Heron Therapeutics Update

September 2020

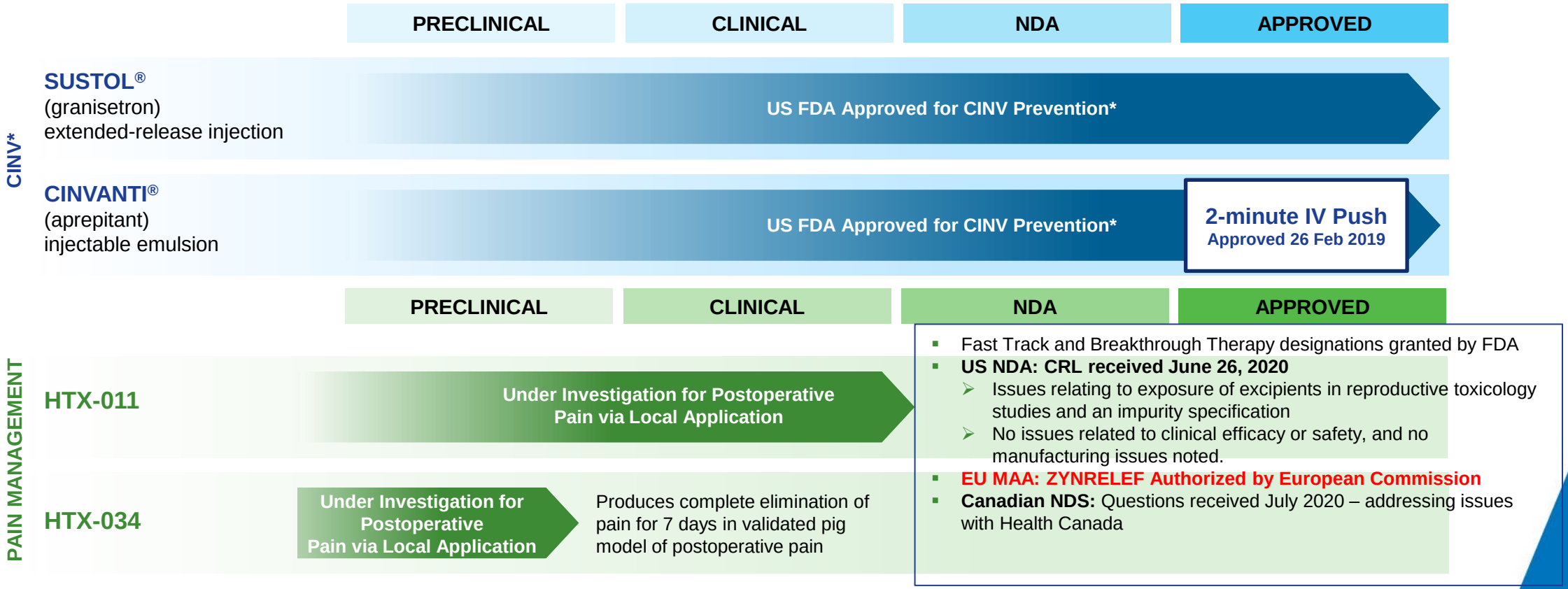
Forward-Looking Statements

This presentation contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. We caution investors that forward-looking statements are based on management's expectations and assumptions as of the date of this presentation, and involve substantial risks and uncertainties that could cause our clinical development programs, future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, those associated with: the full-year 2020 net product sales guidance for the CINV franchise; the timing of the submission of the new drug application (NDA) to the U.S. Food and Drug Administration (FDA) for HTX-011; whether the FDA approves the NDA for HTX-011; the timing of the commercial launch of HTX-011 in the U.S.; the timing of the commercial launch of ZYNRELEF in Europe; the timing of Health Canada's New Drug Submission (NDS) review process for HTX-011; whether Health Canada issues a Notice of Compliance for the NDS for HTX-011; the potential market opportunity for CINVANTI, SUSTOL and HTX-011; the timing and results of the studies in development programs; the expected future balances of Heron's cash, cash equivalents and short-term investments; the expected duration over which Heron's cash, cash equivalents and short-term investments balances will fund its operations; the extent of the impact of the ongoing Coronavirus Disease 2019 (COVID-19) pandemic on our business; and other risks and uncertainties identified in the Company's filings with the Securities and Exchange Commission. Forward-looking statements reflect our analysis only on their stated date, and we take no obligation to update or revise these statements except as may be required by law.

