreement could also declare the acceleration of all outstanding amounts under the 2031 Convertible Notes, subject to applicable notice requirements and cure periods.

Pursuant to the Asset Purchase Agreement, a portion of the cash consideration in the Asset Sale will be used to repay all amounts outstanding under the Working Capital Facility Agreement. A portion of the stock consideration in the Asset Sale will be used to exchange all or a portion of the outstanding 2031 Convertible Notes as described in Note 8 - Long-Term Debt and Convertible Notes. The completion of the Asset Sale is subject to approval by the Company's stockholders and the satisfaction of other customary closing conditions, and there can be no assurance that the Company will be successful in obtaining stockholder approval or closing the Asset Sale on the anticipated timeline, on the terms currently contemplated, or at all.

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 and nine months ended September 30, 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 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 our 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 the 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 and CINVANTI are, and until September 30, 2026, SUSTOL was, 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:

	Net Product Sales		Accounts Receivable
	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026	As of September 30, 2026
Customer A	38.0%	38.3%	39.2%
Customer B	32.8%	33.2%	32.8%
Customer C	26.6%	26.1%	25.7%
Total	97.4%	97.6%	97.7%

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 forecasts of economic conditions expected to exist throughout the contractual term of the receivable. As of September 30, 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 Customer*s ("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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
CINVANTI net product sales	$ 19,970	$ 23,955	$ 62,298	$ 73,841
SUSTOL net product sales	152	1,911	1,241	7,175
ZYNRELEF net product sales	10,598	9,313	31,888	25,542
APONVIE net product sales	4,530	3,034	12,200	7,758
Total net product sales	$ 35,250	$ 38,213	$ 107,627	$ 114,316

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):

	Product Returns	Distributor Fees	Discounts, Rebates and Administrative Fees	Total
Balance at December 31, 2025	$ 4,515	$ 7,328	$ 34,152	$ 45,995
Provision	2,735	26,356	170,807	199,898
Payments/credits	(945)	(26,965)	(170,252)	(198,162)
Balance at September 30, 2026	$ 6,305	$ 6,719	$ 34,707	$ 47,731

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 and nine months ended September 30, 2026 and 2025, 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):

	As of September 30,	
	2026	2025
Stock options outstanding	28,025	28,888
Restricted stock units outstanding	9,852	4,014
Warrants outstanding	298	298
Series A Preferred Stock convertible to common shares	700	5,241
Shares of common stock underlying convertible notes outstanding	19,444	19,444

Segment Reporting

Management, upon consideration of the organizational structure of the business and information reviewed by our Chief Executive Officer, who is also our chief operating decision maker ("CODM"), has concluded that we have one reportable segment. All revenues for the three and nine months ended September 30, 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 or 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. We are 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. We are 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):

		Fair Value Measurements at Reporting Date Using		
	Balance at September 30, 2026	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	$ 11,595	$ 11,595	$ —	$ —
U.S. treasury bills and government agency obligations	5,963	5,963	—	—
U.S. corporate debt securities	2,502	—	2,502	—
U.S. commercial paper	1,696	—	1,696	—
Foreign commercial paper	893	—	893	—
Foreign corporate debt securities	800	—	800	—
Total	$ 23,449	$ 17,558	$ 5,891	$ —

	Balance at December 31, 2025	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	$ 22,313	$ 22,313	$ —	$ —
U.S. treasury bills and government agency obligations	9,534	9,534	—	—
U.S. corporate debt securities	7,035	—	7,035	—
U.S. commercial paper	1,545	—	1,545	—
Foreign commercial paper	3,979	—	3,979	—
Foreign corporate debt securities	2,225	—	2,225	—
Total	$ 46,631	$ 31,847	$ 14,784	$ —

We have not transferred any investment securities between the three levels of the fair value hierarchy for the three and nine months ended September 30, 2026 and 2025.

As of September 30, 2026, cash equivalents included $3.6 million of available-for-sale securities with contractual maturities of three months or less and short-term investments included $1.7 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 September 30, 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 September 30, 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, as the terms were based on market conditions.

5. Short-Term Investments

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

	September 30, 2026: Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. treasury bills and government agency obligations	$ 5,966	$ —	$ (3)	$ 5,963
U.S. corporate debt securities	2,505	—	(3)	2,502
U.S. commercial paper	1,697	—	(1)	1,696
Foreign commercial paper	893	—	—	893
Foreign corporate debt securities	800	—	—	800
Total	$ 11,861	$ —	$ (7)	$ 11,854

	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
U.S. commercial paper	1,545	—	—	1,545
Foreign commercial paper	3,979	—	—	3,979
Foreign corporate debt securities	1,475	1	—	1,476
Total	$ 17,980	$ 4	$ —	$ 17,984

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 and nine months ended September 30, 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 and nine months ended September 30, 2026 and 2025.

6. Inventory

Inventory consists of the following (in thousands):

	September 30, 2026	December 31, 2025
Raw materials	$ 57,300	$ 59,250
Work in process	19,322	26,613
Finished goods	14,679	6,883
Total inventory	$ 91,301	$ 92,746

	September 30, 2026	December 31, 2025
CINVANTI	$ 22,815	$ 27,417
SUSTOL	383	1,307
ZYNRELEF	60,385	60,436
APONVIE	7,718	3,586
Total inventory	$ 91,301	$ 92,746

For the three and nine months ended September 30, 2026, cost of product sales included charges of $0.5 million and $1.7 million, respectively, relating to reserves and write-offs of inventory. For the three and nine months ended September 30, 2025, cost of product sales included charges of $2.2 million and $2.7 million, respectively, 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. The outcomes of the Company's legal proceedings and other contingencies are inherently unpredictable and subject to significant uncertainties. We have not reserved any amounts for contingencies related to such litigation because they are neither probable nor reasonably estimable based on information currently available. See "Part II. Item 1. Legal Proceedings" in this Quarterly Report on Form 10-Q for further discussion of pending legal proceedings. There can be no assurance that there will not be a change in the scope of one or more of these matters or that any other future legal matters will or will not be material to the Company's financial position, results of operations or cash flows for a particular period.

Leases

In August 2025, we entered into an operating lease agreement for 16,837 square feet of office space in Cary, North Carolina. The lease commenced on May 1, 2026, and will expire 111 months from the lease commencement date, with the option to extend for one additional period of 84 months upon written notice. We recorded a right-of-use lease asset and lease liability of $5.7 million upon lease commencement. 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 operating 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 and nine months ended September 30, 2026, we recognized $0.2 million and $0.3 million of operating lease expense, respectively. During the three months ended September 30, 2026, we did not incur any cash payments for our operating leases. During the nine months ended September 30, 2026, we paid $0.1 million for our operating leases.

During the three and nine months ended September 30, 2025, we recognized $0.8 million and $2.3 million of operating lease expense. During the three and nine months ended September 30, 2025, we paid $0.8 million and $2.4 million for our operating leases, respectively.

Annual future minimum lease payments as of September 30, 2026 are as follows (in thousands):

2026	$	—
2027		576
2028		646
2029		665
2030		685
Thereafter		3,412
Total future minimum lease payments		5,984
Less: discount		266
Total lease liabilities	**$**	**5,718**

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 ("Hercules"). The Initial Working Capital Facility Agreement provided for an aggregate principal amount of up to $50.0 million with tranched 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 Hercules to purchase up to 297,619 shares of our common stock at an exercise price of $1.68 per share (the "Hercules Warrants"). The Hercules Warrants are equal to 2.00% of the principal amount of the tranche 1A loans funded by Hercules (the "Warrant Coverage"). The Initial Working Capital Facility Agreement also required that we issue additional warrants to Hercules at the time of each draw down of tranches 1B and 1C with the same Warrant Coverage. Each Hercules Warrant is exercisable for seven years from the date of issuance. The Hercules Warrant issued in conjunction with the tranche 1A funding remains outstanding at September 30, 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, and (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 tranched 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. 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. 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.

On August 7, 2026, we entered into a Waiver, Consent and Fourth Amendment to the Working Capital Facility Agreement (the "Fourth Amendment to the Working Capital Facility Agreement") 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 and the Third Amendment to the Working Capital Facility Agreement. The Fourth Amendment to the Working Capital Facility Agreement, among other things, (a) waives the minimum revenue and minimum EBITDA financial covenants for the fiscal quarter ended June 30, 2026 and (b) amends the Working Capital Facility Agreement to (i) require a prepayment by the Company of $17,500,000 in principal amount outstanding under the Working Capital Facility Agreement (the "Prepayment"), consisting of a $13,500,000 prepayment made upon effectiveness of the Fourth Amendment to the Working Capital Facility Agreement and a second prepayment of up to $4,000,000 due on or before September 15, 2026 (which second prepayment may be reduced, including to zero, if certain conditions set forth therein are met), together with End of Term Fees of $661,500 and up to $196,000, respectively, plus accrued PIK Interest (as defined under the Fourth Amendment to the Working Capital Facility Agreement) due on such Prepayment with any fees associated with the Prepayment to be waived, (ii) eliminate the future availability of $20.0 million through December 15, 2026 ("tranche 2") and $20.0 million through September 30, 2027 ("tranche 3"), (iii) revise the minimum revenue covenant, the minimum EBITDA covenant and the minimum cash covenant effective as of the reporting period ending August 31, 2026, (iv) permit the Company to enter into an agreement for certain products, subject to the lenders' approval of the final terms, and (v) include certain other covenants regarding other potential strategic transactions.

On September 17, 2026, we entered into the Fifth Amendment to the Working Capital Facility Agreement (the "Fifth Amendment to the Working Capital Facility Agreement") 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 Third Amendment to the Working Capital Facility Agreement, and the Fourth Amendment to the Working Capital Facility Agreement. The Fifth Amendment to the Working Capital Facility Agreement, among other things, amended the terms of the

September 15, 2026 payment of $4,000,000 as specified in the Fourth Amendment to the Working Capital Facility Agreement to separate the payment into a $1,000,000 payment payable on September 15, 2026 and a $3,000,000 payment payable on September 30, 2026. We completed these prepayments, together with End of Term Fees of $49,000 and $147,000, respectively, plus accrued PIK Interest due on such Prepayment with any fees associated with the Prepayment to be waived.

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, the Third Amendment to the Working Capital Facility Agreement, the Fourth Amendment to the Working Capital Facility Agreement and the Fifth Amendment to the Working Capital Facility Agreement is referred to collectively as the "Working Capital Facility Agreement".

Pursuant to the terms of the Asset Purchase Agreement, all outstanding amounts under the Working Capital Facility Agreement will be repaid upon the closing of the Asset Sale.

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 Amendment to the 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, the Fourth Amendment to the Working Capital Facility Agreement and the Fifth Amendment to the Working Capital Facility Agreement were 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, the Fourth Amendment to the Working Capital Facility Agreement and the Fifth Amendment to the Working Capital Facility Agreement each qualified as a modification.

The tranche 1 funding under the Second Amendment to the Working Capital Facility Agreement is 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 were 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 September 30, 2026 is 11.8%.

For the three months ended September 30, 2026, interest expense related to the Working Capital Facility Agreement was $3.0 million, which included $2.5 million related to the stated interest rate, $0.3 million related to paid-in-kind interest, and $0.2 million related to the amortization of the debt discounts and accretion of the end of term fee.

For the nine months ended September 30, 2026, interest expense related to the Working Capital Facility Agreement was $9.4 million, which included $7.8 million related to the stated interest rate, $0.8 million related to paid-in-kind interest, and $0.8 million related to the amortization of the debt discounts and accretion of the end of term fee.

For the three months ended September 30, 2025, interest expense related to the Working Capital Facility Agreement was $2.2 million, which included $1.7 million related to the stated interest rate, $0.2 million related to paid-in-kind interest, and $0.2 million related to the amortization of the debt discounts and accretion of the end of term fee.

For the nine months ended September 30, 2025, interest expense related to the Working Capital Facility Agreement was $4.0 million , which included $3.0 million related to the stated interest rate, $0.4 million related to paid-in-kind interest, and $0.6 million related to the amortization of the debt discounts and accretion of the end of term fee.

As of September 30, 2026, the carrying value of the Working Capital Facility Agreement was $91.6 million, which is comprised of the $93.3 million principal amount outstanding, $1.3 million of accumulated paid-in-kind interest, less debt discounts of $3.0 million. The end of term fee accreted as of September 30, 2026, of $4.3 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").

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 September 30, 2026, no 2026 Convertible Notes remain outstanding.

For the three months ended September 30, 2025, interest expense related to the 2026 Convertible Notes was $0.4 million, which included $0.4 million related to the stated interest rate and nil related to the amortization of debt issuance costs.

For the nine months ended September 30, 2025, interest expense related to the 2026 Convertible Notes was $1.6 million, which included $1.5 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 the 2031 Convertible Notes Purchase Agreement with a fund affiliated with Rubric Capital Management LP ("Rubric") 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, 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. Pursuant to the terms of an Exchange Agreement, dated November 8, 2026, by and between the Company and Rubric (the "Exchange Agreement"), beginning with the Company's fiscal quarter ending March 31, 2027, within 30 calendar days of the last day of such fiscal quarter (each such last day, an "Applicable Date"), Rubric may deliver written notice requesting the exchange of all or a portion of the outstanding 2031 Convertible Notes for unregistered shares of CorMedix's common stock, par value $0.001 per share ("CorMedix common stock") to be received by the Company as stock consideration in connection

with the Asset Sale, subject to minimum quarterly amounts of $10.0 million in principal amount for each of the first three quarters and $5.0 million in principal amount, plus any accrued and unpaid interest, for the final quarter. Any amounts not requested to be exchanged in a quarter will be allocated pro rata to the remaining quarters. Any exchange of up to $10.0 million per quarter will be subject to the Minimum Exchange Price (as defined in the Exchange Agreement), such that no outstanding 2031 Convertible Notes will be required to be exchanged if the Exchange Price (as defined below) does not exceed the Minimum Exchange Price. Any exchange in excess of $10.0 million per quarter will be subject to the mutual written agreement of the Company and Rubric. The outstanding 2031 Convertible Notes will be exchanged solely for unregistered shares of CorMedix common stock to be received by the Company as stock consideration in connection with the Asset Sale, valued based on the volume-weighted average price of CorMedix common stock over the five consecutive trading days prior to the Applicable Date (the "Exchange Price"). Following each exchange, Rubric will deliver a payoff letter with respect to the exchanged portion of the 2031 Convertible Notes. The Exchange Agreement will terminate upon the mutual written consent of the parties, termination of the Asset Purchase Agreement in accordance with its terms, or the full satisfaction and discharge of all outstanding 2031 Convertible Notes.

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 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 September 30, 2026, interest expense related to the 2031 Convertible Notes was $0.6 million, which included $0.2 million related to the stated interest rate, $0.4 million related to paid-in-kind interest and $0.03 million related to the amortization of debt discount and debt issuance costs.

For the nine months ended September 30, 2026, interest expense related to the 2031 Convertible Notes was $1.8 million, which included $0.2 million related to the stated interest rate, $1.7 million related to paid-in-kind interest and $0.04 million related to the accretion of debt issuance costs and debt discounts.

For the three and nine months ended September 30, 2025, interest expense related to the 2031 Convertible Notes was $0.3 million, respectively, which included $0.3 million, related to paid-in-kind interest and nil, related to the amortization of debt issuance costs.

As of September 30, 2026, the carrying value of the 2031 Convertible Notes was $34.4 million, which is comprised of the $35.0 million principal amount of the 2031 Convertible Notes outstanding, $2.6 million of accumulated paid-in-kind interest, less debt issuance costs of $3.2 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 stockholder 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 September 30, 2026.

10. Equity Incentive Plan

Option Plan Activity

The following table summarizes the stock option activity for the nine months ended September 30, 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	366	$ 0.99	
Exercised	—	$ —	
Expired and forfeited	(1,046)	$ 6.09	
Outstanding at September 30, 2026	28,025	$ 2.84	6.97

We estimated the fair value of each option grant on the grant date using the Black-Scholes option pricing model. The following are the weighted-average assumptions:

	For the Nine Months Ended September 30,	
	2026	2025
Risk-free interest rate	3.9%	4.2%
Dividend yield	0.0%	0.0%
Volatility	79.9%	80.1%
Expected life (years)	6 to 10	6 to 10

The following table summarizes the restricted stock unit ("RSUs") activity for the nine months ended September 30, 2026:

	Shares (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2025	3,799	$ 1.91
Granted	8,051	$ 1.31
Released	(1,679)	$ 1.67
Expired and forfeited	(319)	$ 1.38
Outstanding at September 30, 2026	9,852	$ 1.48

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 Nine Months Ended September 30,	
	2026	2025
Risk-free interest rate	3.8%	4.2%
Dividend yield	0.0%	0.0%
Volatility	67.7%	79.1%
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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Research and development	$ 257	$ 277	$ 789	$ 797
General and administrative	1,968	1,918	5,800	5,315
Sales and marketing	858	657	2,648	2,048
Total stock-based compensation expense	$ 3,083	$ 2,852	$ 9,237	$ 8,160

As of September 30, 2026, there was $22.8 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 September 30, 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 and nine months ended September 30, 2026.

12. Subsequent Events

Proposed Asset Sale

On November 8, 2026, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with CorMedix, pursuant to which it has agreed to sell substantially all of its assets to CorMedix, other than certain excluded assets, including its federal income tax net operating loss carryforwards (the "NOLs") and certain other tax attributes, and CorMedix has agreed to acquire those assets and assume certain liabilities of the Company as set forth in the Asset Purchase Agreement (the "Asset Sale"). As consideration for the Asset Sale, CorMedix has agreed to (i) issue to the Company 14,583,333 shares of CorMedix common stock, (ii) pay to the Company a purchase price equal to $145.0 million in cash, subject to certain adjustments for the Company’s closing cash and net working capital as set forth in the Asset Purchase Agreement, of which $2.0 million will be deposited into

escrow, at the closing of the Asset Sale to secure post-closing adjustments to the cash consideration, which post-closing adjustments may not exceed $10.0 million in either direction, (iii) pay to the Company royalties equal to 5.0% of the amount, if any, by which aggregate annual net sales of CINVANTI, SUSTOL and the products covered by the Company's multi-product Development and License Agreement (the "License Agreement") with Long Grove Pharmaceuticals, LLC, a Delaware limited liability company ("Long Grove"), exceed $25.0 million in each of calendar years 2027, 2028 and 2029, if and when payable, on the terms set forth in the Asset Purchase Agreement, (iv) pay to the Company earn-out payments of $25.0 million if net sales of ZYNRELEF for calendar year 2028 equal or exceed $65.0 million and an additional $30.0 million if such net sales equal or exceed $95.0 million, payable at CorMedix's election in cash, shares of CorMedix common stock or a combination thereof (provided that any portion that would cause the aggregate shares of CorMedix common stock issued under the Asset Purchase Agreement to exceed 19.9% of the CorMedix common stock outstanding as of the closing of the Asset Sale will be paid in cash), if and when payable, on the terms set forth in the Asset Purchase Agreement and (v) assume certain of the Company’s liabilities as specified in the Asset Purchase Agreement.

The Asset Sale, which has been unanimously approved by the board of directors of the Company (the "Board"), is currently expected to close in the first quarter of 2027, subject to approval by the Company's stockholders and the satisfaction of other customary closing conditions. The Asset Purchase Agreement contains certain termination rights in favor of each of the Company and CorMedix. In addition, the Asset Purchase Agreement provides that, in connection with certain terminations of the Asset Purchase Agreement, depending on the circumstances surrounding the termination, one party may be required to pay the other party a termination fee of $4.0 million.

If the Asset Sale closes, the Company will exit the operation of its current biotechnology business and other historical operations, but it does not intend to liquidate and will remain a publicly traded company. The Company will retain other material assets following the closing of the Asset Sale, including the shares of CorMedix common stock issued to the Company in the Asset Sale, the right to receive future royalties, earn-out payments, significant NOLs and cash on hand. Following the closing of the Asset Sale, the Board intends to actively evaluate various strategic transactions and opportunities for the use of the proceeds of the Asset Sale, including acquiring or investing in additional businesses or assets, which may or may not be pharmaceutical or biotechnology businesses or assets. Such opportunities may include, but are not limited to, the acquisition of products, product candidates, milestone payments and royalty streams, programs or technologies as well as pursuing strategic alliances, joint ventures, investments in complementary businesses, out-licensing and in-licensing agreements, divestitures or other transactions. It is currently uncertain what businesses or assets the Company may acquire or invest in following the closing of the Asset Sale, and the Board intends to evaluate opportunities to create value for the benefit of stockholders.

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 and nine months ended September 30, 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 nine months ended September 30, 2026 and 2025, and a discussion of our outstanding commitments and contingencies that existed as of September 30, 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 a 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 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 commercially available 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 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.

On June 1, 2026, the U.S. District Court for the District of Delaware issued a decision in the patent litigation between the Company and Azurity Pharmaceuticals, Inc., Azurity Pharmaceuticals India LLP f/k/a Slayback Pharma India LLP, and Slayback Pharma LLC ("Azurity"), with respect to CINVANTI, holding that the asserted claims of the Company's U.S. Patent Nos. 12,115,255 and 12,290,520 are invalid under 35 U.S.C. § 112. The Court also entered a final judgment declaring that the asserted claims 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 are not infringed. This decision has no impact on any prior settlement agreement related to CINVANTI or APONVIE.

SUSTOL

SUSTOL is the first extended-release 5-HT3 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-HT3 receptor antagonist that utilizes our Biochronomer Technology to maintain therapeutic levels of granisetron for ≥5 days. The SUSTOL global Phase 3 development program was comprised of two, large, guideline-based clinical studies that evaluated SUSTOL's efficacy and safety in more than 2,000 patients with cancer. SUSTOL's efficacy in preventing nausea and vomiting was evaluated in both the acute phase (0–24 hours 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. We ceased commercial sales of SUSTOL on September 30, 2026.

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

Proposed Asset Sale

On November 8, 2026, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with CorMedix, pursuant to which it has agreed to sell substantially all of its assets to CorMedix, other than certain excluded assets, including its federal income tax net operating loss carryforwards (the "NOLs") and certain other tax attributes, and CorMedix has agreed to acquire those assets and assume certain liabilities of the Company as set forth in the Asset Purchase Agreement (the "Asset Sale"). As consideration for the Asset Sale, CorMedix has agreed to (i) issue to the Company 14,583,333 shares of CorMedix common stock, (ii) pay to the Company a purchase price equal to $145.0 million in cash, subject to certain adjustments for the Company's closing cash and net working capital as set forth in the Asset Purchase Agreement, of which $2.0 million will be deposited into escrow, at the closing of the Asset Sale to secure post-closing adjustments to the cash consideration, which post-closing adjustments may not exceed $10.0 million in either direction, (iii) pay to the Company royalties equal to 5.0% of the amount, if any, by which aggregate annual net sales of CINVANTI, SUSTOL and the products covered by the Company's multi-product Development and License Agreement (the "License Agreement") with Long Grove Pharmaceuticals, LLC, a Delaware limited liability company ("Long Grove"), exceed $25.0 million in each of calendar years 2027, 2028 and 2029, if and when payable, on the terms set forth in the Asset Purchase Agreement, (iv) pay to the Company earn-out payments of $25.0 million if net sales of ZYNRELEF for calendar year 2028 equal or exceed $65.0 million and an additional $30.0 million if such net sales equal or exceed $95.0 million, payable at CorMedix’s election in cash, shares of CorMedix common stock or a combination thereof (provided that any portion that would cause the

aggregate shares of CorMedix common stock issued under the Asset Purchase Agreement to exceed 19.9% of the CorMedix common stock outstanding as of the closing of the Asset Sale will be paid in cash), if and when payable, on the terms set forth in the Asset Purchase Agreement and (v) assume certain of the Company's liabilities as specified in the Asset Purchase Agreement.

The Asset Sale, which has been unanimously approved by the board of directors of the Company (the "Board"), is currently expected to close in the first quarter of 2027, subject to approval by the Company's stockholders and the satisfaction of other customary closing conditions. The Asset Purchase Agreement contains certain termination rights in favor of each of the Company and CorMedix. In addition, the Asset Purchase Agreement provides that, in connection with certain terminations of the Asset Purchase Agreement, depending on the circumstances surrounding the termination, one party may be required to pay the other party a termination fee of $4.0 million.

If the Asset Sale closes, the Company will exit the operation of its current biotechnology business and other historical operations, but it does not intend to liquidate and will remain a publicly traded company. The Company will retain other material assets following the closing of the Asset Sale, including the shares of CorMedix common stock issued to the Company in the Asset Sale, the right to receive future royalties, earn-out payments, significant NOLs and cash on hand. Following the closing of the Asset Sale, the Board intends to actively evaluate various strategic transactions and opportunities for the use of the proceeds of the Asset Sale, including acquiring or investing in additional businesses or assets, which may or may not be pharmaceutical or biotechnology businesses or assets. Such opportunities may include, but are not limited to, the acquisition of products, product candidates, milestone payments and royalty streams, programs or technologies as well as pursuing strategic alliances, joint ventures, investments in complementary businesses, out-licensing and in-licensing agreements, divestitures or other transactions. It is currently uncertain what businesses or assets the Company may acquire or invest in following the closing of the Asset Sale, and the Board intends to evaluate opportunities to create value for the benefit of stockholders.