HERON THERAPEUTICS

Heron Pipeline

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



*CINV: Chemotherapy-induced nausea and vomiting. **SUSTOL® (granisetron) extended-release injection** is indicated in combination with other antiemetics in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of moderately emetogenic chemotherapy (MEC) or anthracycline and cyclophosphamide (AC) combination chemotherapy regimens. **CINVANTI® (aprepitant) injectable emulsion**, in combination with other antiemetic agentsis indicated in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of highly emetogenic cancer chemotherapy (HEC) including high-dose cisplatin as a single-dose regimen, delayed nausea and vomiting associated with initial and repeat courses of moderately emetogenic cancer chemotherapy (MEC) as a single-dose regimen, and nausea and vomiting associated with initial and repeat courses of MEC as a 3-day regimen. CINVANTI has not been studied for treatment of established nausea and vomiting..

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

Type A Meeting Update

- **Very constructive Type A meeting with the FDA**
- **Alignment achieved on NDA resubmission for HTX-011 as soon as feasible (planned for 4Q2020) with information discussed at meeting**
- **FDA committed to an expeditious review of the application due to prior delays and Breakthrough Therapy designation**
  - **Preliminary data generated confirming appropriate exposure of 3 excipients in reproductive toxicology studies**
    - ✓ **Blood levels of two excipients were found to be ~15- to 100-times higher in animals than in humans**
    - ✓ **Remaining excipient is a GRAS inactive ingredient that does not cross the placenta and is broken down in animals and humans almost immediately to naturally occurring products**
  - ✓ **FDA agreed to revised specification for potential impurity in final drug product**

The Commercialization Plan for HTX-011

Advancing Pain Management

HERON THERAPEUTICS

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

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

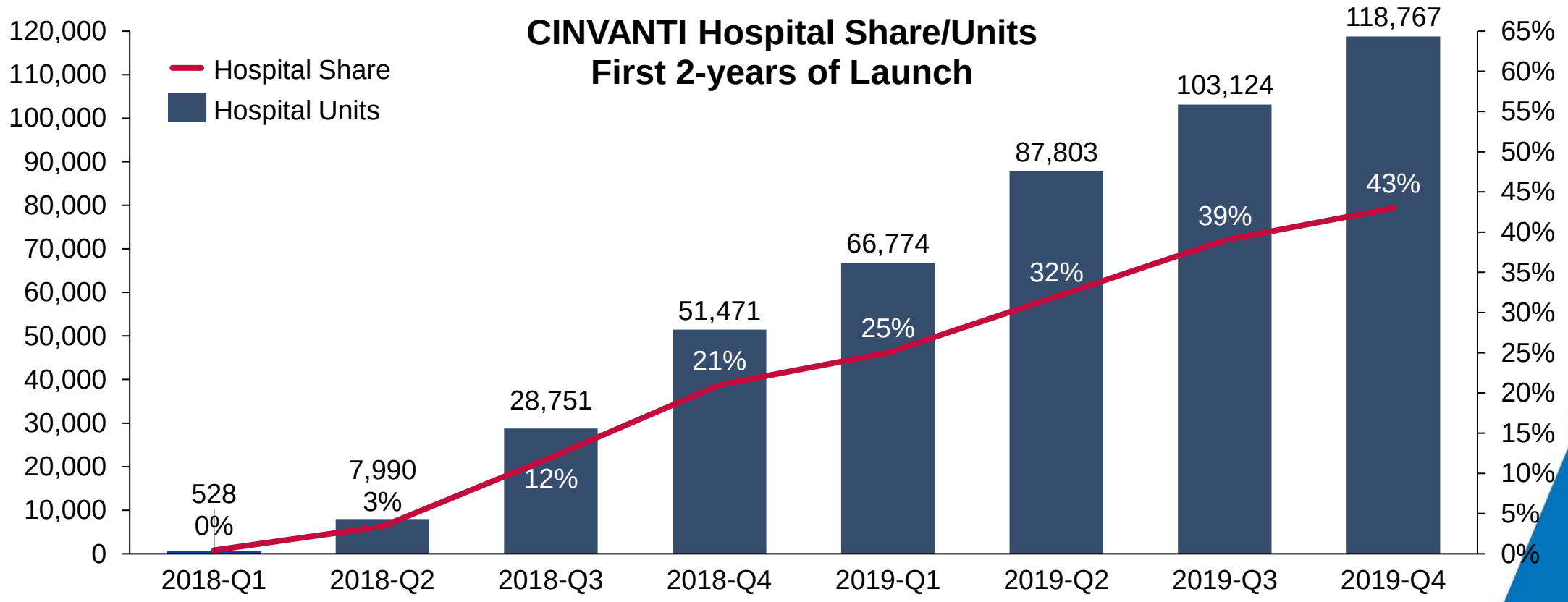
Established Platform With Experienced Teams in Place