Long Grove Development and License Agreement

On September 23, 2026, we entered into a multi-product License Agreement with Long Grove, and Capstone Development Services Company, LLC, a Delaware limited liability company ("Capstone"). For additional information regarding the License Agreement, see "Contractual Obligations and Commitments—Licensing Commitments" below.

Fifth Amendment to Working Capital Facility

On September 17, 2026, we entered into the Fifth Amendment to the Working Capital Facility Agreement (the "Fifth Amendment to the Working Capital Facility Agreement") to the Initial Working Capital Facility Agreement with Hercules Capital, Inc., as administrative agent, collateral agent, and lender ("Hercules"). See Note 8 - Long-Term Debt and Convertible Notes.

Amendment No. 1 and Amendment No. 2 to Tax Benefit Preservation Plan

On August 14, 2026, we entered into Amendment No. 1 to Tax Benefit Preservation Plan ("Amendment No. 1"), which amends our Tax Benefit Preservation Plan, dated as of August 14, 2025 (the "Original Plan"), with Computershare Trust Company, N.A., as rights agent. Amendment No. 1 revises the definition of "Final Expiration Date" and all references to August 14, 2026 in the Plan to mean August 14, 2029.

On November 8, 2026, we entered into Amendment No. 2 to the Plan ("Amendment No. 2," together with the Original Plan and Amendment No. 1, the "Plan"), which amends the Original Plan, as amended by Amendment No. 1, with Computershare Trust Company, N.A., as rights agent. Amendment No. 2 revises the Plan to (i) include an exception to the definition of "Acquiring Person" in the Plan providing that no person will become an Acquiring Person as a result of an agreement pursuant to which such person has the right to acquire, vote or dispose of, or otherwise beneficially own, shares of the Company's common stock, if such agreement is executed by the Company and approved by the Board for purposes of such exception before such person would otherwise become an Acquiring Person and (ii) provide that, upon the closing of any merger, acquisition or other transaction of the type described in the Plan, the Plan and the Rights (as defined in the Plan) will terminate only if the Board approves such termination, and absent such approval, the Plan will continue in full force and effect following the closing of such transaction.

Material Trends and Developments

There are no material changes to our material trends and developments disclosures included in our 2025 Annual Report during the three and nine months ended September 30, 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. On November 13, 2025, we entered into Amendment No. 1 to Framework Agreement, pursuant to which certain payment terms were amended. On July 20, 2026, we entered into Amendment No. 2 to Framework Agreement (the "Amendment No. 2 to Framework Agreement"), pursuant to which certain scheduled payments were deferred. 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 and the payment of the scheduled payments deferred pursuant to Amendment No. 2 to Framework Agreement.

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 had been subleased to a third party, had a lease term that expired on December 31, 2025. The lease for office space in Cary, North Carolina has commenced on May 1, 2026 and expires 111 months from the lease commencement date, with the option to extend for one additional period of 84 months upon written notice.

Licensing Commitments

On September 23, 2026, we entered into a multi-product License Agreement with Long Grove, and Capstone Development Services Company, LLC, a Delaware limited liability company ("Capstone"), which provided for, among other things, the grant by Long Grove to us of an exclusive (as to the licensed patents), sublicensable license to import, distribute, sell and market certain products in the United States, including its territories, commonwealths and possessions (the "Territory"), and a non-exclusive license to manufacture such products worldwide for sale in the Territory and certain obligations to collaborate on developing and commercializing such products. Capstone is a party to the License Agreement solely to provide certain exclusivity covenants and backstop obligations. Under the License Agreement, the Company shall pay to Long Grove certain regulatory milestone payments, sales-based milestone payments, and royalty payments and be reimbursed for certain expenses. The License Agreement has an initial term of ten (10) years following the first commercial sale of any product, with automatic two (2)-year renewal terms, and may be terminated by either party upon the occurrence of certain conditions customary for agreements of this type.

Other Obligations and Contingencies

We are, from time to time, subject to a variety of litigation and other proceedings incidental to our business, including lawsuits involving claims relating to intellectual property matters, employment matters, commercial disputes, as well as regulatory investigations or enforcement. We 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. The outcomes of the Company's legal proceedings and other contingencies are inherently unpredictable and subject to significant uncertainties. We have not reserved any amounts for contingencies related to such litigation because they are neither probable nor reasonably estimable based on information currently available. See "Part II. Item 1. Legal Proceedings" in this Quarterly Report on Form 10-Q for further discussion of pending legal proceedings. There can be no assurance that there will not be a change in the scope of one or more of these matters or that any other future legal matters will or will not be material to our financial position, results of operations or cash flows for a particular period.

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 and nine months ended September 30, 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 and Nine Months Ended September 30, 2026 and 2025

The following table summarizes the results of our operations for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
($ in thousands)	**2026**	**% of Sales**	**2025**	**% of Sales**	**2026**	**% of Sales**	**2025**	**% of Sales**
Net product sales	$ 35,250		$ 38,213		107,62 $ 7		$ 114,316	
Cost of product sales	8,958	25.4%	11,914	31.2%	31,168	29.0%	30,228	26.4%
Gross profit	26,292		26,299		76,459		84,088	
Operating expenses:								
Research and development	3,099	8.8%	3,470	9.1%	8,186	7.6%	8,683	7.6%
General and administrative	12,341	35.0%	13,980	36.6%	35,762	33.2%	41,153	36.0%
Sales and marketing	12,521	35.5%	12,942	33.9%	40,989	38.1%	36,828	32.2%
(Loss) income from operations	$ (1,669)	(4.7%)	$ (4,093)	(10.7%)	$ (8,478)	(7.9%)	$ (2,576)	(2.3%)

Net Product Sales

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Acute Care Net Product Sales	$ 15,128	$ 12,347	$ 44,088	$ 33,300
Oncology Net Product Sales	20,122	25,866	63,539	81,016
Total Net Product Sales	**$ 35,250**	**$ 38,213**	**$ 107,627**	**$ 114,316**

Total acute care net product sales increased by $2.8 million or 22.5% during the three months ended September 30, 2026, as compared to the three months ended September 30, 2025. The increase was primarily attributable to an increase in units sold, as a result of an increase in market share and new customers for both ZYNRELEF and APONVIE.

Total acute care net product sales increased by $10.8 million or 32.4% during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025. The increase was primarily attributable to an increase in 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 $5.7 million or 22.2% during the three months ended September 30, 2026, as compared to the three months ended September 30, 2025. The decrease was primarily attributable to a decrease in units sold as a result of continued competitive pressure.

Total oncology net product sales decreased by $17.5 million or 21.6% during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025. The decrease was primarily attributable to a decrease in units sold as a result of continued competitive pressure.

Cost of Product Sales and Gross Profit

Cost of product sales decreased by $3.0 million or 24.8% during the three months ended September 30, 2026, as compared to the three months ended September 30, 2025 and as a percentage of sales decreased 5.8% during the same period.

Cost of product sales increased by $0.9 million or 3.1% during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025 and as a percentage of sales increased 2.6% during the same period.

Gross profit for the three months ended September 30, 2026 was 74.6%, compared to 68.8% during the three months ended September 30, 2025.

Gross profit for the nine months ended September 30, 2026 was 71.0%, compared to 73.6% during the nine months ended September 30, 2025.

The decrease in cost of product sales for the three months ended September 30, 2026, as compared to the same period in 2025, is primarily attributable to a reduction in inventory reserves recorded in the three months ended September 30, 2026 as compared to the same period in 2025 of $1.7 million and a reduction in the units sold during the three months ended September 30, 2026 as compared to the same period in 2025 of $1.1 million.

The increase in cost of product sales for the nine months ended September 30, 2026, as compared to the same period in 2025, is primarily attributable to an increase in units sold during the nine months ended September 30, 2026 as compared to the same period in 2025 of $2.0 million, offset by a reduction in inventory reserves recorded in the nine months ended September 30, 2026 as compared to the same period in 2025 of $1.0 million.

Research and Development Expense

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
ZYNRELEF-related costs	$ 1,379	$ 1,944	$ 3,536	$ 3,861
CINVANTI-related costs	38	—	260	302
APONVIE-related costs	66	—	229	1
SUSTOL-related costs	—	—	2	75
Other costs	500	—	500	—
Personnel costs and other expenses	859	1,249	2,870	3,647
Stock-based compensation expense	257	277	789	797
Total research and development expense	$ 3,099	$ 3,470	$ 8,186	$ 8,683

Research and development expense decreased by $0.4 million or 10.7% during the three months ended September 30, 2026, as compared to the three months ended September 30, 2025. The decrease was primarily attributable to a $0.4 million decrease in personnel and related expenses due to lower headcount and a decrease in expense with external vendors of $0.5 million due to timing. These decreases were offset by the expense for the first regulatory milestone with Long Grove of $0.5 million.

Research and development expense decreased by $0.5 million or 5.7% during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025. The decrease was primarily attributable to a $0.7 million decrease in personnel and related expenses due to lower headcount and a decrease in expense with external vendors of $0.2 million due to timing. These decreases were offset by the expense for the first regulatory milestone with Long Grove of $0.5 million.

General and Administrative Expense

General and administrative expense decreased by $1.6 million or 11.7% during the three months ended September 30, 2026, as compared to the three months ended September 30, 2025. The decrease was primarily attributable to a $0.9 million decrease in rent expense due to the closure of our San Diego, California office in December 2025 and a $0.7 million decrease in legal spend due to timing of litigation.

General and administrative expense decreased by $5.4 million or 13.1% during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025. The decrease was primarily attributable to a $4.2 million decrease in legal spend due to timing of litigation, a $2.7 million decrease in rent expense due to the closure of our San Diego, California office in December 2025 and a $0.2 million decrease in expense with external vendors due to timing. These decreases were offset by a $1.8 million increase in personnel and related expenses due to an increase in headcount.

Sales and Marketing Expense

Sales and marketing expense decreased by $0.4 million or 3.3% during the three months ended September 30, 2026, as compared to the three months ended September 30, 2025. The decrease was primarily attributable to a $1.4 million decrease in expense with external vendors, due to timing. This decrease was offset by a $0.4 million increase in marketing spend related to ZYNRELEF and a $0.5 million increase in personnel and related cost due to an increase in headcount.

Sales and marketing expense increased by $4.2 million or 11.3% during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025. The increase was primarily attributable to a $3.6 million increase in personnel and related expenses due to an increase in headcount and a $1.7 million increase in marketing spend related to ZYNRELEF. These increases were offset by a $1.1 million decrease in expense with external vendors due to timing.

Other Expense, Net

For the three months ended September 30, 2026, other expense, net was $3.3 million, compared to $13.4 million, for the three months ended September 30, 2025. The decrease was primarily attributable to the loss on debt extinguishment recognized during the three months ended September 30, 2025 of $11.3 million, offset by an increase in interest expense of $0.9 million, a decrease in sublease income of $0.3 million related to the San Diego, California lease that ended on December 31, 2025, and a decrease in interest income of $0.2 million.

For the nine months ended September 30, 2026, other expense, net was $10.1 million, compared to $14.7 million, for the nine months ended September 30, 2025. The decrease was primarily attributable to the loss on debt extinguishment recognized during the three months ended September 30, 2025 of $11.3 million, offset by an increase in interest expense of $5.5 million, a decrease in sublease income of $0.9 million related to the San Diego, California lease that ended on December 31, 2025, and a decrease in interest income of $0.4 million.

Liquidity and Capital Resources

Sources of Liquidity

As of September 30, 2026, we had cash, cash equivalents and short-term investments of $23.4 million. Our net loss for the three months ended September 30, 2026 was $5.0 million, or loss per share of $0.03, compared to net loss of $17.5 million, or loss per share of $0.10, for the same period in 2025. Our net loss for the nine months ended September 30, 2026 was $18.6 million, or loss per share of $0.10, compared to net loss of $17.2 million, or $0.11 loss per share, for the same period in 2025. We have incurred significant operating losses and negative cash flows from operations and had an accumulated deficit of $2.0 billion as of September 30, 2026. From our inception through September 30, 2026, we have financed our 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 our cash, cash equivalents and short-term investments will be sufficient to meet our anticipated cash requirements for operations for at least one year from the date of issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. However, our Working Capital Facility Agreement contains a minimum cash covenant, a minimum revenue covenant and a minimum EBITDA covenant. Based on our results of operations for the nine months ended September 30, 2026 and without additional funding from the closing of the Asset Sale or otherwise, there is a possibility we may not satisfy one or more covenants under our Working Capital Facility Agreement within the next twelve months, absent a waiver, consent or amendment under our Working Capital Facility Agreement. If an event of default occurs under the Working Capital Facility Agreement due to the failure to satisfy certain covenants, our lenders could declare

all outstanding principal, together with accrued and unpaid interest and end of term fee, to be immediately due and payable. If the payment of the debt is accelerated, absent any additional funding, cash flows from our operations will be insufficient to repay such debt in full. Therefore, if all outstanding amounts under the Working Capital Facility Agreement are accelerated, management expects there will be substantial doubt about our ability to continue as a going concern for a period of at least one year from the date of issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. If an event of default occurs under the note purchase agreement in connection with the 2031 Convertible Notes (the "2031 Convertible Notes Purchase Agreement") due to the acceleration of all outstanding amounts under the Working Capital Facility Agreement, the required purchasers under the 2031 Convertible Notes Purchase Agreement could also declare the acceleration of all outstanding amounts under the 2031 Convertible Notes, subject to applicable notice requirements and cure periods.

Pursuant to the Asset Purchase Agreement, a portion of the cash consideration in the Asset Sale will be used to repay all amounts outstanding under the Working Capital Facility Agreement. A portion of the stock consideration in the Asset Sale will be used to exchange all or a portion of the outstanding 2031 Convertible Notes as described in Note 8 - Long-Term Debt and Convertible Notes to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. The completion of the Asset Sale is subject to approval by the Company's stockholders and the satisfaction of other customary closing conditions, and there can be no assurance that the Company will be successful in obtaining stockholder approval or closing the Asset Sale on the anticipated timeline, on the terms currently contemplated, or at all.

Cash Flows

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

Our net cash used in operating activities for the nine months ended September 30, 2026 and 2025 was $4.5 million and $18.4 million, respectively. The decrease in net cash used in operating activities of $13.9 million or 75.3%, was primarily attributable to the loss on debt extinguishment recognized during the nine months ended September 30, 2025 and variability in payments for operating assets and liabilities including, inventory, prepaid expenses and other assets, accounts payable and accrued clinical and manufacturing liabilities.

Our net cash provided by investing activities for the nine months ended September 30, 2026 was $5.9 million compared to net cash provided by investing activities for the nine months ended September 30, 2025, which was $21.5 million. The change in net cash used in investing activities of $15.6 million, was primarily attributable to net maturities of short-term investments of $6.5 million for the nine months ended September 30, 2026 compared to net maturities of short-term investments of $21.7 million for the nine months ended September 30, 2025.

Our net cash used in financing activities for the nine months ended September 30, 2026 was $18.4 million, compared to net cash provided by financing activities for the nine months ended September 30, 2025, which was $14.2 million. The change in net cash used in financing activities was primarily attributable to net cash provided by the financing transactions during the nine months ended September 30, 2025, compared to net cash used in financing transactions during the nine months ended September 30, 2026 of $18.4 million for principal payments for the Working Capital Facility Agreement.

Material Cash Requirements

There are no material changes to our material cash requirements disclosures included in our 2025 Annual Report during the three and nine months ended September 30, 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 and nine months ended September 30, 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 and six months ended June 30, 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 on November 3, 2026, oral argument was completed. 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. On June 1, 2026, the Court issued a ruling holding that the asserted claims of the '255 Patent and the '520 Patent are invalid under 35 U.S.C. § 112. The Court also entered a final judgment declaring that the asserted claims 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 are not infringed. On June 30, 2026, the Company appealed both final judgments to the U.S. Court of Appeals for the Federal Circuit. On July 31, 2026, the appeals were consolidated. On November 4, 2026, the briefing was completed. The Company intends to vigorously enforce its intellectual property rights relating to CINVANTI.

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.

On June 26, 2026, the Company received a Paragraph IV notice of certification (the "Long Grove Notice") from Long Grove Pharmaceuticals, LLC ("Long Grove") advising that Long Grove had submitted an application seeking approval to manufacture, use, or sell a generic version of CINVANTI in the U.S. ("Long Grove's NDA") prior to the expiration of the Noticed CINVANTI Patents, which are listed in the Orange Book for CINVANTI. The Long Grove Notice alleges that the Noticed CINVANTI Patents are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of the Long Grove NDA product. On August 7, 2026, the Company filed a complaint for patent infringement of the Noticed CINVANTI Patents against Long Grove and a related entity in the U.S. District Court for the District of Delaware in response to Long Grove's NDA filing. On October 7, 2026, the case was closed pursuant to a notice of dismissal filed on September 29, 2026.

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." The occurrence of any of the events or developments described below could adversely affect our business, financial condition, results of operations and prospects. In such an event, the market price of our common stock could decline and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. Other than the factors described below, there are no material changes to the risk factors described in our 2025 Annual Report.

Risks Related to the Asset Sale

The Asset Sale is subject to significant conditions, including stockholder approval. Failure to complete the Asset Sale and the transactions contemplated thereby within the intended timeframe, or at all, could materially harm the Company's business, financial condition, the trading price of the Company's common stock and its ability to continue as a going concern.

On November 8, 2026, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with CorMedix Inc., a Delaware corporation ("CorMedix"), pursuant to which the Company agreed to sell substantially all of its assets to CorMedix, other than certain excluded assets, including its federal income tax net operating loss carryforwards (the "NOLs") and certain other tax attributes, and CorMedix has agreed to acquire those assets and assume certain liabilities of the Company as set forth in the Asset Purchase Agreement (the "Asset Sale"). Pursuant to the terms of the Asset Purchase Agreement, all outstanding amounts under the Working Capital Facility Agreement will be repaid upon the closing of the Asset Sale. Pursuant to the terms of the Exchange Agreement, all outstanding principal amount of 2031 Convertible Notes will be exchanged in quarterly installments for shares of CorMedix common stock issued to the Company in connection with the Asset Sale, subject to the terms and conditions as set forth in the Exchange Agreement. The Company, and not its stockholders, will receive the stock and cash consideration from the Asset Sale described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Events – Proposed Asset Sale." The completion of the Asset Sale is subject to approval by the Company's stockholders and the satisfaction of other customary closing conditions, and there can be no assurance that the Company will be successful in obtaining stockholder approval or closing the Asset Sale on the anticipated timeline, on the terms currently contemplated, or at all.

In addition, the Company's current liquidity position and its ability to remain in compliance with the covenants of its Working Capital Facility Agreement are significantly dependent on the closing of the Asset Sale. As of September 30, 2026, the Company had cash, cash equivalents and short-term investments of $23.4 million. Based on the Company's current operating plan and projections, management believes that its cash, cash equivalents and short-term investments will be sufficient to meet its anticipated cash requirements for operations for at least one year from the date of issuance of the condensed consolidated financial statements included

in this Quarterly Report on Form 10-Q. However, the Company's Working Capital Facility Agreement contains a minimum cash covenant, a minimum revenue covenant and a minimum EBITDA covenant. Based on the Company's results of operations for the nine months ended September 30, 2026 and without additional funding from the closing of the Asset Sale or otherwise, there is a possibility the Company may not satisfy one or more covenants under its Working Capital Facility Agreement within the next twelve months, absent a waiver, consent or amendment under its Working Capital Facility Agreement. If an event of default occurs under the Working Capital Facility Agreement due to the failure to satisfy certain covenants, its lenders could declare all outstanding principal, together with accrued and unpaid interest and end of term fee, to be immediately due and payable. If the payment of the debt is accelerated, absent any additional funding, cash flows from its operations will be insufficient to repay such debt in full. Therefore, if all outstanding amounts under the Working Capital Facility Agreement are accelerated, management expects there will be substantial doubt about the Company's ability to continue as a going concern for a period of at least one year from the date of issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. If an event of default occurs under the 2031 Convertible Notes Purchase Agreement due to the acceleration of all outstanding amounts under the Working Capital Facility Agreement, the required purchasers under the 2031 Convertible Notes Purchase Agreement could also declare the acceleration of all outstanding amounts under the 2031 Convertible Notes, subject to applicable notice requirements and cure periods.

If the Asset Sale does not close on the anticipated timeline, on the terms currently contemplated, or at all, or the Company is unable to obtain a waiver, consent or amendment under its Working Capital Facility Agreement, the Company will require additional funding to maintain compliance with its debt covenants, which may include public or private equity financings, or securities convertible into equity securities, debt financings, or refinancing of existing debt financings, strategic transactions and collaborations or a combination of these approaches. The Company may experience difficulties in accessing the capital markets due to external factors beyond its control, such as volatility in the equity markets and general economic and market conditions, and such risks may be increased due to its inability to close the Asset Sale or obtain a waiver, consent or amendment under its Working Capital Facility Agreement. There can be no assurance that the Company will be successful in acquiring additional funding or entering into strategic transactions to maintain compliance with its debt covenants and fund its operations on terms acceptable to it, if at all. If the Company is unable to continue as a going concern, the trading price of its stock will be materially and adversely affected, existing or potential investors, business partners, customers and vendors may decline to do business with the Company or participate in any future financings, and the Company may have to liquidate its assets and receive less than the value at which those assets are carried on its financial statements, in which case, it is likely that investors will lose all or part of their investment.

The Asset Purchase Agreement contains provisions that limit the Company's ability to pursue alternatives to the Asset Sale, which could deter or discourage a competing acquirer from making a favorable alternative transaction proposal.

Under the Asset Purchase Agreement, the Company has agreed, subject to certain exceptions with respect to unsolicited proposals, not to directly or indirectly solicit competing proposals or to enter into discussions concerning, or provide confidential information in connection with, any competing proposals. The Company has also agreed to cease all existing discussions with third parties regarding any competing proposals. Further, the Board is required to recommend that the Company's stockholders vote in favor of the Asset Sale, subject to certain exceptions, including if the Board determines in good faith, after consulting with the Company's financial advisor and outside legal counsel, that the competing proposal is a superior proposal and determines in good faith that the failure to effect such a change in recommendation in response to such superior proposal would be reasonably likely to be inconsistent with the directors' fiduciary duties under applicable law. The Company may also terminate the Asset Purchase Agreement in order to enter into a definitive agreement providing for a superior proposal, but only if (i) the Company complied in all material respects with its obligations, including, the non-solicit provisions, set forth in the Asset Purchase Agreement with respect to the superior proposal, (ii) the Company pays a $4.0 million termination fee and (iii) the Board has authorized the Company to enter into a definitive agreement providing for the superior proposal. Such provisions of the Asset Purchase Agreement could discourage or deter a third party that may be willing to pay more than CorMedix for the Company's assets from considering or proposing such a transaction.

While the Asset Purchase Agreement is in effect, the Company is subject to restrictions on its business activities.

The Asset Purchase Agreement contains customary representations, warranties and covenants of the parties, including covenants concerning the conduct of the Company's business prior to the closing of the Asset Sale. During the pendency of the Asset Sale, the Company has agreed, subject to certain exceptions, not to take certain actions in connection with its business and the assets to be sold. Among other things, the Company may not (i) sell, assign, transfer, lease, license or otherwise dispose of any assets to be sold, (ii) change the nature or scope of its business in any material respect, (iii) incur any obligation or liability, including indebtedness that would be assumed by CorMedix, (iv) enter into, materially modify or terminate certain material contracts, including contracts with related persons or that would restrict its business after the closing of the Asset Sale; (v) acquire businesses or assets, (vi)

commence or settle certain material legal actions or waive material claims, (vii) increase compensation or benefits or take certain other employment and labor actions, (viii) make or change material tax elections or tax accounting periods or (ix) engage in sales, pricing, discount or inventory practices outside the ordinary course of business. Due to these restrictions, the Company may be prevented from taking certain actions with respect to the conduct of its business that it might otherwise have taken if not for the Asset Purchase Agreement, including responding effectively or in a timely manner to competitive pressures and industry developments, which could have a material adverse effect on its business, results of operations, cash flows and financial condition.

Stockholder litigation could prevent or delay the closing of the Asset Sale or otherwise negatively impact the Company's business, operating results and financial condition.

During the pendency of the Asset Sale and following its closing, the Company may incur additional costs in connection with the defense or settlement of any stockholder litigation relating to the Asset Sale. Such litigation may adversely affect the Company's ability to complete the Asset Sale within the intended timeframe or at all; materially and adversely affect the trading price of the Company's common stock; may result in negative reactions from the Company's investors, business partners, customers, vendors and employees; and may impair or materially impede the Company's strategies to acquire or invest in additional businesses or assets following the closing of the Asset Sale. The Company could incur significant costs in connection with any such litigation, including costs associated with its indemnification obligations to its directors and officers.

The Company will be subject to business uncertainties while the Asset Sale is pending, which could adversely affect its business.

During the pendency of the Asset Sale, the Company may also face ongoing operational risks, including potential disruptions to business relationships with its partners and customers. Parties with which the Company has a business relationship may delay or defer certain business decisions, seek alternative relationships with third parties, or seek to alter their present business relationships with the Company. Parties with which the Company otherwise may have sought to establish business relationships may seek alternative relationships with third parties. In addition, customers who would otherwise use the Company's products may choose not to use its products due to the uncertainty associated with the Company's business and operations during the Asset Sale and the continued availability and access to the Company's products. The pursuit of the Asset Sale will also continue to place a significant burden on the Company's internal resources and divert time and attention from the day-to-day operation of the Company's business and the execution of other strategic initiatives.

In addition, the Company has incurred, and will continue to incur, significant costs for legal, accounting, financial advisory and other professional services and other transaction costs in connection with the Asset Sale, and many of these costs are payable regardless of whether or not the Asset Sale successfully closes. Furthermore, the cash consideration from the Asset Sale is subject to adjustment based on, among other things, the amount of cash the Company has immediately following the closing of the Asset Sale. If the Company's business performance suffers or it incurs increased expenses prior to the closing of the Asset Sale, it may materially affect the cash consideration that the Company will receive upon closing of the Asset Sale and the amount of cash that would be available following the closing of the Asset Sale that will be used to acquire or invest in additional businesses or assets. Any of the foregoing could adversely affect the Company's business, results of operations, cash flows and financial condition, and the trading price of its common stock.

The Company's ability to retain key personnel may be adversely affected by the pending Asset Sale and its transition of leadership following the closing of the Asset Sale.

The uncertainty regarding the successful completion of the Asset Sale, as well as the transition of leadership following closing, may create significant doubt regarding the Company's future direction, operations and strategies. During the pendency of the Asset Sale, this uncertainty could lead to increased employee attrition and hinder the Company's ability to attract and motivate key personnel. The Company expects that its executive officers and substantially all employees will cease to be employed by the Company at or shortly after the closing of the Asset Sale and the Company will be managed by limited personnel. The Company's executive officers and other employees could terminate their employment relationship at any time. The loss of key personnel during this transition period, or the Company's inability to promptly identify suitable successors, could have an adverse effect on its business.

Risks Related to the Company's Future Operations

Following the closing of the Asset Sale, the Company will have limited operations and no material sources of revenue until it is able to acquire or invest in additional operating businesses or assets, which may negatively impact the value and liquidity of its common stock.

With the closing of the Asset Sale, the Company will exit the operation of its current biotechnology business and other historical operations, but it does not intend to liquidate and will remain a publicly traded company. Until the Company acquires or invests in additional operating businesses or assets, it will have limited operations and no material sources of revenue. The Company will retain other material assets following the closing of the Asset Sale, including the shares of CorMedix common stock issued to the Company in the Asset Sale, the right to receive future royalties, earn-out payments, significant NOLs and cash on hand. Following the closing of the Asset Sale, the Board intends to actively evaluate various strategic transactions and opportunities for the use of the proceeds of the Asset Sale, including acquiring or investing in additional businesses or assets, which may or may not be pharmaceutical or biotechnology businesses or assets. Such opportunities may include, but are not limited to, the acquisition of products, product candidates, milestone payments and royalty streams, programs or technologies as well as pursuing strategic alliances, joint ventures, investments in complementary businesses, out-licensing and in-licensing agreements, divestitures or other transactions. It is currently uncertain what businesses or assets the Company may acquire or invest in following the closing of the Asset Sale, and the Board intends to evaluate opportunities to create value for the benefit of stockholders. There can be no assurances that the Board will be able to identify suitable businesses or assets that will be available for the Company to acquire or invest in, or that any assets acquired will generate the revenues anticipated or any revenue at all. If the Company is not able to acquire suitable businesses or assets, the value of its remaining tax attributes and NOLs may be limited and the value and liquidity of its common stock will be adversely affected.

Following the closing of the Asset Sale, strategic transactions could disrupt the Company's business, cause dilution to its stockholders and otherwise harm its business.

Following the closing of the Asset Sale, the Board intends to actively evaluate various strategic transactions and opportunities for the use of the proceeds of the Asset Sale, including acquiring or investing in additional businesses or assets, which may or may not be pharmaceutical or biotechnology businesses or assets. Such opportunities may include, but are not limited to, the acquisition of products, product candidates, milestone payments and royalty streams, programs or technologies as well as pursuing strategic alliances, joint ventures, investments in complementary businesses, out-licensing and in-licensing agreements, divestitures or other transactions. It is currently uncertain what businesses or assets the Company may acquire or invest in following the closing of the Asset Sale, and the Board intends to evaluate opportunities to create value for the benefit of stockholders. Suitable acquisition or in-licensing opportunities on acceptable prices, terms and conditions may be limited. The acquisition or investment in additional businesses and assets following the closing of the Asset Sale will be material to the Company's financial condition and operating results and could subject the Company to a number of risks, including:

- disruption in the Company's relationships with existing strategic partners, suppliers or customers as a result of such a transaction;
- unanticipated liabilities related to acquired companies;
- difficulties integrating acquired personnel, technologies, operations, products, product candidates or programs;
- retention of key employees;
- diversion of time and focus from operating the business to management of strategic alliances or joint ventures or acquisition integration challenges;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products, regulatory risks and other liabilities;
- increases in the Company's expenses and reductions in cash available for operations and other uses; and
- possible write-offs or impairment charges relating to acquired businesses and assets.

The Company faces intense competition from larger, better-resourced companies in acquiring or in-licensing promising assets. The Company also faces competition from other companies, funds and investment vehicles seeking to aggregate royalties or provide alternative financing to biotechnology companies. These competitors may have a lower cost of capital or access to greater amounts of capital and thereby may be able to successfully acquire assets that the Company may also target for acquisitions. There is a limited

number of suitable and attractive acquisition or partnering opportunities available in the market, and competition to acquire such assets may be intense. In order to compete successfully, the Company may have to pay higher prices for assets than may have been paid historically, which may make it more difficult for the Company to realize an adequate return on any acquisition. Any future acquisitions or dispositions could result in dilutive issuances of the Company's equity securities, the incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill, any of which could harm the Company's financial condition or reputation. The Company cannot predict the number, timing or size of any future strategic alliances, joint ventures, investments, acquisitions or other strategic transactions, or the effect that any such transactions might have on its operating results.

The Company will continue to incur the expense of complying with public company reporting requirements following the closing of the Asset Sale.

Following the closing of the Asset Sale, the Company will remain a publicly traded company and will continue to be required to comply with the applicable reporting requirements of the Exchange Act. Compliance with such reporting requirements is economically burdensome and will require the time and attention of its remaining directors and personnel.

Following the closing of the Asset Sale, the Company may be deemed to be an investment company, and investment company status would materially restrict its operations.

Under Sections 3(a)(1)(A) and (C) of the Investment Company Act of 1940 (the "1940 Act"), a company generally will be deemed to be an "investment company" if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, and cash items) on an unconsolidated basis. Rule 3a-1 under the 1940 Act generally provides that notwithstanding the Section 3(a)(1)(C) test described in clause (ii) above, an entity will not be deemed to be an "investment company" for purposes of the 1940 Act if no more than 45% of the value of its assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, and cash items) consists of, and no more than 45% of its net income after taxes (for the past four fiscal quarters combined) is derived from, securities other than U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, securities issued by employees' securities companies, securities issued by qualifying majority owned subsidiaries of such entity, and securities issued by qualifying companies that are controlled primarily by such entity.

Upon consummation of the Asset Sale, the Company will need to determine whether it may be considered an "investment company" as defined in Section 3(a)(1)(A) or Section 3(a)(1)(C) of the 1940 Act. The Company does not intend to conduct its business so as to become regulated as an investment company.

The Company has been a biotechnology company since its formation. Following the closing of the Asset Sale, the Board intends to actively evaluate various strategic transactions and opportunities for the use of the proceeds of the Asset Sale, including acquiring or investing in additional businesses or assets, which may or may not be pharmaceutical or biotechnology businesses or assets, and as such, the Company does not intend to hold itself out as being engaged primarily, or propose to engage primarily, in the business of investing, reinvesting, or trading in securities within the meaning of Section 3(a)(1)(A) of the 1940 Act.

Following the closing of the Asset Sale, until the Company acquires or invests in additional operating businesses or assets, it will have limited operations and no material sources of revenue. The Company will retain other material assets following the closing of the Asset Sale, including the shares of CorMedix common stock issued to the Company in the Asset Sale, the right to receive future royalties, earn-out payments, significant NOLs and cash on hand.

If the Company were to be deemed an investment company following the closing of the Asset Sale, Rule 3a-2 under the 1940 Act is a safe harbor that provides a one-year grace period for transient investment companies that have a bona fide intent to be engaged primarily, as soon as is reasonably possible (in any event by the termination of such one-year period), in a business other than that of investing, reinvesting, owning, holding, or trading in securities, with such intent evidenced by the company's business activities and an appropriate resolution of its board of directors. The grace period is available not more than once every three years and runs from the earlier of (i) the date on which the company owns securities and/or cash having a value exceeding 50% of the company's total assets on either a consolidated or unconsolidated basis or (ii) the date on which the company owns or proposes to acquire investment securities having a value exceeding 40% of the value of such company's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Accordingly, if the Company were to rely on Rule 3a-2, it expects that the one-year grace period would begin upon the closing of the Asset Sale, and there can be no assurances that it will be engaged primarily in a business other than that of investing, reinvesting, owning, holding, or trading in securities by the end of such period; however, Rule 3a-2 is a safe

harbor and the Company may rely on any exemption or exclusion from investment company status available to it under the 1940 Act at any given time. Furthermore, reliance on Rule 3a-2, Section 3(a)(1)(C), or Rule 3a-1 could require the Company to take actions to dispose of securities, limit its ability to make certain investments or enter into joint ventures, or otherwise limit or change its service offerings and operations. If the Company were to be deemed an investment company in the future, it would be subject to restrictions imposed by the 1940 Act, including limitations on its ability to issue different classes of stock and equity compensation to directors, officers, and employees and restrictions on management, operations, and transactions with affiliated persons, which could have a material adverse effect on its business, results of operations, financial condition, and prospects.

Risks Related to Our Business

Our Products may face competition from lower-cost generic products offered by our competitors, which may limit our ability to sell our Products or require us to reduce our pricing.

Pricing for therapeutics can be extremely competitive, and strict formulary guidelines enforced by payors may create significant challenges in the acceptance and profitability of branded products. The market for generic products can be very lucrative, and it is dominated by companies that may have much larger distribution capabilities than we may have in the future. It can be very difficult to predict the timing of the launch of generic products given the commonality of litigation with manufacturers over anticipated patent expiration. Our inability to accurately foresee and plan for generic product launches that may compete with our Products may significantly impact our potential revenues from such Products. On the expiration or loss of patent protection for a branded product, or on the "at-risk" launch (despite pending patent infringement litigation against the generic product) by a manufacturer of a generic version of a drug that may compete with one of our products, we could quickly lose a significant portion of our sales of that Product. The inability of a branded Product we may sell to successfully compete against generic products could negatively impact sales of our Product, reduce our ability to grow our business and significantly harm our business prospects.

We face competition from newly developed generic products as the Hatch-Waxman Act seeks to stimulate competition by providing incentives to generic pharmaceutical manufacturers to introduce non-infringing forms of patented pharmaceutical products and to challenge patents on branded pharmaceutical products. For example, we filed a complaint for patent infringement of certain CINVANTI patents against Fresenius Kabi USA, LLC ("Fresenius Kabi") in connection with its Abbreviated New Drug Application ("ANDA"), which seeks approval to manufacture, use or sell a generic version of CINVANTI in the U.S. prior to expiration of certain CINVANTI patents. While in December 2024, the District Court found that the Company's '229 Patent and '794 Patent are valid and would be infringed by Fresenius Kabi's proposed generic product, this decision is currently pending appeal and there is no guarantee that other similar or future litigation will be resolved in our favor. In addition, we filed a complaint for patent infringement of certain CINVANTI patents against Azurity Pharmaceuticals, Inc., Azurity Pharmaceuticals India LLP f/k/a Slayback Pharma India LLP, and Slayback Pharma LLC (collectively, "Azurity") in connection with its new drug application ("NDA") submission to the FDA under Section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act (the "FDCA"). On June 1, 2026, the District Court issued a decision holding that the Company's asserted claims of Azurity's infringement of the '255 Patent and the '520 Patent are invalid under 35 U.S.C. § 112. The Court also entered a final judgment declaring that the asserted claims 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 are not infringed. On June 30, 2026, the Company appealed both final judgments to the U.S. Court of Appeals for the Federal Circuit. On July 31, 2026, the appeals were consolidated. On November 4, 2026, the briefing was completed. While the Company intends to vigorously enforce its intellectual property rights relating to CINVANTI, there can be no assurance that this matter will be resolved in the Company's favor. An adverse outcome could have a material effect on the Company's business, results of operations and financial position. In addition, the Company has entered into settlement agreements in connection with patent infringement litigations related to ANDA filings from (i) Mylan with respect to CINVANTI and APONVIE, (ii) Qilu with respect to CINVANTI and APONVIE and (iii) Baxter with respect to CINVANTI, and such settlements are not impacted by the U.S. District Court for the District of Delaware's June 1, 2026 decision on the Company's patent infringement litigation against Azurity with respect to certain CINVANTI patents. For more information about the Company;s patent litigations, see "Part I. Item 3. Legal Proceedings" in our 2025 Annual Report and "Part II. Item 1. Legal Proceedings" in subsequent Quarterly Reports on Form 10-Q.

If the Company is unsuccessful in demonstrating infringement of its patents by an ANDA or 505(b)(2) product, or the validity of the Company's patents is successfully challenged, lower-cost generic versions of our Products may be launched commercially and may compete with our Products, as they may be favored by insurers and third-party payors, which would significantly harm our business.

Risks Related to Our Intellectual Property

If we are unable to adequately protect or enforce our intellectual property rights, we may lose valuable assets or incur costly litigation to protect our rights.

Our policy is to actively seek patent protection in the U.S. and selected foreign countries, to obtain coverage for novel technologies and compositions of matter that may be commercially important to the development of our business. Granted patents include claims covering the product composition, methods of use and methods of preparation. Our existing patents may not cover future products, additional patents may not be issued and current patents, or patents issued in the future, may not provide meaningful protection or prove to be of commercial benefit.

The patent positions of pharmaceutical companies, including ours, are uncertain and involve complex legal and factual questions. In addition, the coverage claimed in a patent application can be significantly changed or reduced before the patent is issued. Consequently, our patent applications may not issue into patents, and any issued patents may not provide sufficient protection for our product candidates or provide sufficient protection to afford us a commercial advantage against competitive technologies or may be held invalid if challenged or circumvented. Patent applications in the U.S. are maintained in confidence by the U.S. Patent and Trademark Office for at least 18 months after their filing. Consequently, we cannot be certain that the patent applications we are pursuing will lead to the issuance of any patent or that the claimed inventions will be free from infringement or other claims from other parties. Our competitors may also independently develop products similar to ours or design around or otherwise circumvent patents issued to us or controlled (e.g., licensed) by us. In addition, the laws of some foreign countries may not protect our proprietary rights to the same extent as U.S. laws.

We may have to enforce and defend our intellectual property rights against third parties who infringe our patents and other intellectual property or who challenge our patents or trademarks. For example, in the U.S., manufacturers of putative generics of innovator drug products (including products in which the innovation comprises a new drug delivery method for an existing product, such as the drug delivery market occupied by us) may file Abbreviated New Drug Applications ("ANDA") (or New Drug Applications pursuant to Section 505(b)(2) of the FDCA) and, in doing so, certify that their products either do not infringe the innovator's patents and/or that the innovator's patents are invalid. Under the Hatch-Waxman Act, the owners of patents listed in the FDA's publication "Approved Drug Products With Therapeutic Equivalence Evaluations ("Orange Book") and referenced by an ANDA applicant (or a 505(b)(2) applicant) may bring a patent infringement suit, commonly known as "Paragraph IV Litigation," against the applicant after receipt of the applicant's notice of paragraph IV certification. Paragraph IV litigations, of which there are often multiple in process by several applicants covering similar patents, could result in new or additional generic competition to any of our products and our product candidates and a potential reduction in product revenue.

For example, on July 27, 2022, we filed a complaint for patent infringement of certain CINVANTI patents against Fresenius Kabi and a related entity in the District of Delaware in response to Fresenius Kabi's ANDA application seeking FDA approval to manufacture, use or sell a generic version of CINVANTI in the U.S. prior to expiration of the CINVANTI patents, including U.S. Patent Nos. 9,561,229 (the "'229 Patent") and 9,974,794 (the "'794 Patent"). While in December 2024, the District Court found that the Company's '229 Patent and '794 Patent are valid and would be infringed by Fresenius Kabi's proposed generic product, this decision is currently pending appeal and there is no guarantee that other similar or future litigation will be resolved in our favor. Similarly, on January 24, 2024, we filed a complaint for patent infringement of certain CINVANTI patents, U.S. Patent Nos. 12,115,255 (the "'255 Patent") and 12,290,520 (the "'520 Patent"), against Azurity in the District of Delaware in response to Azurity's New Drug Application ("NDA") submission to the FDA under Section 505(b)(2) of the FDCA. On June 1, 2026, the District Court issued a decision holding that the Company's asserted claims of Azurity's infringement of the '255 Patent and the '520 Patent are invalid under 35 U.S.C. § 112. The Court also entered a final judgment declaring that the asserted claims 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 are not infringed. On June 30, 2026, the Company appealed both final judgments to the U.S. Court of Appeals for the Federal Circuit. On July 31, 2026, the appeals were consolidated. On November 4, 2026, the briefing was completed. While the Company intends to vigorously enforce its intellectual property rights relating to CINVANTI, there can be no assurance that this matter will be resolved in the Company's favor. An adverse outcome could have a material effect on the Company's business, results of operations and financial position. In addition, the Company has entered into settlement agreements in connection with patent infringement litigations related to ANDA filings from (i) Mylan with respect to CINVANTI and APONVIE, (ii) Qilu with respect to CINVANTI and APONVIE and (iii) Baxter with respect to CINVANTI, and such settlements are not impacted by the District Court's June 1, 2026 decision with respect to certain CINVANTI patents. For more information about the Company's patent litigations, see "Part I. Item 3. Legal Proceedings" in our 2025 Annual Report and "Part II. Item 1. Legal Proceedings" in subsequent Quarterly Reports on Form 10-Q.

We may enter into collaborative agreements that may subject us to obligations that must be fulfilled and require us to manage complex relationships with third parties. In the future, if we are unable to meet our obligations or manage our relationships with our collaborators under these agreements our revenue may decrease. The loss or diminution of our intellectual property rights could result in a decision by our third-party collaborators to terminate their agreements with us. In addition, these agreements are generally complex and contain provisions that could give rise to legal disputes, including potential disputes concerning ownership of intellectual property and data under collaborations. Such disputes can lead to lengthy, expensive litigation or arbitration, requiring the Company to divert time and resources to such dispute.

Because the patent positions of pharmaceutical and biotechnology companies involve complex legal and factual questions, enforceability of patents cannot be predicted with certainty. The ultimate degree of patent protection that will be afforded to products and processes, including ours, remains uncertain and is dependent on the scope of protection decided on by the patent offices, courts and lawmakers in the U.S. and other countries in which we seek patent protection. The America Invents Act, which was enacted in 2011 and reformed certain patent laws in the U.S., may create additional uncertainty. Patents, if issued, may be challenged, invalidated or circumvented. As more products are commercialized using our proprietary product platforms, or as any product achieves greater commercial success, our patents become more likely to be subject to challenge by potential competitors.

We also rely on trade secrets, technical know-how and continuing technological innovation to develop and maintain our competitive position. We require our employees, consultants, advisors and collaborators to execute appropriate confidentiality and assignment-of-inventions agreements with us. These agreements typically provide that all materials and confidential information developed or made known to the individual during the course of the individual's relationship with us are to be kept confidential and not disclosed to third parties except in specific circumstances, and that all inventions arising out of the individual's relationship with us shall be our exclusive property. These agreements may be breached, and in some instances, we may not have an appropriate remedy available for such breach. Furthermore, our competitors may independently develop substantially equivalent proprietary information and techniques, reverse engineer our information and techniques, or otherwise gain access to our proprietary technology. We may be unable to meaningfully protect our rights in trade secrets, technical know-how and other non-patented technology. We may have to resort to litigation to protect our intellectual property rights, or to determine their scope, validity or enforceability. In addition, interference proceedings declared by the U.S. Patent and Trademark Office may be necessary to determine the priority of inventions with respect to our patent applications. Enforcing or defending our proprietary rights is expensive, could cause diversion of our resources and may not prove successful. In addition, courts outside the U.S. may be less willing to protect trade secrets. Costly and time-consuming litigation could be necessary to seek to enforce and determine the scope of our proprietary rights. Any failure to enforce or protect our rights could cause us to lose the ability to exclude others from using our technology to develop or sell competing products.

We may be subject to claims that we have infringed on the intellectual property rights of others, and any litigation could force us to stop developing or selling potential products and could be costly, divert time, attention and resources and harm our business.

We must be able to develop products without infringing the proprietary rights of other parties. Because the markets in which we operate involve established competitors with significant patent portfolios, including patents relating to the composition of a variety of polymers, specific products, product groups and processing technology, it could be difficult for us to use our technologies or develop products without infringing the proprietary rights of others. Therefore, there is a risk that third parties may make claims of infringement against our products, our product candidates or our technologies. We may not be able to design around the patented technologies or inventions of others, and we may not be able to obtain licenses to use patented technologies on acceptable terms, or at all. If we cannot operate without infringing the proprietary rights of others, we will not be able to develop or commercialize some or all of our product candidates, and consequently will not be able to earn product revenue.

There is considerable uncertainty within the pharmaceutical industry about the validity, scope and enforceability of many issued patents in the U.S. and elsewhere in the world. We cannot currently determine the ultimate scope and validity of patents that may be granted to third parties in the future or which patents might be asserted to be infringed by any future manufacture, use or sale of our products and our product candidates. In part, and as a result of this uncertainty, there has been, and we expect that there may continue to be, significant litigation in the pharmaceutical industry regarding patents and other intellectual property rights.

If we are required to defend ourselves in a patent-infringement lawsuit, we could incur substantial costs, and the lawsuit could divert time, attention and other resources, regardless of the lawsuit's merit or outcome. These legal actions could seek damages and seek to enjoin testing, manufacturing and marketing of the accused product or process. In addition to potential liability for significant damages, we could be required to redesign affected products or obtain a license to continue to manufacture or market the accused

product or process and any license required under any such patent may not be made available to us on acceptable terms, if at all. Competitors may sue us as a way of delaying the introduction of our products and our product candidates into the market. Any litigation, including any interference or derivation proceedings to determine priority of inventions, oppositions or other post-grant review proceedings to patents in the U.S. or in countries outside the U.S., or litigation against our partners may be costly and time-consuming and could harm our business. We expect that litigation may be necessary in some instances to determine the validity and scope of certain of our proprietary rights. Litigation may be necessary in other instances to determine the validity, scope and/or non-infringement of certain patent rights claimed by third parties to be pertinent to the manufacture, use or sale of our products and our product candidates. For more information about the Company's patent litigations, see "Part I. Item 3. Legal Proceedings" in our 2025 Annual Report and "Part II. Item 1. Legal Proceedings" in subsequent Quarterly Reports on Form 10-Q. Ultimately, the outcome of such litigation could adversely affect the validity and scope of our patent or other proprietary rights or hinder our ability to manufacture and market our Products and our product candidates.

Periodically, we review publicly available information regarding the development efforts of others to determine whether these efforts may violate our proprietary rights. We occasionally determine that litigation is necessary to enforce our proprietary rights against others. Such litigation can result in substantial expense, regardless of its outcome, and may not be resolved in our favor.

Risks Related to Our 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. On September 17, 2026, we entered into the Fifth Amendment to the Working Capital Facility Agreement (the "Fifth Amendment to the Working Capital Facility Agreement") 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 Third Amendment to the Working Capital Facility Agreement and the Fourth Amendment to the Working Capital Facility Agreement. The Fifth Amendment to the Working Capital Facility Agreement, among other things amended the terms of the September 15, 2026 payment of $4,000,000 as specified in the Fourth Amendment to the Working Capital Facility Agreement to separate the payment into a $1,000,000 payment payable on September 15, 2026 and a $3,000,000 payment payable on September 30, 2026. We completed these prepayments, together with End of Term Fees of $49,000 and $147,000, respectively, plus accrued PIK Interest due on such Prepayment with any fees associated with the Prepayment to be waived.