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

EXISTING PLATFORM ADVANTAGES

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

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



SOURCE: 867 1.8.20, IMS DDD 12.27.19

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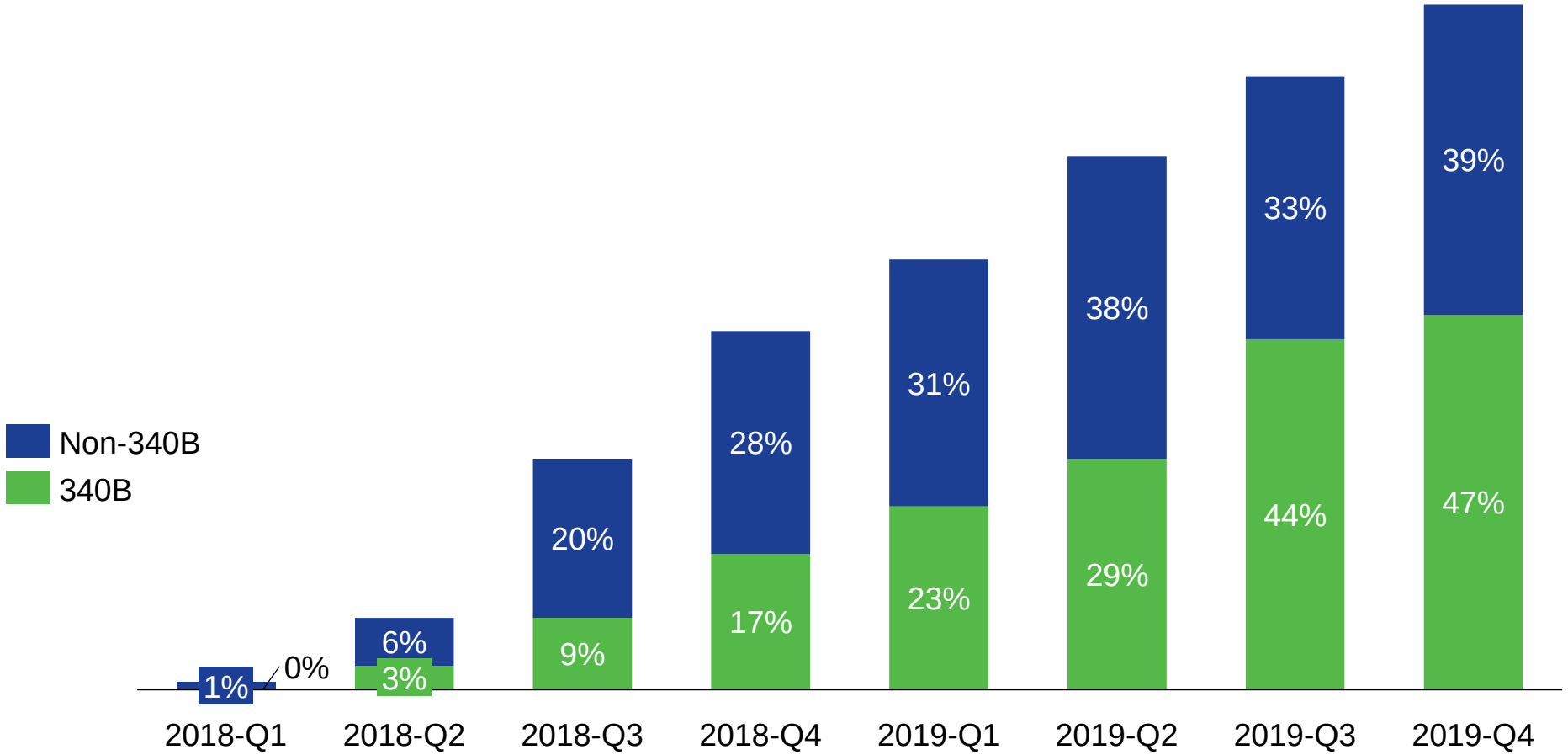
CINVANTI Achieved Significant Penetration in Both the 340B and Non-340B Hospital Market in First 2-years of Launch