Our ability to comply with these restrictions and covenants, including meeting any financial ratios and tests, may be affected by events beyond our control. Based on our results of operations for the nine months ended September 30, 2026 and without additional funding from the closing of the Asset Sale or otherwise, there is a possibility we may not satisfy one or more covenants under our Working Capital Facility Agreement within the next twelve months, absent a waiver, consent or amendment under our Working Capital Facility Agreement. If an event of default occurs under the Working Capital Facility Agreement due to the failure to satisfy certain covenants, our lenders could declare all outstanding principal, together with accrued and unpaid interest and end of term fee, to be immediately due and payable. If the payment of the debt is accelerated, absent any additional funding, cash flows from our operations will be insufficient to repay such debt in full. Therefore, if all outstanding amounts under the Working Capital Facility Agreement are accelerated, management expects there will be substantial doubt about our ability to continue as a going concern for a period of at least one year from the date of issuance of the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. If an event of default occurs under the 2031 Convertible Notes Purchase Agreement due to the acceleration of all outstanding amounts under the Working Capital Facility Agreement, the required purchasers under the 2031 Convertible Notes Purchase Agreement could also declare the acceleration of all outstanding amounts under the 2031 Convertible Notes, subject to applicable notice requirements and cure periods.

Pursuant to the Asset Purchase Agreement, a portion of the cash consideration in the Asset Sale will be used to repay all amounts outstanding under the Working Capital Facility Agreement. A portion of the stock consideration in the Asset Sale will be used to exchange all or a portion of the outstanding 2031 Convertible Notes as described in Note 8 - Long-Term Debt and Convertible

Notes to the condensed consolidated financial statements included in the Quarterly Report on Form 10-Q. The completion of the Asset Sale is subject to approval by the Company's stockholders and the satisfaction of other customary closing conditions, and there can be no assurance that the Company will be successful in obtaining stockholder approval or closing the Asset Sale on the anticipated timeline, on the terms currently contemplated, or at all.

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, the Company must meet certain financial and liquidity criteria to maintain such listing. On June 25, 2026, we received a letter from Nasdaq, notifying us that, for the previous 30 consecutive business day period prior to the date of the letter, the closing bid price of our common stock was below $1.00 and that we did not meet the minimum bid price required for continued listing on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we have been provided with an initial period of 180 calendar days, or until December 22, 2026, to regain compliance with Nasdaq's bid price requirement. If, at any time before December 22, 2026, the bid price for our common stock closes at $1.00 or more for a minimum of 10 consecutive business days, we will regain compliance with the bid price requirement. If we are unable to regain compliance during this initial 180-calendar day compliance period, we may be eligible for an additional 180-calendar day compliance period, subject to meeting other continued listing standards and providing written notice to Nasdaq of our intent to cure the deficiency.

Following the closing of the Asset Sale, the Company will have limited operations and no material sources of revenue until it is able to acquire or invest in additional operating businesses or assets, which may negatively impact the value and liquidity of its common stock. The Company will retain other material assets following the closing of the Asset Sale, including the shares of CorMedix common stock issued to the Company in the Asset Sale, the right to receive future royalties, earn-out payments, significant NOLs and cash on hand. Following the closing of the Asset Sale, the Board intends to actively evaluate various strategic transactions and opportunities for the use of the proceeds of the Asset Sale, including acquiring or investing in additional businesses or assets, which may or may not be pharmaceutical or biotechnology businesses or assets.

While the Company intends to monitor the closing bid price of its common stock and is considering its options to regain compliance on or before December 22, 2026, there are no assurances that the Company will be able to regain compliance with the minimum bid price requirement or that it would continue to meet other requirements for continued listing on Nasdaq. If we are unable to satisfy the Nasdaq criteria for continued listing, our common stock would be subject to delisting. Any perception that we may not regain compliance or a delisting of our common stock could negatively impact us by, among other things, reducing the liquidity and market price of our common stock; reducing the number of investors willing to hold or acquire our common stock, which could negatively impact our ability to raise equity financing; decreasing the amount of news and analyst coverage of us; limiting our ability to issue additional securities or obtain additional financing in the future; and materially impairing the closing of the Asset Sale and the acquisition or investment in additional businesses or assets following the closing of the Asset Sale. In addition, delisting from Nasdaq may negatively impact our reputation and, consequently, our business.

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 September 30, 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 September 30, 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.

Exhibit Number	Description
4.1	Amendment No. 1 to Tax Benefit Preservation Plan, dated August 13, 2026, by and between Heron Therapeutics, Inc. and Computershare Trust Company, N.A., as rights agent (incorporated by reference to our Current Report on Form 8-K, as Exhibit 4.1, filed on August 14, 2026)
10.1+*	Development and License Agreement, dated September 23, 2026, by and among Heron Therapeutics, Inc., Long Grove Pharmaceuticals, LLC and Capstone Development Services Company, LLC
10.2+*	Fifth Amendment to the Working Capital Facility Agreement, dated September 17, 2026, by and between Heron Therapeutics, Inc., and Hercules Capital, Inc., as administrative agent, collateral agent and lender
31.1+	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
31.2+	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
32.1++	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
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
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: November 9, 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)

Exhibit 10.1

CERTAIN INFORMATION HAS BEEN OMITTED IN ACCORDANCE WITH ITEM 601(B)(10) OF REGULATION S-K BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE OF INFORMATION THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. OMISSIONS ARE MARKED [***].

DEVELOPMENT AND LICENSE AGREEMENT

BY AND BETWEEN

CAPSTONE DEVELOPMENT SERVICES COMPANY, LLC

LONG GROVE PHARMACEUTICALS, LLC

AND

HERON THERAPEUTICS, INC.

September 23, 2026

DEVELOPMENT AND LICENSE AGREEMENT

This DEVELOPMENT AND LICENSE AGREEMENT (this "Agreement") is entered into and made effective as of September 23, 2026 (the "Effective Date") by and between HERON THERAPEUTICS, INC., a corporation organized under the laws of the State of Delaware, with offices located at 25 Fenton Main Street, Suite 300, Cary, North Carolina 27511 ("Heron"), Capstone Development Services Company, LLC, a limited liability company under the laws of the State of Delaware with offices at [***] ("Capstone") and LONG GROVE PHARMACEUTICALS, LLC, a limited liability company organized under the laws of the State of Delaware, with offices located at [***] ("Long Grove"). Capstone is a party to this Agreement solely to provide the limited undertakings set forth in Sections 7.6 (Exclusivity) and 12.13 (Capstone Backstop Obligations), and, except as expressly set forth in such Sections 7.6 and 12.13, Capstone shall have no rights, obligations, or liabilities under this Agreement.

RECITALS

A. Long Grove is an Affiliate of Capstone.

B. Long Grove is engaged in the development and manufacture of pharmaceutical products.

C. Heron is engaged in the commercialization of pharmaceutical products.

D. Long Grove and Heron wish to collaborate to develop, sell and market pharmaceutical products.

E. [***].

F. Long Grove and Heron wish to explore additional potential collaboration projects as set forth in more detail in Section 2.5 below to develop, sell and market additional pharmaceutical products, either pursuant to amendments to this Agreement or pursuant to similar agreements to be negotiated and entered by the Parties.

G. In order to enable the proposed collaboration, Long Grove wishes to license to Heron, and Heron wishes to license from Long Grove, certain intellectual property and know-how set forth herein.

NOW, THEREFORE, in consideration of the promises of the Parties herein contained, it is mutually agreed as follows:

1. DEFINITIONS

[CERTAIN DEFINED TERMS IN THIS SECTION HAVE BEEN OMITTED WITHOUT BEING MARKED AS [***]].

As used in this Agreement, the following terms will have the following meanings:

"Act" means the United States Federal Food, Drug and Cosmetic Act, as amended.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person. A Person will be deemed to be "controlled by" or "under common control with" any other Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person whether by contract, ownership of voting securities, membership interests or otherwise.

"Agreement" has the meaning set forth in the Preamble hereof.

"API" means the active pharmaceutical ingredient for [***].

"Applicable Law" means all statutes, regulations, directives, ordinances, orders, rulings, agency or court interpretations (including common law), or other action or requirement of any Governmental Authority in any jurisdiction in the world, whether currently in force or enacted during the Term, applicable to the Development, Manufacture, import, distribution, promotion, marketing or sale of [***], including any such rules, regulations, guidelines, guidance, or other requirements of all applicable Regulatory Authorities, that may be in effect from time to time.

"Background Intellectual Property Rights" means all Intellectual Property Rights and Know-How Controlled by a Party that arose prior to the Effective Date or developed independently by such Party separate and apart from this Agreement.

"Bankruptcy Code" has the meaning set forth in Section 9.5 hereof.

"Capstone" has the meaning set forth in the Preamble hereof.

"cGMP" means (i) the good manufacturing practices required by FDA and set forth in the Act or FDA regulations, policies or guidelines in effect at a particular time for manufacturing and testing pharmaceutical materials; and (ii) the corresponding regulatory requirements of each applicable jurisdiction relating to Manufacturing and testing pharmaceutical materials.

"Change of Control" means, with respect to Long Grove, (i) a merger, consolidation, or other transaction (or series of transactions) in which the beneficial owners of Long Grove's outstanding voting securities immediately prior to such transaction(s) do not, immediately after such transaction(s), hold securities representing more than fifty percent (50%) of the voting power of the surviving or resulting entity, (ii) the sale, lease, transfer, or other disposition of all or substantially all of Long Grove's assets relating to [***], or (iii) the acquisition, through a transaction or series of transactions, by any Person or group of Persons of beneficial ownership of securities representing more than fifty percent (50%) of the voting power of Long Grove.

"Claim" means any demand or any civil, criminal, administrative, or investigative claim, action, or proceeding (including arbitration) asserted, commenced, or threatened against a Person.

"CM&C Know-How" means all such information as is reasonably anticipated to become a part of the Chemistry, Manufacturing and Controls section of a regulatory submission document included in the [***], as set forth in 21 C.F.R. § 314.50.

"Commercial Production" has the meaning set forth in Section 6.2(c) hereof.

"Commercialization Plan" has the meaning set forth in Section 6.1(b) hereof.

"Commercially Reasonable Efforts" means, with respect to a Person, the carrying out of obligations in a sustained manner consistent with the efforts such Person devotes (and that in no event is less than the level of effort and resources standard in the pharmaceutical industry for a company similar in size and scope to such Person) with respect to a product of similar market

potential, profit potential, strategic value, the regulatory environment, product labeling, the competitive market conditions in the therapeutic area, safety and efficacy of [***], the strength of its proprietary position or liability risk based on conditions then prevailing. Without limiting the foregoing, Commercially Reasonable Efforts of a Person in all cases requires at least that: (i) such Person promptly assigns responsibility for such obligations to specific employees who are held accountable for progress and monitor such progress on an ongoing basis; (ii) such Person sets and consistently seeks to achieve specific and meaningful objectives for carrying out such obligations; and (iii) such Person consistently makes and implements decisions and allocates resources designed to advance progress with respect to such objectives.

"Confidential Information" means any and all non-public and/or proprietary materials, data or other information (whether or not patentable) regarding a Person's Know-How, products, business information or objectives, that is designated as confidential in writing by the disclosing Person that is provided or communicated to the recipient or its Affiliates, whether by letter or by the use of an appropriate stamp or legend, prior to or at the time any such material, data or other information is disclosed by such Person to the recipient or to which the recipient or its Affiliates have access; further, Confidential Information includes any data, ideas, concepts or techniques contained therein, as well as any copies thereof, and shall include, without limitation, non-public and/or proprietary information or material related to (i) financial information, business plans, projections or strategies, property, business practices and relationships, corporate policies, procedures, processes, systems, methods of operation, or marketing plans; (ii) research, development or other investigative activities; (iii) regulatory and quality control practices, procedures or policies; (iv) products, specifications, formulas, ingredients, pricing policies, marketing plans, product costs or promotional activities, including samples of products and the structure and utilities of final and intermediate product compositions; (v) customer, investor, supplier or employee information or agreements or other contractual relationships; (vi) medical, scientific or other technical information, including manufacturing capacities, equipment, processes and plant layout; (vii) corporate, strategic, commercial, license or other agreements; (viii) intellectual property such as, but not limited to, patents, patent applications, copyrights, copyright registrations, inventions, innovations, improvements, Know-How, trade secrets or other proprietary information. Confidential Information may be disclosed orally, visually, in writing, by delivery of materials containing Confidential Information or in any other form, including, without limitation, any documents, materials, samples, drawings, diagrams, designs, flowcharts, databases, models, plans and software (including source and object codes). Notwithstanding the foregoing, materials, data or other information that are disclosed by a Person in writing without an appropriate letter, stamp or legend, or that are orally, electronically or visually disclosed by a Person, also constitute Confidential Information of such Person if (i) within [***] ([***]) calendar days after such disclosure, such disclosing Person delivers to the recipient a written document or documents describing the materials, data or other information, indicating that such materials, data or other information constitute Confidential Information, and referencing the place and date of such oral, visual, electronic or written disclosure and the names of the individuals to whom such disclosure was made, or (ii) such materials, data or other information are of the type that are customarily considered to be confidential information by Persons engaged in activities that are substantially similar to the activities being engaged in by the Persons exchanging such information. Confidential Information does not include any information that is (a) already known to the recipient prior to the date of disclosure to the recipient as evidenced by the recipient's written records made prior to such date, (b) publicly known prior to or after disclosure other than through unauthorized acts or

omissions of the recipient, (c) disclosed in good faith to the recipient by a Third Party lawfully and contractually entitled to make such disclosure or (d) developed by or for the recipient without the use of any Confidential Information of the disclosing Person, as evidenced by the recipient's written records. Licensed Know-How, subject to the exception (b) set forth in the preceding sentence, shall be deemed to be the Confidential Information of Heron.

"Control" means, with respect to any Know-How or Intellectual Property Rights, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign, or grant a license, sublicense or other right to or under, such Intellectual Property Right as provided for herein without violating the terms of any written agreement with any Third Party.

"Cover", "Covered" or "Covering" means, with respect to the applicable subject matter (the applicable composition of matter, compound, product, material, method or other item) and a Patent, that the making, using, selling, offering for sale and/or importing of such subject matter (including the use of a method of manufacture) would infringe a Valid Claim of such Patent (as issued or in the case of a patent application, evaluating the Valid Claims thereof for infringement as though they were issued as of the date of such evaluation) in the applicable country in which the activity occurs.

"Damages" has the meaning set forth in Section 10.1(a) hereof.

"Development" means, with respect to [***], the performance of all pre-clinical and clinical development (including toxicology, pharmacology, test method development and stability testing, process development, formulation development, quality control development, statistical analysis), clinical trials (excluding clinical trials conducted after Regulatory Approval by the FDA), Manufacturing and regulatory activities that are required to obtain Regulatory Approval of Product in the Territory.

"Dismissed Litigation" has the meaning set forth in Section 9.4(g) hereof.

"Effective Date" has the meaning set forth in the Preamble hereof.

"Existing Supplier" means the supplier listed on Exhibit 1.

"FDA" means the United States Food and Drug Administration and any successor agency and the corresponding regulatory authority of each jurisdiction in the Territory.

"Field" means [***].

"First Commercial Sale" means, with respect to a product, the first sale to a Third Party customer of such product in the Territory after receipt of all Regulatory Approvals required for the sale of such product in such country.

"Force Majeure" has the meaning set forth in Section 12.5 hereof.

"GAAP" means United States Generally Accepted Accounting Principles, consistently applied.

"Governmental Authority" means any supra-national, federal, national, regional, state, provincial, local, or other governmental department, Regulatory Authority, judicial or administrative body, whether domestic or foreign, or international.

"Gross Sales" means the gross sales billed to customers by Heron, its Affiliates, and its direct and indirect sublicensees for [***] (for purposes of determining whether a given sale occurs during a computation period, [***] will be considered sold when recognized as revenue pursuant to Heron's revenue recognition policies in accordance with GAAP). If [***] is sold as part of [***], the Gross Sales of [***] for the purpose of calculating royalties owed under this Agreement shall be determined as follows: the actual Gross Sales of [***] shall be multiplied by the fraction A/(A+B), where A is the average gross selling price in the applicable country of [***] sold separately, if sold separately, in the same formulation and dosage, and B is the sum of the average gross selling prices in the applicable country of each other active ingredient, drug, device, test, kit or biological product in [***] sold separately, if sold separately, in the same formulation, dosage or unit quantity. If any active ingredient, drug, device, test, kit or biological product in [***] is not sold separately in the relevant formulation, dosage or unit quantity, Gross Sales shall be calculated by making an adjustment determined by the Parties in good faith to reasonably reflect the fair market value of the contribution of [***] in [***] to the total fair market value of [***].

For clarification, sale of [***] and [***] by Heron or any of its Affiliates or sublicensees to another of these entities for resale by such entity to a Third Party shall not be deemed a sale for purposes of this definition of "Gross Sales". Further, transfers or dispositions of [***] or [***]: (i) in connection with patient assistance programs; (ii) for charitable or promotional purposes; (iii) for preclinical, clinical, regulatory or governmental purposes or under so-called "named patient" or other limited access programs; or (iv) for use in any tests or studies reasonably necessary to comply with any Applicable Law, regulation or request by a Regulatory Authority shall not, in each case of (i) through (iv), be deemed sales of such Product for purposes of this definition of "Gross Sales."

"Heron" has the meaning set forth in the Preamble hereof.

"Heron CMO" means the contract manufacturer chosen by Heron to Manufacture Product to be qualified and validated as an additional commercial manufacturing site for [***] pursuant to the Technology Transfer and Qualification activities.

"Heron CMO Agreement" means the supply agreement entered into between Heron and the Heron CMO for the commercial supply of Product.

"Heron-CMO Pharmacovigilance Agreement" has the meaning set forth in Section 6.2(c) hereof.

"Heron Indemnified Parties" has the meaning set forth in Section 10.1(b).

"Heron Patents" has the meaning set forth in Article 1 (Definitions).

"Indemnified Party" has the meaning set forth in Section 10.1(c) hereof.

"Indemnifying Party" has the meaning set forth in Section 10.1(c) hereof.

"Initial Term" has the meaning set forth in Section 11.1 hereof.

"Intellectual Property Rights" means any copyright, Patent, design or trade mark rights (whether registered, unregistered or applied for anywhere in the world), trade secret rights in get up or trade dress and rights in databases (whether in writing or recorded in any form) or any other proprietary rights arising from intellectual activity in business, industrial, scientific or artistic fields; including, in respect of the foregoing, all present and future rights and all rights in all applications to register these rights, all renewals and extensions of these rights, all rights in the nature of these rights and all rights to sue for infringement or passing-off of these rights.

"Joint Inventions" has the meaning set forth in Section 9.2(b) hereof.

"Know-How" means all information, knowledge, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, technical assistance, designs, drawings, experimentation methods, specifications, copies of results books and lab notebooks, photographs of experiments, assays, materials (including biological, pharmacological, toxicological, pharmaceutical and chemical), formulations, data (including pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), data analyses, reports, studies, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees or Regulatory Authorities, and manufacturing process and development information, results and data, whether or not patentable, and data and information (including analytical, pre-clinical, clinical, safety, Manufacturing and quality control). "Know-How" excludes patent rights.

"Licensed Know-How" means all Know-How Controlled by Long Grove or any of its Affiliates, as of the Effective Date or at any time during the Term, including without limitation Know-How embodied in Sole Inventions and Joint Inventions, that is necessary or useful for the Development, Manufacture, import, distribution, promotion, marketing or sale of [***] in the Territory.

"Licensed Patents" means the Patents listed on Appendix A and any additional Patents that may be designated from time to time by Heron that are Controlled by Long Grove or any of its Affiliates at the Effective Date or at any time during the Term, including without limitation Patents underlying Sole Inventions and Joint Inventions, that Cover (i) [***] or the Development, import, distribution, promotion, marketing or sale of [***] in the Territory (including the composition of matter thereof), or (ii) method of making and/or Manufacturing [***] (including the composition of matter thereof). Appendix A shall be amended upon written notice by Heron to Long Grove to incorporate any Patents that are added to the definition of "Licensed Patents" pursuant to the preceding sentence.

"Licensed Technology" means the Licensed Know-How and the Licensed Patents.

"Long Grove" has the meaning set forth in the Preamble hereof.

"Long Grove Indemnified Parties" has the meaning set forth in Section 10.1(a) hereof.

"Manufacture," "Manufacturing" or any derivative thereof means, with respect to a particular active pharmaceutical ingredient, excipient, other ingredient, or product as a whole, all steps in propagation or manufacture and preparation of the foregoing, including the manufacturing, processing, filling, formulating, testing (including in-process testing), packaging, labeling, holding and storing, quality control testing and release of the foregoing.

"Manufacturing Process" means the process (or any step in the process) used or planned to be used for the Manufacture of a particular active pharmaceutical ingredient, excipient, or other ingredients comprising [***], or [***] as a whole, including but not limited to formulation, assays, protocols, standard operating procedures, methods, vendor and supplier information and costs, regulatory correspondences, and raw material specifications.

"Materials" means all the starting materials, excipients, raw materials, active pharmaceutical ingredients, process consumables, vials, stoppers, syringes, media, feed, resins, reagents, packaging and labeling components, and all other supplies of any kind used in connection with Manufacturing [***].

"Milestone Payments" has the meaning set forth in Section 4.1 hereof.

"Net Sales" means Gross Sales to independent Third Parties for sales of [***]on an SKU basis in the Territory in an arm's-length transaction less the sum of the following to the extent documented to Long Grove incurred to generate, or directly in connection with, such Gross Sales:

a. reasonable and customary quantity, trade, prompt payment, cash, volume discounts, and other discounts and allowances;

b. rejected and damaged goods;

c. government mandated rebates actually given;

d. rebates, refunds, credits, discounts, returns, chargebacks, fees, retroactive price adjustments, sales deductions, shelf stock or floor stock adjustments, reimbursements or similar payments, co-pay assistance, billing errors, customer penalties, failure to supply adjustments, and other allowances actually allowed or given to customers, wholesalers or other distributors (including retailers), buying groups or other institutions and bad debts relating to sales of [***] in accordance with GAAP during the applicable calculation period;

e. Medicaid rebates actually paid or accrued with respect to [***];

f. actual transportation charges incurred, including freight pick-up allowances, if any, to the extent such items are invoiced and included in Gross Sales; and

g. sales tax, value added tax, and other taxes (other than income or corporation tax), duties, government charges levied on or measured by the billing amount, as adjusted for rebates or refunds to the extent such items are invoiced and included in Gross Sales.

Net Sales will be determined in accordance with GAAP, consistent with Heron's practices, books and records, and Heron's quarterly and annual filings with the Securities and Exchange Commission.

"NDA" has the meaning set forth in Section 4.1 hereof.

"Party" or "Parties" means Heron and Long Grove individually, and collectively, as applicable.

"Patent" means:

a. all patents and patent applications, including provisional patent applications;

b. all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from any of these, including divisionals, continuations, continuations-in-part, converted provisionals, and continued prosecution applications;

c. any and all patents that have issued or in the future issue from the foregoing patent applications in (a) and (b), including utility models, petty patents and design patents and certificates of invention;

d. any and all extensions or restorations by existing or future extension or restoration mechanisms, including adjustments, revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications in (a), (b) and (c); and

e. any similar rights, including so-called pipeline protection, or any importation, revalidation, confirmation or introduction patent or registration patent or patents of addition to any of such foregoing patent applications and patents.

"Patent Challenge" means any direct dispute or challenge instituted by Heron or its Affiliate or a sublicensee of the validity, patentability or enforceability of, or opposition or assistance in the opposition of the grant of any letters patent of, (i) any Licensed Patent (or any claim thereof) included as a Licensed Patent (or any claim thereof) that exists and has been licensed to Long Grove as of the Effective Date pursuant to [***], or (ii) any Patent that claims priority to the foregoing, in each case in any legal or administrative proceedings, including in a court of law, before the USPTO or other agency or tribunal in any jurisdiction, or in arbitration including, without limitation, by re-examination, inter partes review, opposition, interference, post-grant review, nullity proceeding, pre-issuance submission, Third Party submission, derivation proceeding or declaratory judgment action. The term "Patent Challenge" will not include (a) Heron, its Affiliate or sublicensee being an essential party in any patent interference proceeding before the USPTO, which interference Heron acts in good faith to try to settle, (b) Heron, its Affiliate or sublicensee due to its status as an exclusive licensee of patent rights other than the Licensed Patents, being named by the licensor of such patent rights as a real party in interest in such an interference, so long as Heron either abstains from participation in, or acts in good faith to settle, the interference, (c) Heron, its Affiliate or sublicensee participates in a challenge pursuant

to a subpoena, court order or through a proceeding initiated by the USPTO, (d) with respect to any Third Party that becomes an Affiliate or sublicensee of Heron during the Term as a result of a change of control of Heron or acquisition of such Third Party by Heron, this provision will not apply to any Patent Challenge involving such Third Party if such Patent Challenge was initiated before the signing of the definitive document(s) pursuant to which such Third Party becomes such an Affiliate or sublicensee of Heron, (e) Heron, its Affiliate or sublicensee challenging a Licensed Patent as a counterclaim to or defense of, or accompanying a defense of, an action for infringement by Long Grove, its Affiliates or a Third Party. A "Patent Challenge" will also not include arguments made by Heron that (i) distinguish the inventions claimed in patents or patent applications owned or controlled by Heron ("Heron Patents") from those claimed in the Licensed Patents but (ii) do not raise any issue of Licensed Patents' compliance with or sufficiency under applicable patent laws, regulations or administrative rules, in each case (A) in the ordinary course of ex parte prosecution of the Heron Patents, or (B) in inter partes proceedings before the USPTO or other agency or tribunal in any jurisdiction (excluding interferences or derivation proceedings), or in arbitration, wherein the Heron Patents have been challenged, or (C) in any court proceeding in which the Heron Patents are the subject matter of such proceeding.

"Person" means any natural person, partnership, limited liability company, corporation, trust, joint venture, joint stock company, association, unincorporated organization, government or agency or political subdivision thereof, or other entity, whether acting in an individual, fiduciary or other capacity.

"Prosecution and Maintenance" or "Prosecute and Maintain" means, with regard to a Patent or trademark, the preparing, filing, prosecuting and maintenance of such Patent or trademark, as well as handling re-examinations and reissues with respect to a Patent, together with the conduct of interferences, derivation proceedings, the defense of oppositions, post-grant patent proceedings (such as inter partes review and post grant review) and other similar proceedings with respect to the particular Patent or trademark. For clarification, "Prosecution and Maintenance" or "Prosecute and Maintain" will not include any other enforcement actions taken with respect to a Patent or trademark.

"Quality Agreement" has the meaning set forth in Section 6.2(c) hereof.

"Quarterly Documented Expenses" has the meaning set forth in Section 4.3(a) hereof.

"Recall" means and includes any withdrawal, recall or field correction with respect to any Product; in each case taken in the good faith belief that such action is appropriate under the circumstances or any seizure of such Product by FDA.

"Regulatory Approval" means, with respect to a country or regulatory jurisdiction in the Territory, any and all approvals, licenses, registrations or authorizations of any Regulatory Authorities necessary to manufacture, use, store, import, transport and/or commercially distribute, sell or market the applicable Product in such country, including, where applicable, (i) pricing or reimbursement approval in such country, (ii) pre- and post-approval marketing authorizations (including any prerequisite manufacturing approval or authorization related thereto), (iii) labeling approval and (iv) technical, medical and scientific licenses.

"Regulatory Authority" or "Regulatory Authorities" means FDA and its successors, state or local regulatory groups, departments, bureaus, commissions, councils or other governmental entities in the Territory that have jurisdiction over [***], whether its development, manufacture, handling, storage, transportation, destruction or otherwise.

"Regulatory Communications" means, with respect to [***], any and all communications, reports, and submissions submitted to or received from any Regulatory Authority necessary for post-Regulatory Approval compliance for [***], other than Regulatory Submissions.

"Regulatory Submissions" means, with respect to [***], any and all applications, filings, dossiers, modifications, amendments, supplements, revisions, registrations, reports, submissions, and associated correspondence submitted to or received from any Regulatory Authority necessary to obtain or maintain Regulatory Approvals.

"Renewal Term" has the meaning set forth in Section 11.1 hereof.

"Residual Knowledge" means knowledge, techniques, experience and Know-How that are (i) reflected in any Confidential Information owned or Controlled by the disclosing Party and (ii) retained in the unaided memory of any authorized representative of the receiving Party after having access to such Confidential Information; provided that "Residual Knowledge" shall not include any Know-How constituting trade secrets, formulations, specifications, or batch records. A Person's memory will be considered to be unaided if the Person has not intentionally memorized the Confidential Information for the purpose of retaining and subsequently using or disclosing it, and no group of individuals may pool or aggregate their respective unaided memories in order to reconstitute Confidential Information that no individual among them could reproduce alone.

"Royalty" has the meaning set forth in Section 4.2(a) hereof.

"Sales Year" means the four calendar quarters commencing with the first calendar quarter after the First Commercial Sale, and each following four calendar quarter period following the end of the prior four calendar quarter period. [***].

"Specifications" means the Manufacturing specifications contained in [***], as amended from time to time to comply with FDA or cGMP.

"Sole Inventions" has the meaning set forth in Section 9.2(a) hereof.

"Sublicense" means an agreement or arrangement in which Heron or any Affiliate (i) grants or otherwise transfers some or all of the rights licensed to Heron hereunder, or (ii) agrees not to assert such rights to sue, prevent, or seek a legal remedy for the Manufacture or commercialization of any Licensed Technology or [***].

"Supply Agreement" has the meaning set forth in Section 6.2(b) hereof.

"Tech Transfer JSC" has the meaning set forth in Section 2.3 hereof.

"Technology Transfer and Qualification" has the meaning set forth in Section 2.2 hereof.

"Technology Transfer Plan" has the meaning set forth in Section 2.2 hereof.

"Term" has the meaning set forth in Section 11.1 hereof.

"Territory" means the United States of America, including its territories, commonwealths and possessions, including, but not limited to Puerto Rico, U.S. Virgin Islands, Guam, American Samoa and U.S. military bases worldwide.

"Third Party" means any Person other than the Parties and their Affiliates.

"USD" or "U.S. Dollars" has the meaning set forth in Section 4.5 hereof.

"USPTO" means the United States Patent and Trademark Office and any successor agency.

"Valid Claim" means either:

(a) any claim of an issued and unexpired Patent which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other Governmental Authority of competent jurisdiction, unappealable or unappealed within the time allowed for appeal and that is not admitted to be invalid or unenforceable through reissue, disclaimer or otherwise (i.e., only to the extent the subject matter is disclaimed or is sought to be deleted or amended through reissue), or

(b) any claim of a pending Patent that has not been abandoned, finally rejected or expired without the possibility of appeal, provided however, that (x) Valid Claim shall exclude any such pending claim in an application that has not been granted within [***] ([***]) years following the earliest priority filing date for such application and (y) Valid Claim shall exclude any such pending claim that does not have a reasonable bona fide basis for patentability, in either case of (x) or (y) unless and until such claim is granted.

2. PRODUCT DEVELOPMENT; TECHNOLOGY TRANSFER AND QUALIFICATION; TECHNOLOGY TRANSFER JOINT STEERING COMMITTEE

2.1. Product Development. Long Grove shall, at its own cost and expense, be solely responsible for the performance of all activities that will be necessary to complete Development of [***] through Regulatory Approval by the FDA for [***], and shall use Commercially Reasonable Efforts to obtain Regulatory Approval by the FDA for [***] within [***] ([***]) years from the Effective Date. To the extent [***] are required to support [***] or any additional work is required to address any deficiency cited by FDA in reviewing [***], Long Grove shall use Commercially Reasonable Efforts to promptly prepare and generate any additional studies [***], reports, development batches, and data that are deemed necessary by Long Grove to satisfy the requirements of the FDA. The Parties acknowledge and agree that upon any FDA communication stating that [***] is required for approval of [***], Long Grove shall be responsible for, and agrees to promptly conduct, [***] for [***]. Commencement of material activities to commence [***] shall begin immediately following receipt of the above referenced FDA communication with the goal of commencing [***] as soon as possible.

2.2. Technology Transfer and Qualification. Long Grove and Heron shall use Commercially Reasonable Efforts to agree upon a Technology Transfer Plan (the "Technology Transfer Plan") within [***] ([***]) days after the Effective Date, such agreement not to be unreasonably withheld, delayed, or conditioned, which shall be attached to this Agreement as an Appendix B once agreed upon and executed by both Parties. The Technology Transfer Plan shall set forth in reasonable detail (i) the plan for the transfer of the Manufacturing Processes, Specifications, and Materials to, and the steps and process for completion of validation and qualification of, the Heron CMO as a secondary qualified site for the commercial supply of Product at commercial scale ("Technology Transfer and Qualification"), (ii) a detailed allocation of activities to be performed by each Party with timelines for achievement, and (iii) the proposed budget for the Technology Transfer and Qualification activities. Following the Parties' agreement on such Technology Transfer Plan, Long Grove shall work in good faith and with reasonable diligence to promptly support Heron in carrying out the agreed activities. All costs of the Technology Transfer and Qualification activities shall be borne by Heron, subject to the subsequent reimbursement provisions of Section 4.3. Either Party shall have the right to propose revisions to the Technology Transfer Plan and corresponding revisions to the budget at any time. All proposed revisions of the Technology Transfer Plan and the budget shall be discussed and refined by the Tech Transfer JSC, but shall be treated as an amendment to this Agreement and subject to the approval of both Parties, such approval not to be unreasonably withheld, delayed, or conditioned by either Party. Heron shall lead the performance of the Technology Transfer and Qualification activities, which shall include, but not be limited to, the following:

(a) Heron shall oversee all activities to be performed by the Heron CMO, including placing all orders for all Materials, oversight of suite preparation and equipment procurement, personnel training, scheduling test batches of product, overseeing the execution of any necessary tests and studies, and conduct of meetings with, and preparation and submission of all necessary correspondence and filings to, applicable Regulatory Authorities;

(b) Long Grove shall, at Heron's direction, deliver the Manufacturing Process and Specifications for [***], and make available to Heron's CMO all Licensed Know-How necessary or useful for the Manufacture of [***] that is not otherwise set out in the Manufacturing Process or Specifications, including documentation in the possession or under the Control of such Party constituting performance advice, shop practice, control methods and any other materials that may be necessary or reasonably useful to enable Heron's CMO to Manufacture [***], which for clarity, includes all information that is a part of the chemistry, Manufacturing and Controls section of a regulatory submission document included in [***] or could reasonably be anticipated to become a part of such submission, or is otherwise related to the formulation of the API or Product (including all information necessary for successful operation of the transferred process and all biochemical and biophysical analytical assays, in vitro assays and in vivo assays (including all proprietary materials necessary or useful for performing such assays), pharmacokinetic analytics, pharmacodynamics markers, bioanalytical methods for anti-drug antibodies (neutralizing antibodies and binding antibodies), including standard operating procedures, validation procedures used for biosimilarity testing and data received thereon).

(c) Heron and Long Grove shall cause all appropriate employees and representatives to meet with employees or representatives of Heron's CMO or the other Party at mutually convenient times, to assist with the working up and use of the Manufacturing Process for [***] and with the training of personnel to the extent necessary or reasonably useful to enable Heron's CMO to use and practice such Manufacturing Process.

(d) Heron and Long Grove shall each use Commercially Reasonable Efforts to provide such information in its possession and Control to assist Heron's CMO in obtaining any necessary license, permit or approval from any Regulatory Authority with respect to Heron's CMO's Manufacture of [***].

(e) The Technology Transfer and Qualification activities set forth in Section 2.2 shall occur in an orderly fashion and in a manner such that the confidentiality of the transferred Licensed Technology and regulatory documentation are preserved in all material respects. During the Term, Long Grove shall provide to Heron full and prompt disclosure, but in no event less frequently than semi-annually, of any Licensed Technology (including CM&C Know-How) that becomes Controlled by Long Grove or any of its Affiliates after the Effective Date and that is necessary or useful to Heron to conduct its activities or exercise its rights as contemplated hereunder and shall, in the case of Licensed Know-How (including CM&C Know-How), promptly following such disclosure, transfer to Heron such Licensed Know-How (including CM&C Know-How). For clarity, notwithstanding anything to the contrary herein, Long Grove and Heron shall jointly own all right, title and interest in any Know-How conceived, reduced to practice, isolated, created or identified in the course of conducting the Technology Transfer and Qualification activities (and any patent rights covering or claiming such Know-How), with each Party having an equal, undivided interest therein and the right to use, license and exploit such jointly owned Know-How and patent rights without the consent of, or accounting to, the other Party, except as otherwise expressly set forth in this Agreement.

2.3. Tech Transfer Joint Steering Committee. The Parties will form a Tech Transfer Joint Steering Committee within two (2) weeks of the Effective Date (the "Tech Transfer JSC"), which will be comprised of three (3) representatives from Heron and two (2) representatives from Long Grove. The Tech Transfer JSC will meet and convene on a schedule to be mutually agreed by all members of the Tech Transfer JSC, such agreement not to be unreasonably withheld, delayed, or conditioned, but not less than once each calendar quarter. The Tech Transfer JSC will be responsible for (i) the oversight of the implementation of the Technology Transfer and Qualification activities, (ii) considering and advising the Parties with respect to the Technology Transfer Plan and budget, and any amendments thereto, and (iii) ensuring that the Technology Transfer and Qualification activities occur successfully, on time, and within budget. The Tech Transfer JSC shall dissolve upon First Commercial Sale of Product that has been Manufactured by the Heron CMO. In the event that the Tech Transfer JSC members are unable to unanimously agree on the resolution of any issue within the Tech Transfer JSC's oversight, then upon written notice from one Party to the other Party, the matter will be escalated to the most senior executive within each Party that is responsible for the business at hand, and these representatives of each Party will meet and confer in person within [***] ([***]) calendar days of receipt of such written notice in an effort to mutually resolve such matter. In the event that such executives are unable to

agree on the resolution of such issues within such ten-day period, the issue shall be resolved as determined by the vote of a majority of the members of the Tech Transfer JSC.

2.4. [***].

2.5. Additional Collaborations. The Parties desire to collaborate on [***] (each, an "[***]") in addition to [***]. The Parties shall meet and discuss periodically such [***] to be considered by both Parties for addition to this Agreement or for collaboration under a similar agreement. Upon mutual agreement between the Parties as to [***], the Parties may negotiate and enter into an amendment setting forth the terms for [***] or a new agreement. For the avoidance of doubt, an amendment for [***] shall set forth different terms from this Agreement, each of which shall be negotiated by the Parties, including without limitation, with respect to (a) financials; (b) intellectual property; (c) development; and (d) commercialization.

3. REGULATORY

3.1. Long Grove's Obligations. Long Grove will own [***], and shall prepare and file all Regulatory Submissions with FDA as may be required to obtain and maintain approval of [***] the Term. Heron agrees to provide to Long Grove relevant information and reasonable assistance as Long Grove may reasonably require for purposes of obtaining and maintaining [***]. On the Effective Date, Long Grove shall provide Heron with an initial development plan and shall thereafter provide Heron with periodic regulatory updates each calendar quarter until [***] receives Regulatory Approval. Long Grove will be responsible for all interactions with the FDA with respect to [***] in the United States; provided, that (a) Long Grove shall promptly provide Heron with copies of all correspondence received from any Regulatory Authority relating to [***] in the United States, provide Heron with an opportunity to review Long Grove's response, and shall not unreasonably deny incorporating any of Heron's comments that are timely received into Long Grove's response thereto, and (b) prior to Regulatory Approval of [***], Long Grove shall provide Heron with updates after any meetings with the FDA or any other Regulatory Authority concerning [***] in the United States. After Regulatory Approval of [***], Long Grove shall allow Heron to participate and attend all meetings with the FDA or any other Regulatory Authority concerning [***] in the United States. Long Grove shall provide to Heron copies of any correspondence relating to any scheduled material meeting, conference, or discussion (including any advisory committee meeting, pre-submission meetings, product development meetings or oral arguments) with the FDA relating to such Product in advance of the applicable meeting, conference or discussion. In addition, Long Grove will provide notice to Heron within [***] ([***]) business days after becoming aware of or within the necessary response time to the FDA (whichever is shorter) all meetings with the FDA related to [***]. Long Grove shall provide to Heron copies of any correspondence relating to such meetings, conferences, or discussions, including meeting requests, briefing materials or questions no later than [***] ([***]) business days after Long Grove's receipt thereof or within the necessary response time to the FDA (whichever is shorter) and in any event prior to the applicable meeting, conference or discussion. Long Grove shall consult with Heron and obtain Heron's consent, such consent not to be unreasonably withheld, delayed, or conditioned, with respect to any agreements made with, or commitments made to, the FDA regarding any [***] approval activities.

3.2. Heron's Obligations. Upon Regulatory Approval of [***], Heron shall perform all pharmacovigilance (pursuant to Section 6.2(c)) and medical affairs activities and reporting, and promptly submit to Long Grove all required information for its Regulatory Submissions and Regulatory Communications. Heron agrees to provide to Long Grove all information and assistance as Long Grove may reasonably require for purposes of making Regulatory Communications.

4. PAYMENTS AND REIMBURSEMENTS

4.1. Milestone Payments. In consideration of the license granted by Long Grove to Heron pursuant to Section 9.3 hereof, Heron shall pay to Long Grove the following amounts upon the occurrence of the milestone events described below (the "Milestone Payments"), with each applicable milestone to be paid within the time frames set forth below. [***].

4.2. Royalties.

(a) Royalties. In partial consideration of the licenses and other rights granted herein and subject to the terms and conditions set forth in this Agreement, Heron shall pay to Long Grove royalties equal to [***] percent ([***]%) of Net Sales ("Royalty"). [***].

4.3. Reimbursement of Technology Transfer Expenses.

(a) *Direct Reimbursement*. Long Grove will reimburse Heron [***] percent ([***]%) of the reasonable, out-of-pocket, documented expenses payable to Third Party service providers and consultants relating to the performance and completion of the Technology Transfer and Qualification activities and capital expenditures necessary for the Technology Transfer and Qualification activities that in each case are set forth in the Technology Transfer Plan and its associated budget each quarter as incurred ("Quarterly Documented Expenses"). [***].

4.4. Records. During the Term and for [***] ([***]) years thereafter, Heron shall maintain, in accordance with GAAP, complete and accurate records pertaining to its computation of Gross Sales, Net Sales and Quarterly Documented Expenses during the preceding [***] ([***]) calendar years. Upon reasonable advance notice, no more than once per calendar year, Long Grove may appoint an independent third party auditor, acceptable to Heron and subject to execution of confidentiality agreement, to review the pertinent books and records, for any calendar year ending not more than [***] ([***]) months before the date of the request, at any time during normal business hours, except for the calendar months of January and February, during the Term and the [***] ([***]) year retention period thereafter to verify the Royalty payments and Quarterly Documented Expenses. Upon completion of the audit, the third party auditor will provide both Parties a written report disclosing whether the reports submitted by Heron are correct or incorrect and the specific details concerning any discrepancies. No other information will be provided to Long Grove. If the report or information submitted by Heron resulted in an underpayment or overpayment, the Party owing the underpaid or overpaid amount will promptly, but in no event later than [***] ([***]) days, pay such amount to the other Party. The costs and fees of any audit conducted by Long Grove under this Section 4.4 will be borne by Long Grove, unless such audit

reveals an underpayment of amounts owed to Long Grove of more than [***] percent ([***]%) of the amount that was owed by Heron with respect to any given calendar quarter audited, in which case, Heron will reimburse Long Grove for the reasonable expense incurred by Long Grove in connection with the audit.

4.5. Payments and Currency; Disputes. All dollar amounts referred to in this Agreement are expressed in United States Dollars ("USD" or "U.S. Dollars") and Heron shall make all payments due to Long Grove in U.S. Dollars, without deduction of exchange, collection, wiring fees, bank fees, or any other charges. Heron will also be responsible for all bank transfer charges for payments to Long Grove. All payments to Long Grove shall be made by wire transfer or check payable as directed by Long Grove. Any undisputed amount past due for more than [***] ([***]) days shall bear interest at the lesser of [***]% per month ([***]% simple interest per annum) from the due date or the maximum interest rate permitted by law.

4.6. Taxes. Where any sum due to be paid to Long Grove hereunder is subject to any withholding or similar tax, Heron shall (i) promptly provide for Long Grove's review and comment all relevant documentation supporting the payment of such withholding or tax along with calculations supporting amounts proposed to be paid, (ii) consider in good faith any comments Long Grove may have on the amounts due, and (iii) pay such withholding or similar tax to the appropriate Governmental Authority and deduct the amount paid from the amount then due to Long Grove. Heron will in a timely manner transmit to Long Grove an official tax certificate or other evidence of such withholding sufficient to enable Long Grove to claim such payment of taxes. The Parties will cooperate with one another and use reasonable efforts to reduce or eliminate tax withholding or similar obligations in respect of royalties, milestone payments, and other payments made by Heron to Long Grove under this Agreement.

4.7. Long Grove Agreements. Certain of the Licensed Technology Controlled by Long Grove as of the Effective Date was in-licensed or acquired by Long Grove under the agreements with Third Party licensors, including the [***] (such agreements, the "[***]"). Long Grove shall be responsible for all payment obligations arising under [***], as a result of the Development, Manufacture and commercialization of a Product by or on behalf of Heron or its Affiliates or sublicensees under this Agreement.

5. [RESERVED]

6. COMMERCIALIZATION; COMMERCIAL PRODUCTION

6.1. Commercialization.

(a) *Generally.* Heron shall complete the First Commercial Sale of [***] as soon as possible after receipt of all Regulatory Approvals of [***] for sale in the Territory, provided that (i) Long Grove demonstrates to Heron's reasonable satisfaction, such approval not to be unreasonably withheld, that Long Grove is able to supply sufficient quantities of Product for the Territory to meet Heron's reasonable forecasted demands as set forth in Section 6.2, and (ii) Long Grove has delivered [***] to Heron in accordance with Heron's first purchase order submitted pursuant to this Agreement. Heron

shall import, distribute, promote, market and sell [***] in the Territory and be responsible for all selling, marketing and distribution costs associated therewith. [***].

(b) *Commercialization Plan*. Within [***] ([***]) days prior to the anticipated First Commercial Sale, Heron shall prepare and provide to Long Grove a written commercialization plan setting forth in reasonable detail Heron's plan for importing, distributing, promoting, marketing and selling [***] in the Territory (the "Commercialization Plan"). Heron shall use Commercially Reasonable Efforts to implement the Commercialization Plan and use Commercially Reasonable Efforts to Manufacture (subject to the provisions of Section 6.2), import, distribute, promote, market and sell [***] in the Territory.

6.2. Manufacturing Obligations.

(a) *Launch Supply*. Until completion of Technology Transfer and Qualification, Long Grove shall procure from Long Grove's Existing Supplier, and Heron shall purchase from Long Grove, batches of Product for Heron as may be required for commercialization of Product. At least [***] ([***]) months prior to the date that First Commercial Sale is anticipated, Heron shall deliver to Long Grove in writing a good faith nonbinding forecast estimating the quantities of Product that Heron expects to purchase from Long Grove during the following [***] ([***]) calendar quarters, provided that such forecast and such supply obligations shall not exceed the then-available supply capacity of Long Grove's Existing Supplier. Heron shall purchase quantities of Product that are no less than the minimum purchase obligation as may be set forth in Long Grove's supply agreement with its Existing Supplier, provided such minimum purchase obligations are to be agreed to by Heron prior to Long Grove entering into the supply agreement with the Existing Supplier, such agreement not to be unreasonably withheld.

(b) *Supply Agreement*. Within [***] ([***]) days following Long Grove entering into a supply agreement with its Existing Supplier, the Parties shall negotiate in good faith and enter into a supply agreement with each other, pursuant to which Long Grove shall have Manufactured [***] and shall supply Heron on the terms and conditions set forth therein (the "Supply Agreement"). Until such time as the Supply Agreement has been executed by the Parties, Long Grove shall enter into a supply agreement with its Existing Supplier for the Manufacture of [***]. Long Grove shall, at Heron's request, supply, or have supplied, Product to Heron through the later of: (i) [***] or (ii) the successful completion of the Technology Transfer and Qualification, Product sufficient to meet the demand for the Territory in accordance with Section 6.2(a), with such supply being fulfilled through Long Grove's Existing Supplier under a commercial supply agreement. In no event shall Long Grove be obligated to supply more Product than the then-available supply capacity of Long Grove's Existing Supplier, provided that the volume of supply of such Product shall be [***] ([***]) batches (of approximately [***] ([***]) units), with an aggregate minimum of approximately [***] ([***]) units supplied per year with a shelf life of at least [***] ([***]) months remaining when delivered to Heron.