SOURCE: 867 1.8.20, IMS DDD 12.27.19

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

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

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

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The Market is Large and Waiting for an Effective Non-opioid Solution for Soft Tissue and Orthopedic Procedures

Potential Target Market

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

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

Potential Market Size

Source: DRG Claims Analysis, 2016 and 2019

HERON THERAPEUTICS

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

Product	Pack Units	% Change	WAC	% Change	Avg. Cost per Patient
Bupivacaine	20.8M	21%	$44M	31%	$5-7
Ropivacaine	1.6M	138%	$24M	159%	$39
Exparel	1.1M	20%	$408M	16%	$298
Ofirmev	10.8M	8%	$422M	14%	$86
On-Q*	-	-	~$150M	-	~$320
Opioids	178.6M	(18%)	$1.1B	(13%)	-

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

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

Symphony PHAST – 2017-2019 Market Data

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Clear Shift from Inpatient (no reimbursement) to Outpatient in Last Few Years – This Shift is Expected to Accelerate Due to COVID19

13.4 » 14 MILLION
INITIAL TARGET PROCEDURES

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

Ambulatory surgical centers account for 9%

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

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

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

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

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

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

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

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

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

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

340B + Branded Postop Pain Medication Use

		Inpatient			Outpatient		
# of Hospitals	Formulary Timing	# Target Procedures	Branded Pain Meds		# Procedures	Branded Pain Meds	
65	0-3	220K	$20M		204K	$14M	($34M)
298	4-8	1.0M	$74M		944K	$49M	($123M)

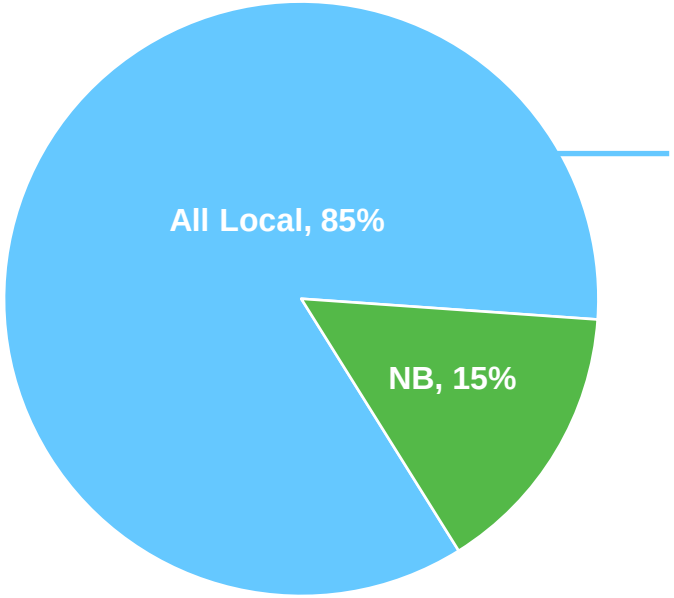
Non-340B + Branded Postop Pain Medication Use

		Inpatient			Outpatient		
# of Hospitals	Formulary Timing	# Target Procedures	Branded Pain Meds		# Procedures	Branded Pain Meds	
61	0-3	198K	$28M		183K	$19M	($47M)
293	4-8	776K	$64M		716K	$43M	($107M)
			($186M)			($125M)	

HERON THERAPEUTICS

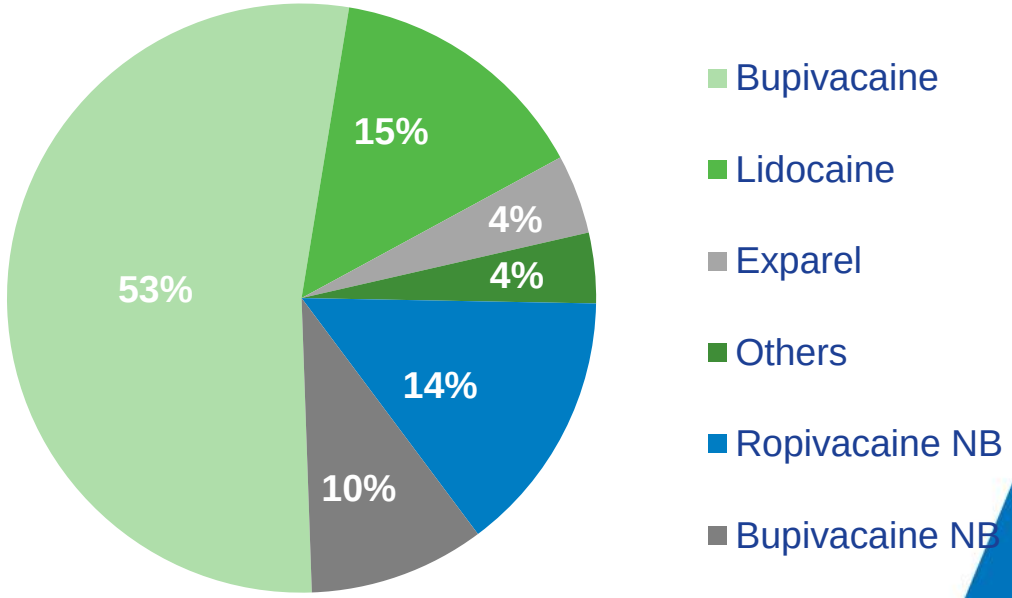
HTX-011 is Focused on the Largest Market Opportunity – Local Application