(c) *Commercial Production*. After successful completion of the Technology Transfer and Qualification activities by Heron's CMO, (i) Heron shall use Commercially Reasonable Efforts to Manufacture, test, release, and store sufficient supply of [***] to meet commercial Product demand in the Territory ("Commercial Production"), and (ii) Heron shall as promptly as practicable make the First Commercial Sale of Product in the Territory which has been Manufactured by Heron's CMO as the result of the Technology Transfer and Qualification. Heron will have the sole discretion to select the applicable Third Parties used for Commercial Production. Heron's performance obligations under this Section shall be measured taking into account events or circumstances beyond Heron's reasonable control. Heron will use good faith efforts to enter into a commercial supply agreement with the Heron CMO (the "Heron CMO Agreement") within [***] ([***]) months after [***] is accepted by FDA, which will stipulate such key commercial terms as the cost to manufacture, release and ship Product to Heron's designated warehouse, supply planning and forecasting, purchase order and delivery terms, and Product lead-time. In addition, Heron shall also (i) enter into a Quality Agreement with the Heron CMO no later than [***] ([***]) months prior to the anticipated First Commercial Sale (the "Quality Agreement"), and (ii) along with Long Grove, a Heron-CMO Pharmacovigilance Agreement no later than [***] ([***]) months prior to the anticipated First Commercial Sale for monitoring drug safety on [***] as required by FDA and Applicable Laws and regulations in connection with the collection, detection, assessment, monitoring and prevention of adverse effects of [***] (the "Heron-CMO Pharmacovigilance Agreement"). Long Grove shall be responsible for maintaining a global safety database containing the worldwide safety data for [***], and be responsible for reporting of safety information to the applicable Regulatory Authorities unless otherwise agreed upon by the Parties in the Heron-CMO Pharmacovigilance Agreement. The Heron CMO Agreement, the Quality Agreement and the Heron-CMO Pharmacovigilance Agreement shall be in a form acceptable to Long Grove, such acceptance not to be unreasonably withheld, delayed, or conditioned.

6.3. Recalls. Any decision to Recall any Product will be made by Heron, and the allocation of expenses for any Recall shall be as follows: (i) if Long Grove supplies (directly or indirectly through a Third Party, including Long Grove's Existing Supplier) [***] that is the subject of the Recall, Long Grove shall bear all expenses of such Recall, except to the extent such Recall arises from Heron's distribution, marketing, or other issues within the Control of Heron of [***] after Long Grove (or its designee's) supply thereof to Heron, which such expenses shall be borne by Heron; and (ii) if Heron (or any Heron CMO) supplies [***] that is the subject of the Recall, Heron shall bear all expenses of such Recall. Long Grove and Heron shall each notify the other Party as soon as practicable, but in any event within [***] ([***]) hours, of becoming aware of any investigation or the occurrence of any event or condition that could reasonably be expected to give rise to the Recall of any Product. Heron shall provide to Long Grove regular updates (or as requested by Long Grove) regarding the status of such investigation, event or condition and any Recall. Long Grove shall promptly provide Heron with any information that Heron reasonably requests in connection with Heron's Recall of any Product and help Heron close out any investigations pertaining to a Recall or potential Recall of Product that is attributed to Long Grove's Product development activities.

7. REPRESENTATIONS, WARRANTIES, COVENANTS, LIMITATIONS ON DAMAGES

7.1. Mutual Representations, Warranties and Covenants.

(a) *Authority*. Each Party hereby represents and warrants to the other Party that (i) this Agreement comprises the legal, valid and binding obligations of such Party and is enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, or similar laws affecting the rights and remedies of creditors generally and the effects of general principles of equity (whether applied by a court of law or equity) and the effects of public policy, and (ii) the execution, delivery and performance of this Agreement does not conflict with any agreement, instrument or understanding, oral or written, to which such Party may be bound, nor violates any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

(b) *Debarment*. Each Party hereby represents and warrants that it is not debarred under subsections 306(a) or (b) of the Act or by any Regulatory Authority, and that it has not used in any capacity the services of any Person debarred under the Act or by any Regulatory Authority. Each Party agrees that it will promptly notify the other Party if it becomes aware of any facts or circumstances that make the foregoing representation untrue. Each Party hereby covenants that it shall not use in any capacity the services of any Person debarred under the Act with respect to services to be performed under this Agreement, and that it will promptly notify the other Party if it becomes aware of any debarment proceedings by a Regulatory Authority with respect to the activities to be performed under this Agreement.

7.2. Additional Representations and Warranties of Long Grove. Long Grove represents and warrants to Heron, as of the Effective Date, that:

(a) *Organization; No Conflicts or Proceedings*. Long Grove is a limited liability company duly organized and validly existing under the laws of the State of Delaware and has the power and authority to enter into and perform this Agreement. All limited liability company action on the part of Long Grove necessary for the authorization, execution and delivery of this Agreement and for the performance of all of its obligations hereunder has been taken. No consent, authorization, license, permit, registration or approval of, or exemption or other action by, any Governmental Authority, or any other Third Party, is required in connection with Long Grove's execution, delivery and performance of this Agreement or, if any such consent is required, Long Grove has satisfied any applicable requirements. There are no actions, suits or proceedings pending or, to Long Grove's knowledge, threatened, against Long Grove before any Governmental Authority that question Long Grove's right to enter into or perform this Agreement or that question the validity of this Agreement;

(b) the Licensed Technology constitutes all of the Patents and Know-How owned by or licensed to Long Grove, Capstone or their Affiliates that are necessary or reasonably useful to Manufacture and commercialize [***] in the Field in the Territory;

(c) Long Grove is the sole and exclusive owner or exclusive licensee of the Licensed Patents, and as of the Effective Date, neither any license granted by Long Grove or its Affiliates to any Third Party, nor any agreement between any Third Party and Long Grove or its Affiliates, conflicts with the licenses or other rights granted to Heron hereunder, and Long Grove has the right to grant all rights and licenses (or sublicenses, as the case may be) it purports to grant or is obligated to grant to Heron under this Agreement;

(d) the Licensed Patents are subsisting and, to Long Grove's knowledge, no Third Party has challenged the scope, validity or enforceability of such Patents (including by way of example through the institution or written threat of institution of interference, nullity or similar invalidity proceedings before any court, the United States Patent and Trademark Office or any analogous foreign Governmental Authority);

(e) to its knowledge, without having made any investigation, no Third Party is infringing any of the Licensed Patents or misappropriating any Licensed Know-How;

(f) it has complied with Applicable Law, including any disclosure requirements of the United States Patent and Trademark Office, in connection with the prosecution and maintenance of the Licensed Patents for which it controls prosecution and maintenance and has timely paid all filing and renewal fees payable with respect to any such Patents for which it controls prosecution and maintenance;

(g) to Long Grove's knowledge, assignments from the inventors of all inventorship rights relating to the Licensed Patents have been obtained with respect to any such Patents for which it controls prosecution; and

(h) except for [***] and agreements with vendors related to [***] entered in the ordinary course of business, there is no agreement between Long Grove or any of its Affiliates and any Third Party pursuant to which Long Grove or its Affiliate has acquired Control of any of the Licensed Technology;

(i) all [***] are in full force and effect and have not been modified or amended. Long Grove has provided true and complete copies, with redactions, of all [***] to Heron;

(j) Neither Long Grove nor, to the best of its knowledge, the Third Party licensor in [***] is in receipt of any notice of material breach of, or default with respect to, a material obligation under [***] and Long Grove has not provided any notice of material breach of, or default with respect to, a material obligation under [***]; and

(k) there is no material action, claim, written demand, suit, or proceeding pending, or, to Long Grove's knowledge, threatened, against Long Grove or any of its Affiliates that would reasonably be expected to have a material adverse effect on Heron's exercise of its rights granted pursuant to this Agreement.

7.3. Additional Representations and Warranties of Heron. Heron hereby represents and warrants to Long Grove, as of the Effective Date, that:

(a) *Organization; No Conflicts or Proceedings*. Heron is a corporation duly organized and validly existing under the laws of the State of Delaware and has the power and authority to enter into and perform this Agreement. All corporate action on the part of Heron necessary for the authorization, execution and delivery of this Agreement and for the performance of all of its obligations hereunder has been taken. No consent, authorization, license, permit, registration or approval of, or exemption or other action by, any Governmental Authority, or any other Third Party, is required in connection with Heron's execution, delivery and performance of this Agreement or, if any such consent is required, Heron has satisfied any applicable requirements. There are no actions, suits or proceedings pending or, to Heron's knowledge, threatened, against Heron before any Governmental Authority that question Heron's right to enter into or perform this Agreement or that question the validity of this Agreement.

7.4. Covenants of Long Grove.

(a) Long Grove shall maintain in full force and effect [***] and will not breach any material obligation thereunder. Long Grove shall promptly notify Heron in writing if Long Grove sends or receives a notice of material breach of [***]; Long Grove will not amend, modify, waive or terminate [***] in any manner that would reasonably be expected to have a material adverse effect on Heron's exercise of its rights granted pursuant to this Agreement without first obtaining Heron's written consent, which consent may be withheld in Heron's sole discretion;

(b) Long Grove shall perform its obligations under this Agreement in a timely and professional manner and in accordance with cGMP;

(c) Long Grove will, and will require its Affiliates and subcontractors to, comply with Applicable Law in connection with its performance under this Agreement;

(d) Long Grove will (i) maintain during the Term [***] in accordance with all Applicable Law, and (ii) not breach, and will cause its Affiliates to maintain and not breach, [***];

(e) Long Grove will promptly notify Heron in writing if Long Grove or its Affiliates sends or receives a notice of material breach of [***], and in the event of a breach by Long Grove or its Affiliate, will permit Heron to cure such breach on Long Grove's or its Affiliate's behalf upon Heron's request;

(f) Except as may be required to comply with Applicable Law, Long Grove will not amend, modify or terminate [***] or [***] in a manner that would materially adversely affect Heron's rights hereunder without first obtaining Heron's written consent, which consent may be withheld in Heron's sole discretion;

(g) All employees and subcontractors of Long Grove performing activities hereunder on behalf of Long Grove will be obligated to assign all right, title and

interest in and to any inventions developed by them, whether or not patentable, to Long Grove as the sole owner thereof; and

(h) Long Grove will not, and will cause its Affiliates not to, (i) license, sell, assign or otherwise transfer to any Person [***] or any Licensed Technology (or agree to do any of the foregoing), except that Long Grove may transfer [***] or Licensed Technology to a Person to whom Long Grove concurrently assigns this Agreement in accordance with, and as permitted under, Section 12.6, or (ii) negotiate with, offer to, or grant any license of Licensed Technology to any Person in the Territory in the Field, (iii) enter into any royalty monetization transaction or grant any security interest in the Licensed Technology other than in connection with the grant of a security interest of all or substantially all of the assets of Long Grove in connection with a loan or financing from one or more financial institutions or lenders, in each case ((i), (ii) or (iii)), that would materially conflict with, limit, impair or restrict the rights and licenses granted to Heron hereunder.

7.5. Covenants of Heron. Heron shall perform its obligations under this Agreement in a timely and professional manner and in compliance with all Applicable Laws.

7.6. Exclusivity.

(a) Long Grove, Capstone and Heron agree that they will not manufacture, sell, represent, partner, or distribute Product in the Territory other than through the relationship set forth in this Agreement, which will constitute the Parties' exclusive channel of licensing, partnering, manufacturing, selling and distributing [***] in the Territory. In addition, no Party may develop, use, manufacture or sell [***] during the Term in the Territory, either on its own or through or with an Affiliate or any Third Party, or without the prior written consent of the other Party, or, after the Effective Date, enter into any Sublicense authorizing any Third Party to do the same. The aforementioned restriction shall remain in effect in the event of change of control of any Party and shall apply to the successor or assignee of such Party.

(b) In the event Heron desires to have [***] commercialized through a Third Party in the Territory, Long Grove shall have a right of first refusal to negotiate to obtain such rights. Heron shall notify Long Grove in writing of its desire to have [***] commercialized through a Third Party, and Long Grove and Heron shall negotiate exclusively in good faith for ([***]) days following receipt of such notice to reach agreement on the economic terms of such arrangement. In the event that Long Grove notifies Heron in writing that it does not wish to negotiate, Heron shall be free to pursue such transaction with a Third Party. If the Parties have negotiated but are unable to reach agreement on the economic terms within such [***] ([***]) day period, Heron shall be free to pursue such transaction with a Third Party; provided, however, that Heron may not enter into any such Third Party transaction on terms that are, taken as a whole, more favorable to such Third Party than the terms last offered to Long Grove during the negotiation period. [***].

7.7. Disclaimer of Other Warranties. EXCEPT AS PROVIDED IN THIS ARTICLE 7, EACH PARTY HEREBY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, OR THAT ANY OF THE DEVELOPMENT AND/OR COMMERCIALIZATION EFFORTS WITH REGARD TO ANY COMPOUND OR PRODUCT WILL BE SUCCESSFUL.

7.8. Limitation on Damages. EXCEPT FOR DAMAGES PAID OR PAYABLE TO A THIRD PARTY BY AN INDEMNIFIED PARTY FOR WHICH THE INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION HEREUNDER, DAMAGES RESULTING FROM LONG GROVE'S FAILURE TO FULFILL ITS REGULATORY OBLIGATIONS FOR [***], DAMAGES THAT ARE DUE TO BREACHES OF THE PROVISIONS OF THIS AGREEMENT RELATED TO CONFIDENTIALITY OR THE LICENSE OR ASSIGNMENT OF INTELLECTUAL PROPERTY, AND/OR DAMAGES THAT ARE DUE TO THE FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF EITHER PARTY OR ANY AFFILIATE OR SUBLICENSEE OF SUCH PARTY, IN NO EVENT SHALL EITHER PARTY, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS (EXCEPT WHERE SUCH LOST PROFITS ARE AN APPROPRIATE MEASURE OF DIRECT DAMAGES) OR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE, ARISING OUT OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL LIMIT EITHER PARTY FROM SEEKING OR OBTAINING ANY REMEDY AVAILABLE UNDER LAW FOR ANY BREACH BY THE OTHER PARTY OF ITS CONFIDENTIALITY AND NON-USE OBLIGATIONS UNDER ARTICLE 8 OR ANY BREACH BY LONG GROVE OF ITS EXCLUSIVITY OBLIGATIONS UNDER SECTION 7.6.

8. CONFIDENTIALITY

8.1. Obligations of Confidentiality. No Party will use or disclose to Third Parties any Confidential Information of the other Party except that such information may be (i) disclosed to Governmental Authorities where such Confidential Information may be required to be included in regulatory filings permitted under the terms of this Agreement, (ii) provided to a Party's Affiliates and its and their employees, advisors, consultants, contractors, board members, agents, licensees, sublicensees, and legal and financial advisors, in each case, solely to the extent each such recipient has a need to know in connection with such Party performing its obligations under this Agreement, and only to such recipients as bound by obligations of confidentiality substantially equivalent to those imposed by this Agreement, (iii) published, if and to the extent such publication has been approved by disclosing Party, (iv) disclosed to the extent required by Applicable Laws or regulations or as ordered by a court or other regulatory body having competent jurisdiction, or (v) used as expressly permitted or contemplated by this Agreement. Notwithstanding the foregoing, Long Grove may use the Licensed Know-How (A) for Long Grove's own internal purposes, (B) in connection with Manufacturing [***] or other Long Grove products anywhere in the world, and (C) in connection with the import, distribution, sale or marketing of Product (1) outside the Territory during the Term and (2) anywhere in the world after the Term. In the case of a required

disclosure under clause (iv) above, the Party required to make the disclosure shall promptly notify the original disclosing Party and shall provide reasonable assistance, if requested by the original disclosing Party, to assist the original disclosing Party in its attempts to prevent or limit the disclosure. If either Party is required by Applicable Law or court order to provide a copy of this Agreement or any related document to any Third Party (except in confidence as permitted by this Agreement), such Party shall redact Confidential Information from such document, except as otherwise required by Applicable Law. Each Party shall have the right to review and approve each redacted document prior to its submission to a Third Party. The reviewing Party shall have a period of [***] ([***]) calendar days to review the redacted document, except that in the case of the order of a court or regulatory agency, the reviewing Party shall have the maximum reasonable amount of time.

8.2. Injunctive Relief. Each Party hereby acknowledges that if it breaches any of the provisions of this Article 8, the other Party may not have an adequate remedy at law and may suffer irreparable damage and injury and that, in addition to any other available rights and remedies, each Party shall be entitled to seek an injunction restricting the breaching Party from committing or continuing any violation of such provisions.

8.3. Residual Knowledge Exception. Notwithstanding any provision of this Agreement to the contrary, any use of Residual Knowledge made by a receiving Party outside of the rights granted under this Agreement shall be deemed not to be a breach of this Agreement, provided that such use is on an "as is, where is" basis, with all faults and all representations and warranties disclaimed and at the receiving Party's sole risk. For clarity, no license under any Patent or Know-How is granted pursuant to this Section 8.3.

8.4. Expiration or Termination of this Agreement. Following the expiration or termination of this Agreement, if requested by the disclosing Party, the receiving Party will return or destroy, at the receiving Party's election, all data, files, records and other materials containing or comprising the disclosing Party's Confidential Information, except to the extent such Confidential Information is necessary or reasonably useful to conduct surviving obligations or exercise surviving rights. Notwithstanding the foregoing, (a) the receiving Party will be permitted to retain one (1) copy of such data, files, records, and other materials for archival and legal compliance purposes and (b) the receiving Party will not be required to delete or destroy any electronic back-up tapes or other electronic back-up files that have been created solely by the receiving Party's or its Affiliate's automatic or routine archiving and back-up procedures, to the extent created and retained in a manner consistent with its or their standard archiving and back-up procedures; *provided* that such copy will be kept confidential and not used by the receiving Party except as permitted in accordance with the terms and conditions of this Agreement for as long as the receiving Party is in possession of such copy.

8.5. Applicable Law; SEC Filings and Other Disclosures. A Party may disclose the terms of this Agreement or activities performed hereunder solely to the extent required to comply with Applicable Law, including the rules and regulations promulgated by the United States Securities and Exchange Commission; *provided*, that, to the extent such disclosure includes terms or information that have not previously been so disclosed, such Party will provide the other Party a reasonable opportunity to review such disclosure and reasonably consider the other Party's comments regarding confidential treatment sought for such disclosure.

8.6. Publications. During the Term, and subject to the authorized disclosure set forth in Section 8.5, neither Long Grove nor its Affiliates shall make, or permit any Third Party to make, any academic, scientific or medical publication or public presentation (i) specific to the subject of this Agreement, or (ii) any reference, application, use of or information relating to [***], in each case without the express prior written consent of Heron.

9. INTELLECTUAL PROPERTY RIGHTS

9.1. Background Intellectual Property Rights. Each Party will retain ownership of all of its Background Intellectual Property Rights. After the Effective Date, except to the extent included in a license granted by a Party to the other Party under this Agreement, a Party will not have any rights to the other Party's Background Intellectual Property Rights (or the inventions, discoveries or creative works to which they relate).

9.2. Arising Intellectual Property Rights.

(a) Each Party will initially own all Know-How and Intellectual Property Rights conceived or reduced to practice solely by or on behalf of such Party in the performance of activities under this Agreement (collectively, "Sole Inventions"). Each Party hereby assigns to the other Party an undivided one-half interest in all of such Party's Sole Inventions. For purposes of this Section 9.2, inventorship shall be determined in accordance with United States patent law.

(b) All Know-How and Intellectual Property Rights conceived or reduced to practice by or on behalf of both Parties in the performance of activities under this Agreement (collectively, "Joint Inventions"), will be owned jointly by the Parties, with each Party holding an undivided one-half interest in such Joint Inventions.

(c) Subject to the limitations, restrictions and exclusivity provisions of this Agreement, each Party (i) shall have the right to exploit the Sole Inventions and Joint Inventions in any manner that is not inconsistent with the rights, obligations and restrictions of the Parties under this Agreement, but subject to the license rights granted to the other Party under this Agreement, and (ii) shall have no obligation to account to the other Party or obtain the consent of the other Party with respect to such exploitation except as specifically set forth herein.

9.3. License to Heron. Long Grove hereby grants to Heron a sublicensable (through multiple-tiers) license under the Licensed Technology to import, distribute, sell and market [***] in the Territory and to Manufacture [***] anywhere in the world for import, distribution, sale and marketing of [***] in the Territory. The license granted in the preceding sentence will be (i) non-exclusive with respect to the Licensed Know-How, (ii) exclusive (even as to Long Grove) with respect to the Licensed Patents during the Term (subject to the provisions of Section 9.4(a)) for the import, distribution, sale and marketing of [***] in the Territory, (iii) non-exclusive with respect to the Licensed Patents for the Manufacture of [***] anywhere in the world during the Term. Notwithstanding the nature of the license granted with respect to the Licensed Know-How pursuant to clause (i) above, the Licensed Know-How constitutes Confidential Information of

Heron (as expressly set forth in the last sentence of the definition of "Confidential Information") and shall be subject to the terms set forth in Article 8.

9.4. Patents.

(a) Heron agrees that it will not file any patent application on [***], its formulation or methods of Manufacturing or use without Long Grove's prior written consent. If Heron directly or indirectly institutes a Patent Challenge on any Licensed Patent, or directly or indirectly assists Third Parties in maintaining a Patent Challenge on any Licensed Patent, so long as such Licensed Patent remains a Licensed Patent under Section 9.3 of this Agreement, Long Grove shall have the contractual right but not the obligation to terminate this Agreement. Notwithstanding the foregoing, (i) if, within [***] ([***]) days after receipt by Heron of such written notice from Long Grove, Heron rescinds, terminates or dismisses, or withdraws or causes to be withdrawn, such Patent Challenge (or in the case of any ex-parte proceeding, multi-party proceeding, or other Patent Challenge that Heron or its Affiliate does not have the power to unilaterally withdraw or cause to be withdrawn, Heron or its Affiliate, as applicable, ceases providing direction to or otherwise assisting any Third Party with respect to such Patent Challenge and, to the extent Heron or its Affiliate is a party to such Patent Challenge and to the extent permitted by the applicable tribunal, Heron or its Affiliate as applicable, withdraws from such Patent Challenge), or (ii) in the case of a Patent Challenge commenced or assisted by a sublicensee or its affiliate, if within [***] ([***]) days after receipt by Heron of such written notice from Long Grove, Heron either terminates the Sublicense granted to such sublicensee or causes such Patent Challenge brought by such sublicensee to be rescinded, terminated or dismissed, then this Agreement shall be deemed to have never been terminated.

(b) Prosecution. Prior to First Commercial Sale of [***], Long Grove shall have, and after First Commercial Sale of [***], Heron will have, the first right (but not the obligation) to Prosecute and Maintain the Licensed Patents in the Territory at Heron's own expense using patent counsel of Heron's choosing, and Long Grove will have the right to Prosecute and Maintain all foreign counterparts of the Licensed Patents outside the Territory. Each Party controlling prosecution shall provide copies of all documents prepared by patent counsel to the other Party for its right and reasonable opportunity for review and comment prior to filing, such comments to be considered in good faith by the prosecuting Party. Each Party agrees to keep the other Party reasonably informed with respect to its Prosecution and Maintenance of Licensed Patents in its Territory and consult in good faith with the other Party regarding such matters to coordinate a cohesive and consistent Prosecution and Maintenance strategy. The Party controlling prosecution shall have the right to make all final determinations with respect to all such strategies and filings. If Heron decides to abandon a Licensed Patent in the Territory, Heron will provide Long Grove with notice at least [***] ([***]) days prior to the date such abandonment would become effective. Following such notice, Long Grove may elect, upon written notice to Heron, to control the Prosecution and Maintenance of such Patent in the Territory at its own expense in Long Grove's name. Upon such election, Heron will cooperate and assist in transitioning the Prosecution and Maintenance of such Patent to Long Grove. In the event of Heron's abandonment of any Licensed Patent for

which Long Grove does not elect to assume Prosecution and Maintenance, such Patent shall cease to be a Licensed Patent, and Heron will have no further rights with respect to such Patent under this Agreement.

(c) During the Term, Long Grove shall assist, at Heron's request, and provide Heron with reasonable free-of-charge assistance in prosecuting Licensed Patents, including providing all data in Long Grove's Control that is, in Heron's reasonable judgment, needed or useful to support the prosecution of a Licensed Patent.

(d) Patent Term Extension. Heron shall be responsible, in Long Grove's name, for obtaining patent term extensions wherever available for Licensed Patents. Long Grove shall provide Heron free-of-charge with all relevant information, documentation and assistance in this respect as may reasonably be requested by Heron. Any such assistance, supply of information and consultation shall be provided promptly with the goal of obtaining all patent term extensions for Licensed Patents wherever legally permissible and to the maximum extent available. In the event that any election with respect to obtaining patent term extensions is to be made, Long Grove shall have the right to make such election, and Heron shall abide by all such elections.