Local Anesthetic Route of Delivery



THE LARGEST OPPORTUNITY TO DRIVE VALUE AND CREATE CHANGE

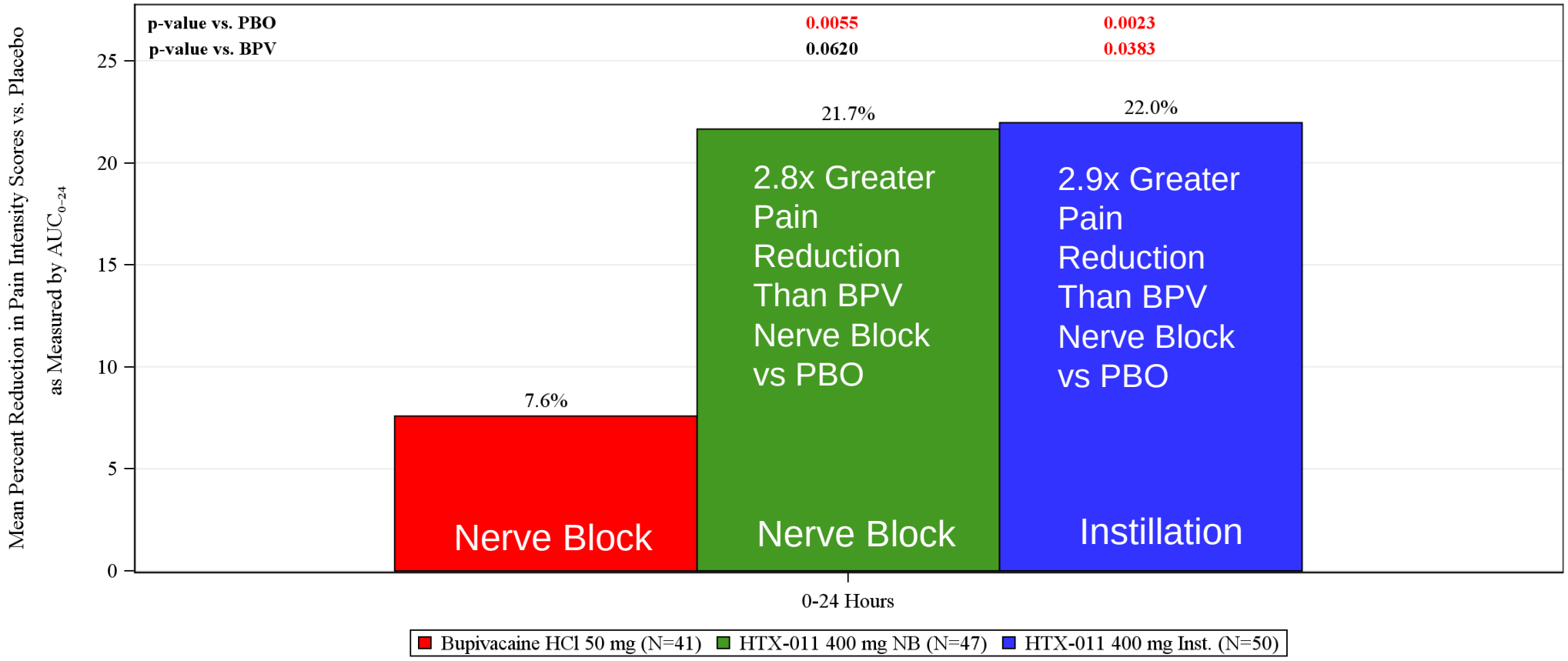
Local Anesthetic Volume Share



DRG Foundational Insights Research Dec. 2016

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

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



Study 211:
Phase 2b
Breast
Augmentation
Mammoplasty

Reference: Table 14.2.4.1
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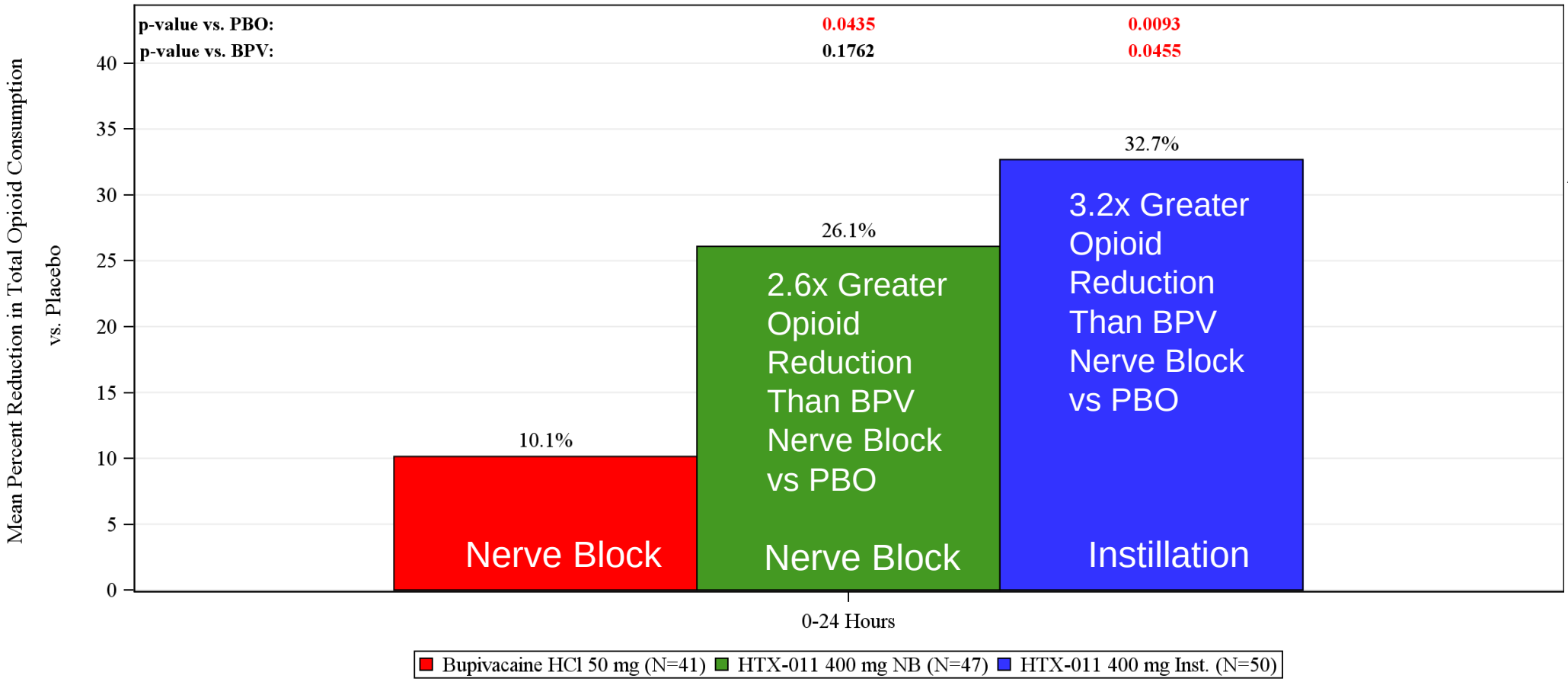
HTX-011 is an investigational new drug and not approved by the FDA