(e) Infringement of the Licensed Patents. In the event of any actual or deemed infringement by a Third Party of the Licensed Patents as it relates to [***] ("[***]"), prior to First Commercial Sale of [***] Long Grove shall have, and after First Commercial Sale of [***] Heron shall have, the first right, but not the obligation, to bring and control, at its expense, an appropriate suit or other action before any government or private tribunal against any Person or entity allegedly engaged in such [***] (a "[***]"). Each Party agrees to provide reasonable cooperation, including making available witnesses and documentation and assistance of a technical nature to the other Party that such other Party may require in the conduct of any such [***]. At the request of the Party controlling a [***], the other Party is obligated and shall join [***] as a party. The Party controlling a [***] shall use Commercially Reasonable Efforts to successfully conduct such [***], and shall keep the other Party reasonably apprised on a real time basis of all material developments. The Party not controlling a [***] will have the right, at its own expense and by counsel of its choice, to be represented in such [***]; provided, however, that the Party controlling such [***] shall have ultimate control over the conduct of [***]. Heron may not enter into any consent judgment or settlement of any [***], without the prior written consent of Long Grove. Notwithstanding the foregoing, any settlement from [***] arising from the grant of a Sublicense by Heron shall not require Long Grove's consent provided that sales of product made pursuant to such Sublicense are either sales of [***] or sales of [***]. To the extent permitted by Applicable Law, Long Grove and Heron may decide to enter into an agreement providing for mutually agreeable economic terms relating to the sharing of any such settlement. In the event the Party that has the right to bring a [***] elects not to bring such [***] and does not settle or otherwise secure the abatement of such [***] within [***] ([***]) days of receiving written notice of such infringement, it will so notify the other Party in writing and such other Party will have the right to commence such a suit or take such action to enforce the applicable Licensed Patents, to the extent that such other Party has standing to do so, at such other Party's expense. Any damages or other recovery from [***] shall (i) first be applied to reimburse

the Party bringing [***] for its reasonable out-of-pocket attorneys' fees and costs incurred in connection with such [***], (ii) then if Heron brought [***], next be applied to Long Grove's reasonable out-of-pocket attorneys' fees and costs incurred in connection with such [***], and (iii) the remaining amount of such recovery shall be allocated to Heron and deemed to be Net Sales for the calendar quarter in which the amount is paid and Heron shall pay to Long Grove a Royalty on such remaining amount based on the royalty rates set forth in Section 4.2. Upon expiration or termination of this Agreement for any reason, Long Grove shall have the sole right, but not the obligation, to control any then-pending [***], and Heron shall reasonably cooperate with Long Grove in transitioning control of such [***] to Long Grove. Any damages, settlement proceeds or other recovery from [***] shall (i) first be applied to reimburse the Party bringing [***] for its reasonable out-of-pocket attorneys' fees and costs incurred in connection with such [***] (for the avoidance of doubt, including reimbursement of Heron's reasonable out-of-pocket attorneys' fees and costs incurred in the event that such [***] was transferred to Long Grove pursuant to this Section 9.4(e)), (ii) then if Heron brought [***] prior to such expiration or termination, next be applied to Long Grove's reasonable out-of-pocket attorneys' fees and costs incurred in connection with such [***], and (iii) the remaining amount of such recovery shall be allocated as follows: (A) to the extent such recovery includes damages or settlement proceeds attributable to infringement occurring during the Term, such amount shall be allocated between Heron and Long Grove based on the royalty rates set forth in Section 4.2, and (B) any remaining recovery attributable to infringement occurring after expiration or termination of this Agreement shall be retained by Long Grove.

(f) Infringement of Third Party IP. If during the Term a Party obtains knowledge of any potential, alleged, or actual infringement, misappropriation, or other violation of a Third Party's patent rights or other intellectual property rights arising out of, or based upon, the Manufacture, distribution, sale, marketing or other commercialization of [***] in the Territory or any threatened or pending Claim relating thereto, or any threatened or pending action, suit or proceeding, then, such Party shall promptly notify the other Party in writing thereof and provide all pertinent details with respect thereto that are reasonably available to such Party. In such event, prior to First Commercial Sale of [***] Long Grove shall have, and after First Commercial Sale of [***] Heron shall have, the first right and obligation to defend or settle any suit or other action arising out of any alleged infringement of the intellectual property rights of Third Parties by the Manufacture, distribution, sale, marketing or other commercialization of [***] in the Territory, including the right to determine, in its sole discretion but in consultation with the other Party, whether to obtain a license, or whether to adopt a different strategy with respect to such Third Party patent right or other intellectual property. The non-controlling Party shall, at the controlling Party's request and expense, join any such action, and shall make available witnesses and documentation and assistance of a technical nature to the other Party that such other Party may reasonably request in the conduct of any such action. The Party controlling the defense of such suit or action shall use Commercially Reasonable Efforts to successfully conduct such suit or action and shall keep the other Party reasonably apprised on a real time basis of all material developments. In the event the Party that has the right to defend such suit or action elects not to within [***] ([***]) days of receiving written notice of such suit or action (or such shorter period

as required under any Applicable Law), it will so notify the other Party in writing in sufficient time to allow for such other Party to have the right to defend such suit or action, at such other Party's expense. The Party controlling the defense of such suit or action shall consult with the other Party, before arriving at any consent judgment or settlement on any suit or action arising out of such alleged infringement of Third Party intellectual property rights in connection with any Licensed Patent. For clarity, and notwithstanding the foregoing, Long Grove shall not have the right to grant a sublicense under the Licensed Patents to a Third Party pursuant to this Section 9.4(f) without Heron's prior written consent.

(g) Subject to the terms and conditions of this Agreement, Heron hereby grants to Long Grove during the Term a limited, non-exclusive, non-transferable (except in connection with a permitted assignment of this Agreement), royalty-free license, without the right to sublicense, under Intellectual Property Rights Controlled by Heron as of the Effective Date solely to the extent necessary for Long Grove to Manufacture [***] anywhere in the world for supply to Heron and its Affiliates and sublicensees for import, distribution, sale, marketing and other commercialization of [***] in the Territory by or on behalf of Heron. For the avoidance of doubt, the license granted under this Section 9.4(g) shall not extend to (i) the manufacture of [***] other than [***], or (ii) the manufacture of [***] for any purpose other than supply to Heron and its Affiliates and sublicensees for commercialization of [***] in the Territory. The foregoing license shall automatically terminate upon the expiration or termination of this Agreement. Heron agrees that not later than [***] ([***]) business days after the Effective Date, it will file a stipulation or motion for voluntary dismissal of the action filed in the U.S. District Court for the District of Delaware [***] (the "Dismissed Litigation").

(h) [***].

9.5. Rights in Bankruptcy. All rights and licenses granted under or pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code") or any analogous provisions in any other country or jurisdiction, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The Parties agree that Heron, as the licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights, elections and protections under the Bankruptcy Code, including Section 365(n) of the Bankruptcy Code, or any analogous provisions in any other country or jurisdiction. All of the rights granted to Heron under this Agreement shall be deemed to exist immediately before the occurrence of any bankruptcy case in which Long Grove is the debtor. If a bankruptcy proceeding is commenced by or against Long Grove under the Bankruptcy Code or any analogous provisions in any other country or jurisdiction, Heron shall be entitled to retain all of its rights under this Agreement and, upon Heron's written request, shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and all embodiments thereof, which, if not already in Heron's possession, shall be promptly delivered to Heron unless Long Grove elects to, and does in fact, continue to perform all of its obligations under this Agreement and this Agreement has not been rejected pursuant to the Bankruptcy Code. Heron may exercise the rights, elections and protections under this Section, and perform any obligations of Heron under this Agreement, itself or through its Affiliates, lenders, secured parties, successors or assigns. Notwithstanding anything to the contrary in this Section

9.5, as a condition to Heron's retention and exercise of its rights under this Section 9.5 and Section 365(n) of the Bankruptcy Code following any rejection of this Agreement, Heron shall continue to timely pay all Royalties, Milestone Payments, and other amounts due to Long Grove under this Agreement as and when due, and shall continue to comply with its reporting, recordkeeping, and audit obligations under Section 4.4, in each case for so long as Heron continues to exercise such retained rights, and Heron waives, to the fullest extent permitted by Applicable Law, any right of setoff against such amounts arising out of or in connection with any such bankruptcy case or the rejection of this Agreement.

9.6. No Implied Rights. Except as expressly provided in this Agreement, neither Party will be deemed by estoppel or implication to have granted the other Party any licenses or other right with respect to any intellectual property.

10. INDEMNIFICATION AND INSURANCE

10.1. Indemnification.

(a) *Indemnification by Heron*. Heron shall indemnify, defend and hold harmless Long Grove and its Affiliates, [***] and its Affiliates, and each of their Affiliates, directors, officers, shareholders, employees, and servants (collectively, the "Long Grove Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorneys' fees and disbursements (collectively, "Damages") in connection with any and all suits, investigations, claims or demands lodged by Third Parties resulting from or arising out of:

(i) Heron's material breach of any representation, warranty or covenant hereunder; or

(ii) Heron's or any of its Affiliates' gross negligence, willful misconduct or fraudulent acts or omissions in connection with Heron's performance of its obligations under this Agreement; or

(iii) the Manufacture of Product by Heron or any sublicensee of Heron (other than by any Long Grove Indemnified Party); or

(iv) any violation of Applicable Law by Heron;

except, in each case, to the extent Long Grove has an obligation to indemnify Heron pursuant to Section 10.1(b), as to which Damages each Party will indemnify the other to the extent of their respective liability for such Damages.

(b) *Indemnification by* Long Grove. Long Grove shall indemnify, defend and hold harmless Heron and its Affiliates, and each of their Affiliates, directors, officers, shareholders, employees, and servants (collectively, the "Heron Indemnified Parties") from and against any and all Damages in connection with any and all suits, investigations, claims or demands lodged by Third Parties resulting from or arising out of:

(i) Long Grove's material breach of any representation, warranty or covenant hereunder; or

(ii) Long Grove's or any of its Affiliates' gross negligence, willful misconduct or fraudulent acts or omissions in connection with Long Grove's performance of its obligations under this Agreement;

(iii) [***] infringement or misappropriation of any Patent, Know-How or other intellectual property right owned or possessed by any Third Party;

(iv) the Manufacture of Product by Long Grove or any service provider to Long Grove;

(v) bodily injury or death or property damage arising from or in connection with Long Grove's willful misconduct, gross negligence, or fraud; or

(vi) any violation of Applicable Law by Long Grove,

except, in each case, to the extent Heron has an obligation to indemnify Long Grove pursuant to Section 10.1(a), as to which Damages each Party will indemnify the other to the extent of their respective liability for such Damages.

(c) *General*. The Party providing indemnification, as the case may be, shall be referred to herein as the "Indemnifying Party." Each of the Long Grove Indemnified Parties on the one hand and the Heron Indemnified Parties on the other hand, as the case may be, shall be referred to herein as the "Indemnified Party." In the event that in determining the respective indemnification obligations of the Parties under this Section 10.1 it is determined that the event giving rise to the claim for indemnification is the fault of both Parties, then each Party will be responsible for that portion of the Damages to which its fault contributed. A Party's indemnification obligations under this Section 10.1 will be net of any amounts recovered by the Indemnified Party under any applicable insurance policies.

10.2. Indemnification Procedures. Upon the occurrence of any event giving rise to a right to seek indemnification under Section 10.1 hereof, the Indemnified Party shall give the Indemnifying Party written notice of such claim, action or proceeding within [***] ([***]) calendar days after it becomes known to the Indemnified Party, except that the failure to give such notice will not relieve the Indemnifying Party of its obligations to indemnify except to the extent such failure materially and adversely affects the defense of such action or increases the liability of the Indemnifying Party. Within [***] ([***]) calendar days after receipt of such notice, the Indemnifying Party shall notify the Indemnified Party in writing as to whether or not the Indemnifying Party intends to take over the defense of such action, and if the Indemnifying Party fails to provide such written notice, the Indemnified Party will be entitled to take over the defense of the action. Upon proper notification by the Indemnifying Party of its intention to defend the claim, the Indemnifying Party shall engage counsel reasonably satisfactory to the Indemnified Party to assume the investigation and defense of the claim and shall keep the Indemnified Party and its counsel currently informed as to all material aspects of the claim and its investigation and defense. The Indemnified Party shall provide reasonable cooperation and assistance to the

Indemnifying Party, including, making available witnesses and documents as reasonably requested by the Indemnifying Party. The Indemnified Party may, in such case, engage counsel to assist in the investigation and defense of the claim but will not be entitled to reimbursement for any expenses related to the engagement of such counsel. If the Indemnifying Party elects not to assume the investigation and defense of the claim, or fails to make any election within the time period herein provided, or if in the reasonable opinion of counsel to the Indemnified Party the Indemnified Party has available to it defenses that are contrary to the interests of the Indemnifying Party in any such action, then the Indemnified Party will be entitled to engage its own counsel for such investigation and defense and will be entitled to full indemnification for the costs thereof. The Indemnified Party shall not settle any Third Party claim for which it is seeking indemnification without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnifying Party shall not, without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned, or delayed), effect any settlement of any such Third Party claim, unless such settlement includes an unconditional release of the Indemnified Party from all liability on such claims.

10.3. Insurance. During the period starting upon the First Commercial Sale and ending twenty-four (24) months following the termination or expiration of this Agreement, (i) each Party shall carry or be subject to coverage under (as a named insured under its own policy or a policy of its parent corporation), at its own cost and expense: Commercial General Liability Insurance, including coverage for bodily injury and property damage, with limits of not less than $[***] per occurrence and $[***] in the aggregate, and (ii) Heron shall carry or be subject to coverage under (as a named insured under its own policy or a policy of its parent corporation), at its own cost and expense: Product Liability Insurance with limits of not less than $[***] combined single limit per occurrence and in the aggregate.

Each Party shall provide the other Party with at least [***] ([***]) calendar days written notice of policy cancellation; if the policy is written on a claims-made basis, coverage must be in place for a period of at least [***] ([***]) months after the expiration or termination of this Agreement.

All required insurance must be underwritten by insurers having an A.M. Best financial rating of A- (Class VIII or better) and authorized to do business in the jurisdiction of the activity set out in this Agreement. Each Party, upon written request from the other Party, shall provide evidence of the aforementioned coverage for each policy term.

Neither Party's insurance coverage will be construed as a limitation on that Party's liability under this Agreement, including any indemnification provision contained in this Agreement.

11. TERM AND TERMINATION

11.1. Term. This Agreement will commence the Effective Date and end on the date that is the ten (10) year anniversary of the First Commercial Sale (the "Initial Term") and will automatically renew for renewal terms each lasting two (2) years (each a "Renewal Term" and collectively with the Initial Term, the "Term"), unless either Party notifies the other Party of non-renewal no later than [***] ([***]) months prior to the expiration of the Initial Term or the

then-current Renewal Term. Long Grove will not be permitted to deliver such notice of non-renewal until [***] ([***]) Renewal Terms have been completed.

11.2. Termination Rights of either Party.

(a) *Material Breach of this Agreement By Either Party*. Either Party may terminate this Agreement by written notice to the other Party if such other Party materially breaches this Agreement (other than the breaches described in Section 11.3, which are governed by such provision) and fails to cure the material breach within [***] ([***]) calendar days after written notice of the material breach is given to the breaching Party. Notwithstanding the foregoing, if the relevant breach is curable, but not reasonably curable within [***] ([***]) days, the breaching Party may provide the nonbreaching Party with (i) a plan that is reasonably acceptable to the nonbreaching Party for the cure of such material breach, (ii) evidence that the breaching Party has committed sufficient funding to support such plan, and (iii) evidence reasonably satisfactory to the nonbreaching Party that the breaching Party has taken concrete steps to commence implementation of such agreed-upon plan, the period of cure set forth in this Section 11.2(a) shall be extended as set forth in such plan. In the event that the breaching Party ceases to fully perform the foregoing efforts to cure such material breach, or if such material breach is not cured within the period of time set forth in such agreed-upon plan, the nonbreaching Party may terminate this Agreement upon notice to the breaching Party. If such breach is successfully cured, the nonbreaching Party will no longer have the right to terminate this Agreement on account of such breach. Notwithstanding the foregoing, if a Party disputes in good faith the existence, materiality, or failure to cure of any breach, and provides written notice to the other Party of such dispute within the relevant cure period, the other Party will not have the right to terminate this Agreement in accordance with this Section 11.2(a), unless and until the relevant dispute has been resolved in accordance with Section 12.11. During the pendency of any such dispute, the relevant cure period shall be tolled, all the terms of this Agreement will remain in effect and the Parties will continue to perform all of their respective obligations hereunder.

(b) *Insolvency*. A Party may terminate this Agreement by written notice to the other Party if the other Party (i) becomes insolvent; (ii) makes an assignment for the benefit of creditors; (iii) files or has filed against it a petition in bankruptcy; (iv) has a receiver appointed for its assets; or (v) is dissolved or liquidated. This right shall not apply to any assignment permitted under Section 12.6.

(c) *Force Majeure*. Either Party may terminate this Agreement in connection with a Force Majeure associated with the other Party in accordance with Section 12.5 hereof.

11.3. Additional Termination Rights of Long Grove.

(a) Long Grove may terminate this Agreement by written notice to Heron in the event that Heron breaches its obligations pursuant to Section 6.1 and fails to cure such breach within [***] ([***]) calendar days after written notice of the material breach is given to Heron.

(b) Long Grove may terminate this Agreement by written notice to Heron in the event that Heron does not make payment of any reasonably undisputed and material amount due under this Agreement when due if Heron fails to cure such breach within [***] ([***]) calendar days after written notice of the material breach is given to Heron.

11.4. Termination by Heron Without Cause. Heron may terminate this Agreement in whole or on a Product basis upon [***] ([***]) calendar days prior written notice to Long Grove without cause.

11.5. Additional Termination Right of Heron.

(a) Heron may terminate this Agreement by written notice to Long Grove in the event that Long Grove breaches its obligations with respect to [***] under this Agreement (other than breaches caused by a failure of Heron to perform its obligations under this Agreement) in a manner that materially conflicts with, limits, impairs or restricts the rights and licenses granted to Heron hereunder, including without limitation its obligations under Sections 3.1, 7.4(d), and 7.4(f), and fails to cure such breach within [***] ([***]) calendar days after written notice specifying the nature of such breach is given to Long Grove by Heron, provided that if the relevant breach is curable but not reasonably curable within [***] ([***]) days, the cure period shall be extended in accordance with the procedures set forth in Section 11.2(a).

(b) In the event that [***] is withdrawn, suspended, or revoked by the FDA, or Long Grove voluntarily withdraws [***] without Heron's prior written consent, Heron may terminate this Agreement immediately upon written notice to Long Grove.

(c) As an alternative to termination of this Agreement pursuant to Sections 11.5(a) or 11.5(b), provided that Long Grove has failed to cure the applicable breach within [***] ([***]) calendar days after written notice specifying the nature of such breach is given to Long Grove by Heron (and provided further that, if the relevant breach is curable but not reasonably curable within [***] ([***]) days, the cure period shall be extended in accordance with the procedures set forth in Section 11.2(a)), (i) Heron may request transfer of [***] to Heron from Long Grove, such request not to be unreasonably denied, or (ii) Long Grove may elect to assign [***] to Heron. Upon any such transfer or assignment, Long Grove shall execute all documents and take such other actions necessary or reasonably useful to confirm such assignment and effectuate such transfer. Notwithstanding the foregoing, in connection with any transfer or assignment of [***] to Heron (or the grant of the license described above), (i) Long Grove shall continue to fulfill all pharmacovigilance reporting obligations with respect to [***], including the maintenance of the global safety database and reporting of safety information to the applicable Regulatory Authorities, until the earlier to occur of (A) such time as Heron has confirmed in writing that it has assumed such obligations and has established the systems and processes necessary to perform such obligations in compliance with Applicable Law, and (B) [***], and (ii) Long Grove shall cooperate with Heron and provide all information, data, and assistance reasonably necessary to enable Heron to assume such pharmacovigilance reporting obligations, including the transfer of all safety data, adverse

event reports, and related documentation. The provisions of this Section 11.5(c) shall be in lieu of any other rights and remedies of Heron.

11.6. Effects of Termination.

(a) In the event of expiration of this Agreement pursuant to Section 11.1 (Term) or the termination of this Agreement by Heron pursuant to Sections 11.2(a) (Termination for Long Grove's Breach), 11.2(b) (Termination for Long Grove's Insolvency), or 11.2(c) (Termination for a Force Majeure Event Affecting Long Grove) or 11.5 ([***]), then (i) Heron's obligation set forth in Section 7.6 (Exclusivity) will terminate; (ii) Heron shall have the rights to continue to sell Product in accordance with Section 11.6(d); (iii) the license granted by Long Grove to Heron pursuant to Section 9.3 will terminate (subject to the sell-off period set forth in Section 11.6(d)); and (iv) each Party shall return to the other Party all copies of the other Party's Confidential Information previously delivered within [***] ([***]) calendar days of the termination date, except to the extent that the receiving Party is required to keep a copy of such Confidential Information pursuant to Applicable Law, and Licensed Know-How shall be deemed to be the Confidential Information of Long Grove.

(b) In the event of termination of this Agreement by Long Grove pursuant to Sections 11.2(a) (Termination for Heron's Breach), 11.2(b) (Termination for Heron's Insolvency), 11.2(c) (Termination for a Force Majeure Event Affecting Heron), 11.3 (Additional Termination Rights of Long Grove), or 11.4 (Termination by Heron Without Cause), then (i) Heron shall perform the Technology Transfer and Qualification activities enumerated in Section 2.2 to a contract manufacturing organization designated by Long Grove or to any other designee of Long Grove; (ii) Long Grove's obligations set forth in Section 7.6 (Exclusivity) will terminate; (iii) Heron shall have the rights to continue to sell Product in accordance with Section 11.6(d); (iv) the license granted by Long Grove to Heron pursuant to Section 9.3 will terminate (subject to the sell-off period set forth in Section 11.6(d)), (v) each Party shall return to the other Party all copies of such other Party's Confidential Information previously delivered within [***] ([***]) calendar days of the termination date, except to the extent that the receiving Party is required to keep a copy of such Confidential Information pursuant to Applicable Law, and Licensed Know-How shall be deemed to be the Confidential Information of Long Grove, (vi) solely in the event that termination under this Section 11.6(b) occurs after the achievement of the Regulatory-Based Milestone Event of First Commercial Sale of Product in the Territory which has been Manufactured as the result of the Technology Transfer and Qualification, Heron shall use best reasonable efforts to assign the Heron CMO Agreement to Long Grove to the extent applicable to the supply of Product as soon as practicable after the effective date of termination, but in no event later than [***] ([***]) calendar days after such date, (vii) if the approval from FDA of the post-approval supplement permitting Manufacture of Product at the facility of the Heron CMO has been obtained, until such time as the Heron CMO Agreement has been assigned to Long Grove, Heron shall procure Product on behalf of Long Grove at Long Grove's expense from the Heron CMO pursuant to the Heron CMO Agreement on the same terms and conditions, including price with no markup, as offered to Heron pursuant to arrangements to be reasonably negotiated between Long Grove and Heron, such agreement not to be

unreasonably withheld, delayed, or conditioned, and (viii) Heron shall use best reasonable efforts to provide transition assistance for the transfer of pharmacovigilance activities to Long Grove as soon as reasonably practicable at Heron's expense.

(c) In connection with any termination of this Agreement (but not the expiration), with respect to any sublicense entered into by Heron with a sublicensee granting such sublicensee the right to commercialize Product in the Territory, at the relevant sublicensee's option and on the condition that such sublicensee is not in material breach of any of its obligations under such sublicense, Long Grove shall enter into a direct license with the sublicensee on economic terms at least as favorable to Long Grove as the applicable terms of the sublicense entered between Heron and such sublicensee; *provided* that (a) Long Grove will not be required to undertake obligations in addition to those required by this Agreement, (b) Long Grove's rights under such direct license will be consistent with its rights under this Agreement, taking into account the scope of the license granted under such direct license, and (c) Long Grove will have no obligation to enter into such a direct license if it is able to enter into a license agreement with a Third Party on economic terms more favorable to Long Grove.

(d) In the event of (A) the expiration of this Agreement pursuant to Section 11.1 (Term) or (B) the occurrence of the circumstances described in Section 11.5(a), for a period of [***] ([***]) months after the effective date of expiration or termination of this Agreement, Heron, its Affiliates and sublicensees shall be entitled to continue to sell any existing inventory of [***] and [***] in the Territory for which Regulatory Approval had been obtained prior to termination in accordance with the terms and conditions of this Agreement, and [***] and [***] sold or disposed of during such period shall be subject to the same royalties as would have applied and all milestones achieved during such period with respect to [***] and [***] shall be earned had this Agreement otherwise remained in full force and effect. No new Product may be Manufactured by Heron after the effective date of termination.

11.7. Non-Exclusive Remedy. Termination of this Agreement in whole or in part, and the additional consequences set forth in this Article 11, will be in addition to, and will not prejudice, the Parties' remedies at law or in equity, including the Parties' ability to seek legal damages and/or equitable relief with respect to any breach of this Agreement. Upon termination or expiration of this Agreement in whole or in part for any reason, in addition to the provisions of Article 11 hereof, no Party will be released from any obligations that accrued prior to the effective date of expiration or termination.

12. MISCELLANEOUS

12.1. Each Party Pays Own Costs. Except as expressly stated otherwise herein, each Party shall be responsible for the costs it incurs in performing its obligations under this Agreement.