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

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



Study 211: Phase 2b Breast Augmentation Mammoplasty

Opioid consumption is presented in mean milligrams of morphine equivalents

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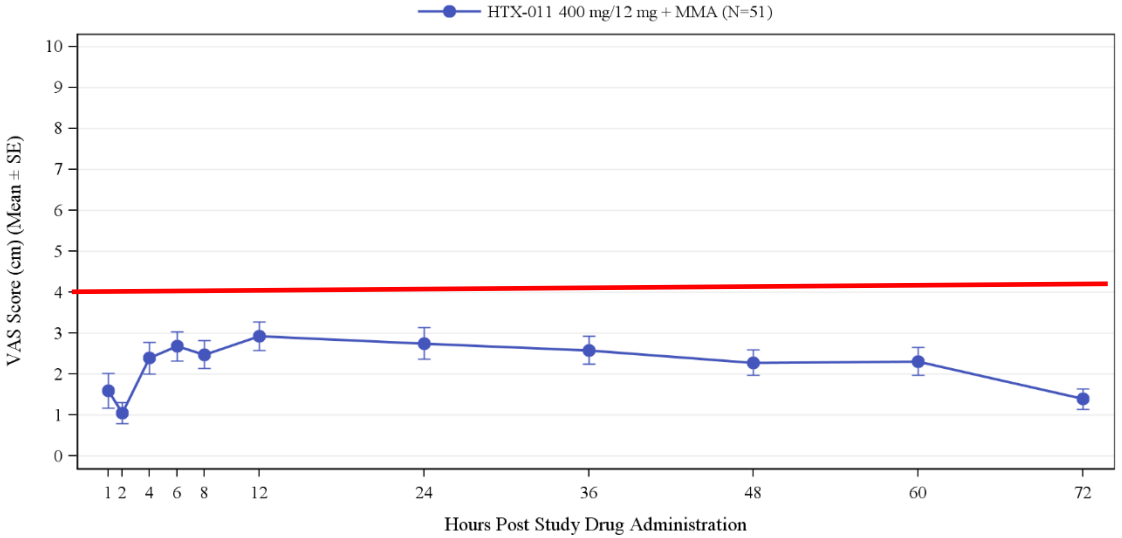
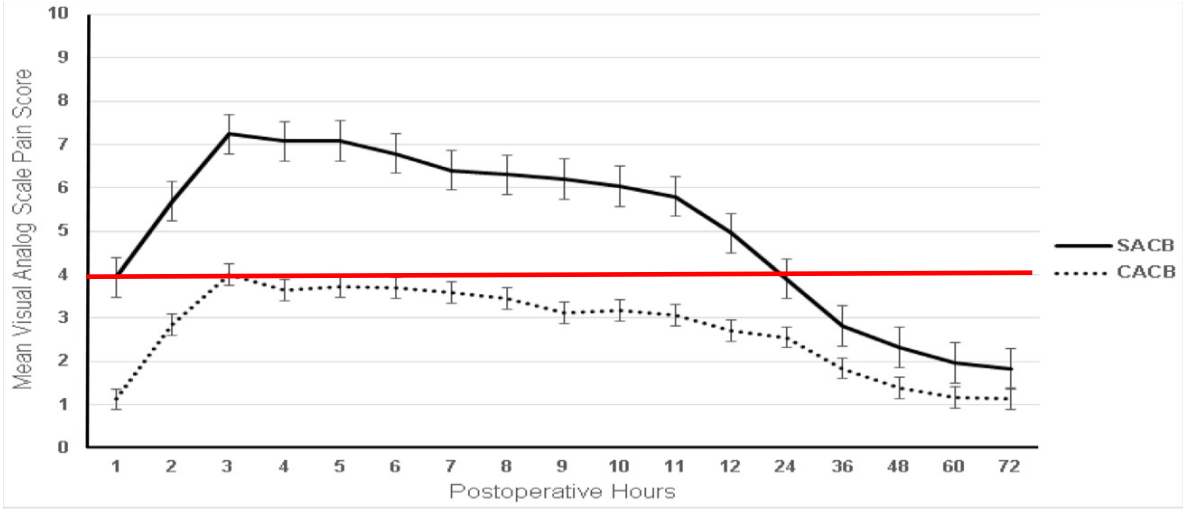
Cross-Study Comparison of TKA Study 306 to Published Adductor Canal Nerve Block Study
HTX-011 + MMA Produced Comparable or Better Pain Scores Than Nerve Block