12.2. Foreign Corrupt Practices Act and International Trade Sanctions. Neither Party and none of the officers, directors, agents, employees or any other Person acting on either Party's behalf has (i) used any corporate or other funds for unlawful contributions, payments, gifts, or entertainment, or made any unlawful expenditures relating to a political activity, to government

officials, candidates or members of political parties or organizations, or established or maintained any unlawful or unrecorded funds in violation of Section 104 of the Foreign Corrupt Practices Act of 1977, as amended, or any similar Applicable Law; (ii) paid, accepted or received any unlawful contributions, payments, expenditures or gifts; or (iii) violated or failed to comply with any export restrictions, anti-boycott regulations, embargo restrictions or other similar Applicable Law. In addition, neither Heron nor Long Grove will do any of the foregoing activities set forth in clause (i)-(iii) during the Term.

12.3. Independent Contractor. The relationship between the Parties is that of independent contractors, and nothing contained in this Agreement or otherwise will be deemed to create any other relationship, including employment, partnership, agency or joint venture among them. Neither Party has or will have any authority to employ any person as agent or employee for or on behalf of the other Party, or to bind, or attempt to bind, the other Party to any obligation with any Third Party. Each Party has and retains full control and supervision over the performance of its obligations hereunder and over the employment, direction, compensation and discharge of all employees, agents and subcontractors it utilizes in the performance of such obligations. Each Party is responsible for its acts and omissions and those of its employees, agents and subcontractors.

12.4. Advertising and Publicity. Neither Party may use the name or any trademark, trade name, logo or symbol of the other Party or its Affiliates, or disclose any matters relating to this Agreement, in any advertising, promotion, press/publicity releases, written articles or communications without the prior written consent of the other Party, except as required under Applicable Law.

12.5. Force Majeure. Except for the obligations of Heron to make payments under this Agreement, neither Party will be liable for delays in performance or nonperformance in whole or in part due to any causes that are beyond its reasonable control and not due to its acts or omissions, such as acts of God, earthquake, riot, civil commotion, terrorism, war, fire, strikes, embargo, acts of the government, or other similar causes, but not acts that could be anticipated, such as raw material price increases, shortages of raw material or an increase in demand for [***] (a "Force Majeure"). In such event, the Party experiencing the Force Majeure shall promptly give notice to the other Party and may suspend performance and extend the time for performance for the duration of the event. In the event of any Force Majeure impacting any Party's performance lasting longer than [***] ([***]) months, the Party not experiencing the Force Majeure may terminate this Agreement pursuant to Section 11.2(c).

12.6. Assignment and Subcontracting. Either Party may assign this Agreement, in whole or in part, to any other Person in connection with the sale of all or substantially all of the assets of such Party pertaining to the subject matter of this Agreement, or the sale, merger or acquisition of such Party in its entirety, without the prior written consent of the other Party. As a condition of such assignment, the assignee shall agree in writing to be bound by all obligations of the assigning Party hereunder. Long Grove may, without Heron's consent, assign this Agreement, and its rights and obligations thereunder in whole or in part to any Third Party in connection with the monetization, transfer or sale of any right to receive royalties or other consideration. This Agreement shall be binding upon the successors and permitted assigns of the Parties. Any assignment not in accordance with this Section 12.6 shall be void. In the event that Long Grove assigns this Agreement, or assigns, sells, transfers or otherwise divests rights and/or assets of [***]

or Licensed Technology, to an entity that does not have the resources to maintain [***], Long Grove agrees that it will transfer [***] to either (i) an Affiliate of Long Grove that does have the resources to maintain [***], or (ii) Heron.

12.7. Notices. Any notice, communication or statement required or permitted to be given hereunder shall be in writing and deemed to have been sufficiently given when delivered in person or by registered or certified mail, postage prepaid, return receipt requested or by overnight courier service, addressed as follows:

To Long Grove:

Long Grove Pharmaceuticals, LLC
[***]
Attention: Legal Department
Email: [***]

To Capstone:

[***]
Attention: Legal Department
Email: [***]

To Heron:

Heron Therapeutics, Inc.
25 Fenton Main Street, Suite 300
Cary, North Carolina 27511
Attention: Legal

with a copy to (which shall not constitute notice):

DLA Piper LLP (US)
One Liberty Place
1650 Market Street, Suite 5000
Philadelphia, PA 19103-7300
Attn: Lauren Murdza, Esq.
Email: lauren.murdza@us.dlapiper.com

A Party may, by written notice to the other, change the addresses and names given above.

12.8. Non-Waiver. The failure of a Party to strictly enforce any of the terms or conditions of this Agreement will not be considered as a waiver of any right hereunder nor will it deprive that Party of the right at some other time to insist upon strict adherence to that term or condition or to any other terms or conditions.

12.9. Severability. If any Article, subsection, sentence or clause of this Agreement is adjudged illegal, invalid or unenforceable, such illegality, invalidity or unenforceability will not affect the legality, validity or enforceability of this Agreement as a whole or of any article, subsection, sentence or clause hereof not so adjudged, and the remaining terms and provisions of this Agreement will remain unimpaired and in full force and effect.

12.10. Section Headings and other Interpretive Provisions. All section headings herein are for convenience only and will not be construed as a limitation of the scope of the particular sections to which they refer. The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Whenever the context so requires, the neuter gender includes the masculine and feminine, the single number includes the plural, and vice versa. Section and Schedule references are to this Agreement unless otherwise specified. The term "including" is not limiting, and means "including, without limitation".

12.11. Governing Law and Jurisdiction; WAIVER OF JURY TRIAL. This Agreement is made in, is governed by and shall be construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws, and excluding the United Nations Convention on Contracts for the International Sale of Goods. All disputes under this Agreement will be decided by a State or Federal Court located in Wilmington, Delaware, and each Party hereby submits to the jurisdiction of those courts. EACH PARTY HERETO WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, AND EACH PARTY HERETO: (I) HEREBY CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (II) HEREBY ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

12.12. Successors and Assigns. This Agreement will apply to, inure to the benefit of and be binding upon the Parties hereto and upon their respective successors and permitted assigns.

12.13. Capstone Backstop Obligations.

(a) If Long Grove fails to make any payment of any material undisputed Quarterly Documented Expenses to Heron required under this Agreement when and as due, Capstone shall, upon Heron's written notice to Capstone and Long Grove, directly pay such amount to Heron.

(b) In the event Long Grove materially breaches its obligation to perform, or in the event that after a Change of Control of Long Grove, the acquirer of Long Grove fails to perform, Technology Transfer and Qualification activities set forth in Section 2.2 of this Agreement and fails to cure the material breach within [***] ([***]) calendar days after written notice of the material breach is given to the breaching Party,

Capstone shall, upon Heron's written notice to Capstone and the breaching Party, directly perform, or cause to be performed, such activities. Notwithstanding the foregoing, if the relevant breach is curable, but not reasonably curable within [***] ([***]) days, the breaching Party may provide Heron with (i) a plan that is reasonably acceptable to Heron for the cure of such material breach, (ii) evidence that the breaching Party has committed sufficient funding to support such plan, and (iii) evidence reasonably satisfactory to Heron that the breaching Party has taken concrete steps to commence implementation of such agreed-upon plan, the period of cure set forth in this Section 12.13 shall be extended as set forth in such plan. In the event that the breaching Party ceases to fully perform the foregoing efforts to cure such material breach, or if such material breach is not cured within the period of time set forth in such agreed-upon plan, Capstone shall, upon Heron's written notice to Capstone and the breaching Party, directly perform, or cause to be performed, such obligations.

(c) The foregoing obligations shall remain in full force and effect until the completion of Technology Transfer and Qualification activities and payment of all Quarterly Documented Expenses, after which Capstone shall have no further obligations and shall no longer be deemed to be a party to this Agreement.

12.14. Survival of Obligations. The termination or expiration of this Agreement will not affect the survival and continuing validity of Section 4.4 (Records), Section 4.5 (Payments and Currency; Disputes), Section 4.6 (Taxes), Sections 7.7 and 7.8 (Disclaimer of Other Warranties and Limitation on Damages), Article 8 (Confidentiality), Sections 9.1 and 9.2 (Background Intellectual Property Rights and Arising Intellectual Property Rights), Section 9.3 (License to Heron) (only to the extent necessary to permit Heron, its Affiliates and sublicensees to sell existing inventory of [***] and [***] during the sell-off period set forth in Section 11.6(d)), Section 9.4(e) (Infringement of the Licensed Patents) (only with respect to actions initiated prior to expiration or provision of a notice of breach that results in a termination), Section 9.4(f) (Infringement of Third Party IP) (only with respect to actions initiated prior to expiration or provision of a notice of breach that results in a termination), Section 9.4(h), Article 10 (Indemnification and Insurance), Section 11.6 and each of the sections referenced therein solely to the extent explicitly stated (Effects of Termination), Section 11.7 (Non-Exclusive Remedy), and Article 12 (Miscellaneous) or of any other provision that is expressly or by implication intended to continue in force after such termination or expiration.

12.15. Amendments. No modification, alteration or amendment of this Agreement will be binding upon the Parties unless contained in a writing signed by a duly authorized agent for each Party and specifically referring hereto or thereto, as the case may be.

12.16. Entire Agreement. This Agreement, together with any documents attached hereto constitutes the entire agreement of the Parties with respect to its subject matter and merges and supersedes all prior discussions and writings with respect thereto, including any term sheet between the Parties.

[Remainder of this page left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives as of the date first set forth above.

HERON THERAPEUTICS, INC.	**LONG GROVE PHARMACEUTICALS, LLC**
By: /s/Craig Collard	By: /s/Ellen Hoffing
Name: Craig Collard	Name: Ellen Hoffing
Title: CEO	Title: Chief Financial Officer

Capstone is executing this Agreement solely for the purpose of agreeing to the obligations set forth in Section 7.6 (Exclusivity) and Section 12.13 (Capstone Backstop Obligations), and Capstone shall have no other rights, obligations, or liabilities under this Agreement.

CAPSTONE DEVELOPMENT SERVICES COMPANY, LLC

By: /s/Al Heller

Name: Al Heller

Title: COB

APPENDIX A

[***]

APPENDIX B

[***]

APPENDIX C

[***]

EXHIBIT 1

[***]

Exhibit 10.2

CERTAIN INFORMATION HAS BEEN OMITTED IN ACCORDANCE WITH ITEM 601(B)(10) OF REGULATION S-K BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE OF INFORMATION THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. OMISSIONS ARE MARKED [***].

FIFTH AMENDMENT TO WORKING CAPITAL FACILITY AGREEMENT

THIS FIFTH AMENDMENT TO WORKING CAPITAL FACILITY AGREEMENT (this "**Amendment**"), dated as of September 17, 2026 (the "**Fifth Amendment Execution Date**"), is made among HERON THERAPEUTICS, INC., a Delaware corporation (the "**Borrower**"), HERCULES CAPITAL, INC. ("**Hercules**"), in its capacity as administrative agent and collateral agent for itself and Lenders (in such capacity, together with its successors and assigns, the "**Agent**") and the financial institutions or entities from time to time party hereto, including Hercules in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**").

A. Borrower, Lenders and Agent are parties to that certain Working Capital Facility Agreement, dated as of August 9, 2023 (the "**Existing Agreement**"; and the Existing Agreement, as amended by that certain First Amendment to Working Capital Facility, dated February 13, 2025, as further amended by that certain Second Amendment to Working Capital Facility, dated August 8, 2025, as further amended by that certain Third Amendment to Working Capital Facility, dated January 30, 2026, as further amended by that certain Fourth Amendment to Working Capital Facility, dated August 7, 2026, and as further amended by this Amendment and as further amended, restated, supplemented or otherwise modified from time to time, the "**Agreement**").

B. Borrower, Lenders and Agent desire to modify the terms of the Existing Agreement as set forth in this Amendment.

SECTION 1Definitions; Interpretation.

(a) **Terms Defined in Agreement**. All capitalized terms used in this Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Agreement.

(b) **Rules of Construction**. The rules of construction that appear in Section 1 of the Agreement shall be applicable to this Amendment and are incorporated herein by this reference.

SECTION 2Amendments to the Agreement.

(a) Upon satisfaction of the conditions set forth in Section 3 hereof, the Existing Agreement will be amended as follows:

(i) Section 2.5(g) of the Agreement is amended and restated in its entirety with the following:

"(g) Second Paydown. Notwithstanding Sections 2.5(a) and 2.5(c), Borrower shall prepay a portion of the Term Loan Advances, payable to each Lender in a pro rata amount according to the Tranche 1 Commitments of the relevant Lender, in an amount (such amount, the "Second Paydown") equal to the sum of (1) Four Million Dollars ($4,000,000) of outstanding principal of such Term Loan Advances (excluding, for the avoidance of doubt, any Capitalized PIK Interest), (2) all accrued and unpaid interest on the principal amount being prepaid through the date of such prepayment, including interest accrued at the Term Loan PIK Interest Rate and not yet capitalized as of such date, and (3) One Hundred Ninety-Six Thousand Dollars ($196,000), being 4.90% of the principal amount being prepaid, in respect of the applicable portion of the Second Amendment End of Term Charge due in connection with the Term Loan Advances being prepaid. The Second Paydown shall be payable in two installments: (i) on or before September 15, 2026, One Million Dollars ($1,000,000) of such principal, together with all accrued and unpaid interest on such principal through the date of such prepayment, including interest accrued at the Term Loan PIK Interest Rate and not yet

capitalized as of such date, and Forty-Nine Thousand Dollars ($49,000), being 4.90% of such principal amount, in respect of the applicable portion of the Second Amendment End of Term Charge (such installment, the "First Installment"); and (ii) on or before September 29, 2026, Three Million Dollars ($3,000,000) of such principal, together with all accrued and unpaid interest on such principal through the date of such prepayment, including interest accrued at the Term Loan PIK Interest Rate and not yet capitalized as of such date, and One Hundred Forty-Seven Thousand Dollars ($147,000), being 4.90% of such principal amount, in respect of the applicable portion of the Second Amendment End of Term Charge (such installment, the "Second Installment"). Agent and the Lenders hereby waive the Prepayment Charge that would otherwise be due under Section 2.5(c) solely in connection with the Second Paydown. For the avoidance of doubt, (x) no portion of the Original End of Term Charge shall be deemed satisfied by, or become due and payable as a result of, the Second Paydown and (y) all other accrued and unpaid interest, Capitalized PIK Interest, End of Term Charges, amendment fees and any other fees payable under the Loan Documents shall remain due and payable in accordance with the terms of the Loan Documents."

(ii) [***]

(iii) Section 7.21(a)(i) of the Agreement is amended and restated in its entirety with the following:

"(i) From and after the Fourth Amendment Effective Date and at all times thereafter, Borrower shall maintain Qualified Cash in an amount not less than Eighteen Million Dollars ($18,000,000); provided that, from and after the date on which Borrower has paid the First Installment, such amount shall step down to Sixteen Million Eight Hundred Thousand Dollars ($16,800,000); provided, further, that, from and after the date on which Borrower has satisfied in full its obligations under Section 2.5(g) (including as reduced pursuant to Section 2.5(h)) and, if applicable, has made all payments required under Section 2.5(h) (or the principal component of the Second Paydown has been reduced to zero pursuant to Section 2.5(h) and no further payment is required thereunder), such amount shall further step down to Thirteen Million Five Hundred Thousand Dollars ($13,500,000)."

(b) **References Within Existing Agreement**. Each reference in the Existing Agreement to "this Agreement" and the words "hereof," "herein," "hereunder," or words of like import, shall mean and be a reference to the Existing Agreement as amended by this Amendment. This Amendment shall be a Loan Document.

SECTION 3Conditions of Effectiveness. The effectiveness of Section 2 of this Amendment (the "**Fifth Amendment Effective Date**") shall be subject to the satisfaction of each of the following conditions precedent:

(a) Agent's receipt of:

(i) this Amendment, executed by Agent, Lenders and Borrower;

(ii) certified copy of resolutions of Borrower's board of directors or managers, as applicable evidencing approval of this Amendment and other transactions evidenced hereby;

(iii) a certificate of good standing for Borrower from its state of incorporation and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect;

(iv) the First Installment described in Section 2.5(g) of the Agreement (as amended hereby), consisting of One Million Dollars ($1,000,000) of principal, all accrued and unpaid interest thereon through the date of payment, and Forty-Nine Thousand Dollars ($49,000) in respect of the applicable portion of the Second Amendment End of Term Charge; and

(b) Borrower shall have paid (i) all invoiced reasonable out-of-pocket costs and expenses then due in accordance with Section 5(e), and (ii) all other invoiced reasonable out-of-pocket fees, costs and expenses, if any, due and payable as of the Fifth Amendment Effective Date under the Agreement; and

(c) On the Fifth Amendment Effective Date, after giving effect to the amendment of the Existing Agreement contemplated hereby:

(i) The representations and warranties contained in Section 4 shall be true and correct on and as of the Fifth Amendment Effective Date as though made on and as of such date;

(ii) There exist no Events of Default or events that with the passage of time would result in an Event of Default.

SECTION 4Representations and Warranties. To induce Agent and Lenders to enter into this Amendment, Borrower hereby confirms, as of the date hereof, (a) that the representations and warranties made by it in Section 5 of the Agreement and in the other Loan Documents are true and correct in all material respects; *provided*, *however*, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; *provided, further,* that to the extent such representations and warranties by their terms expressly relate only to a prior date such representations and warranties shall be true and correct as of such prior date, and that no Event of Default has occurred and is continuing; (b) that there does not exist a Material Adverse Effect; (c) Lenders have and shall continue to have valid, enforceable and perfected first-priority liens, subject only to Permitted Liens, on and security interests in the Collateral pursuant to the Loan Documents; (d) the agreements and obligations of Borrower contained in the Loan Documents and in this Amendment constitute the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by the application of general principles of equity; and (e) the execution, delivery and performance of this Amendment by Borrower will not violate any law, rule, regulation, order, contractual obligation or organizational document of Borrower and will not result in, or require, the creation or imposition of any lien, claim or encumbrance of any kind on any of its properties or revenues. For the purposes of this Section 4, each reference in Section 5 of the Agreement to "this Agreement," and the words "hereof," "herein," "hereunder," or words of like import in such Section, shall mean and be a reference to the Agreement as amended by this Amendment.

SECTION 5Miscellaneous.

(a) **Loan Documents Otherwise Not Affected; Reaffirmation; Grant of Security Interest; No Novation**.

(i) Except as expressly amended pursuant hereto or referenced herein, the Agreement and the other Loan Documents shall remain unchanged and in full force and effect and are hereby ratified and confirmed in all respects. The Lenders' and Agent's execution and delivery of, or acceptance of, this Amendment shall not be deemed to create a course of dealing or otherwise create any express or implied duty by any of them to provide any other or further amendments, consents or waivers in the future.

(ii) Borrower hereby expressly (1) reaffirms, ratifies and confirms its Secured Obligations under the Agreement and the other Loan Documents, (2) reaffirms, ratifies and confirms the grant of security under Section 3.1 of the Agreement, Section 2 of the Pledge Agreement and Section 1 of the Intellectual Property Security Agreement, (3) reaffirms that such grant of security in the Collateral secures all Secured Obligations under the Agreement, including without limitation any Term Loans funded on or after the Fifth Amendment Execution Date and the Fifth Amendment Effective Date, as of the date hereof, and with effect from (and including) the Fifth Amendment Execution Date and the Fifth Amendment Effective Date, such grant of security in the Collateral: (x) remains in full force and effect notwithstanding the amendments expressly referenced herein; and (y) secures all Secured Obligations under the Agreement, as amended by this Amendment, and the other Loan Documents, (4) agrees that this Amendment shall be a "Loan Document" under the Agreement and (5) agrees that the Agreement and each other Loan Document shall remain in full force and effect following any action contemplated in connection herewith.

(iii) As security for the prompt and complete payment when due (whether on the payment dates or otherwise) of all the Secured Obligations, Borrower grants to Agent a security interest in all of such Borrower's right, title, and interest in, to and under all Collateral, whether now owned or hereafter acquired.

(iv) This Amendment is not a novation and the terms and conditions of this Amendment shall be in addition to and supplemental to all terms and conditions set forth in the Loan Documents. Nothing in this Amendment is intended, or shall be construed, to constitute an accord and satisfaction of Borrower's Secured Obligations under or in connection with the Agreement and any other Loan Document or to modify, affect or impair the perfection or continuity of Agent's security interest in, (on behalf of itself and the Lenders) security titles to or other liens on any Collateral for the Obligations.

(b) **Conditions**. For purposes of determining compliance with the conditions specified in Section 3, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless Agent shall have received notice from such Lender prior to the Fifth Amendment Effective Date specifying its objection thereto.

(c) **Release**. In consideration of the agreements of Agent and each Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, on behalf of itself and its successors, assigns, and other legal representatives, hereby fully, absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and each Lender, and its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, Lenders and all such other persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment, including, without limitation, for or on account of, or in relation to, or in any way in connection with the Agreement, or any of the other Loan Documents or transactions thereunder or related thereto. Borrower understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Borrower agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above. Borrower waives the provisions of California Civil Code Section 1542, which states:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The provisions of this section shall survive payment in full of the Secured Obligations, full performance of all the terms of this Amendment and the other Loan Documents.

(d) **No Reliance**. Borrower hereby acknowledges and confirms to Agent and Lenders that Borrower is executing this Amendment on the basis of its own investigation and for its own reasons without reliance upon any agreement, representation, understanding or communication by or on behalf of any other Person.

(e) **Costs and Expenses**. Borrower agrees to pay to Agent within ten (10) days of its receipt of an invoice (or on the Fifth Amendment Effective Date to the extent invoiced on or prior to the Fifth Amendment Effective Date), the reasonable out-of-pocket costs and expenses of Agent and Lenders party hereto, and the reasonable fees and disbursements of counsel to Agent and Lenders party hereto (including allocated costs of internal counsel), in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents to be delivered in connection herewith on the date hereof, the Fifth Amendment Effective Date or after such date.

(f) **Binding Effect**. This Amendment binds and is for the benefit of the successors and permitted assigns of each party.

(g) **GOVERNING LAW. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS HAVE BEEN NEGOTIATED AND DELIVERED TO AGENT AND LENDERS IN THE STATE OF CALIFORNIA, AND SHALL HAVE BEEN ACCEPTED BY AGENT AND LENDERS IN THE STATE OF CALIFORNIA. PAYMENT TO AGENT AND LENDERS BY BORROWER OF THE SECURED OBLIGATIONS IS DUE IN THE STATE OF CALIFORNIA. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN THE WARRANT) SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA, EXCLUDING CONFLICT OF LAWS PRINCIPLES THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY OTHER JURISDICTION.**

(h) **Complete Agreement; Amendments**. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

(i) **Severability of Provisions.** Each provision of this Amendment is severable from every other provision in determining the enforceability of any provision.

(j) **Counterparts**. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Amendment. Delivery of an executed counterpart of a signature page of this Amendment by facsimile, portable document format (.pdf) or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof.

(k) **Loan Documents**. This Amendment and the documents related thereto shall constitute Loan Documents.

(l) **Electronic Execution of Certain Other Documents**. The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby (including without limitation assignments, assumptions, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(m)**Early Payment**. Any payment received by Agent prior to the Fifth Amendment Effective Date in an amount equal to the First Installment shall be deemed to be, and applied as, the First Installment under Section 2.5(g) of the Agreement (as amended hereby).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment, as of the date first above written.

BORROWER:

HERON THERAPEUTICS, INC.

Signature: /s/ Ira Duarte
Print Name: Ira Duarte
Title: EVP and CFO

[SIGNATURES CONTINUE ON THE NEXT PAGE]

AGENT:

HERCULES CAPITAL, INC.

By: /s/ Seth Meyer
Name: Seth Meyer
Title: President

LENDERS:

HERCULES CAPITAL, INC.

By: /s/ Seth Meyer
Name: Seth Meyer
Title: President

HERCULES CAPITAL IV, L.P.

By: Hercules Technology SBIC
Management, LLC, its General Partner

By: Hercules Capital, Inc., its Manager

By: /s/ Seth Meyer
Name: Seth Meyer
Title: President

HERCULES PRIVATE CREDIT FUND 1 L.P.

By: Hercules Private Global Venture Growth Fund GP I LLC, its General Partner

Signature: /s/ Seth Meyer
Name: Seth Meyer
Title: Authorized Signatory

[Signature Page to Fifth Amendment to Working Capital Facility Agreement]

HERCULES PRIVATE GLOBAL VENTURE GROWTH FUND I L.P.

By Hercules Private Global Venture Growth Fund GP I LLC, its General Partner

Signature: /s/ Seth Meyer
Name: Seth Meyer
Title: Authorized Signatory

HERCULES GROWTH LENDING FUND IV LP

By: Hercules Growth Lending Fund IV GP LLC, its General Partner

Signature: /s/ Seth Meyer
Name: Seth Meyer
Title: Authorized Signatory

EXHIBIT 31.1

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: November 9, 2026

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

EXHIBIT 31.2

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: November 9, 2026

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

EXHIBIT 32.1

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 September 30, 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: November 9, 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.