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



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



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

Nerve Block Conclusions

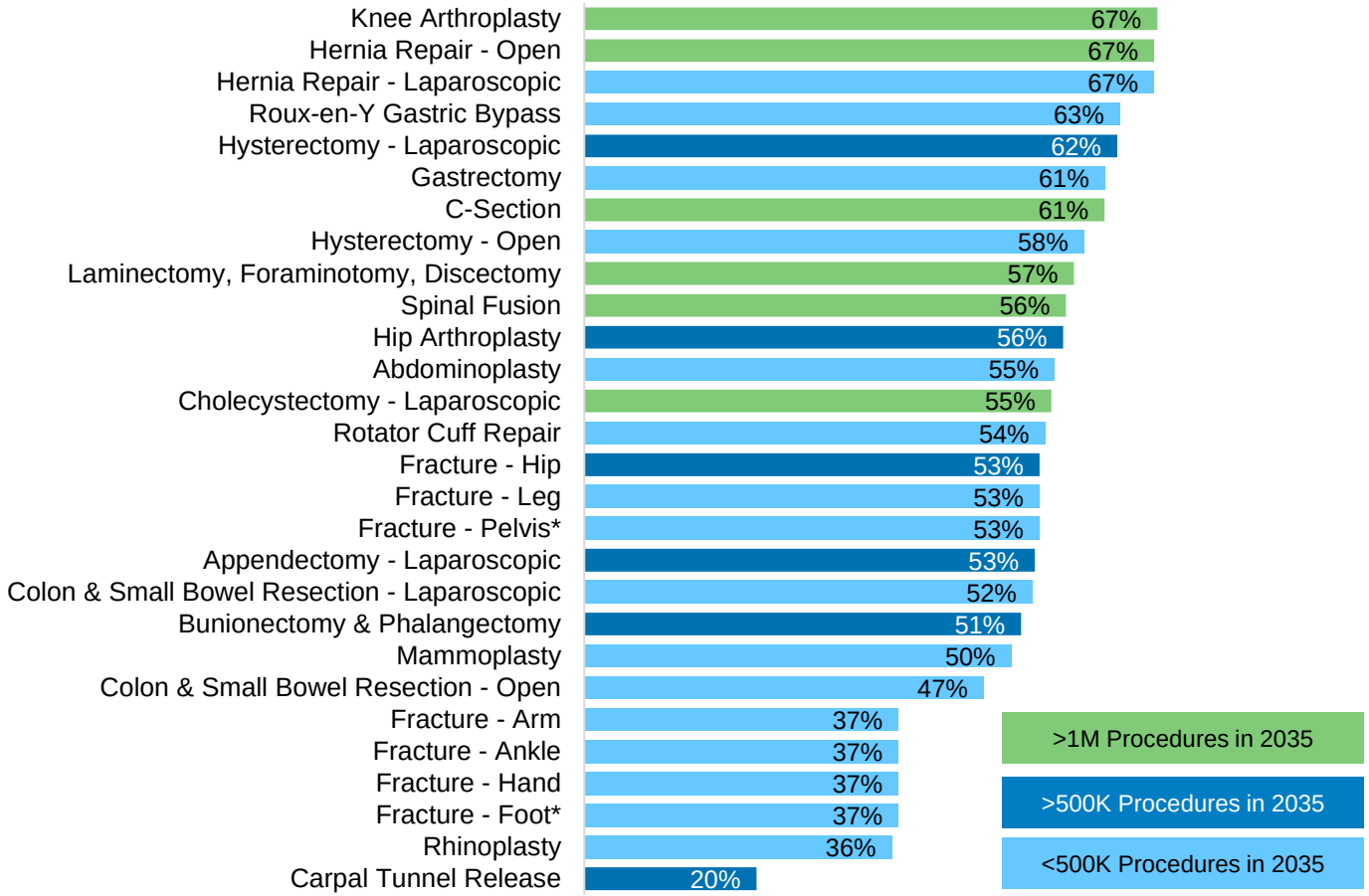
- HTX-011 nerve block significantly reduced pain
- Instillation of HTX-011 reduced pain just as well and appears to be as good or better than bupivacaine nerve block, even with continuous infusion
- Initial focus for approval and launch will be local administration

Disclaimer: These comparisons do not imply a clinical benefit of HTX-011 over bupivacaine adductor canal block

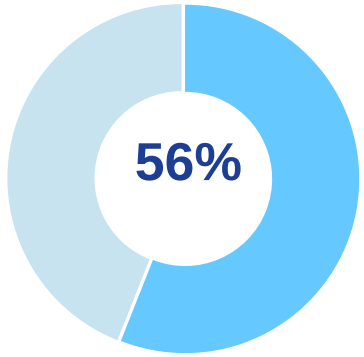
HTX-011 is an investigational new drug and not approved by the FDA

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

Preference Share (%, Raw)



Overall Wt. Average Preference Share

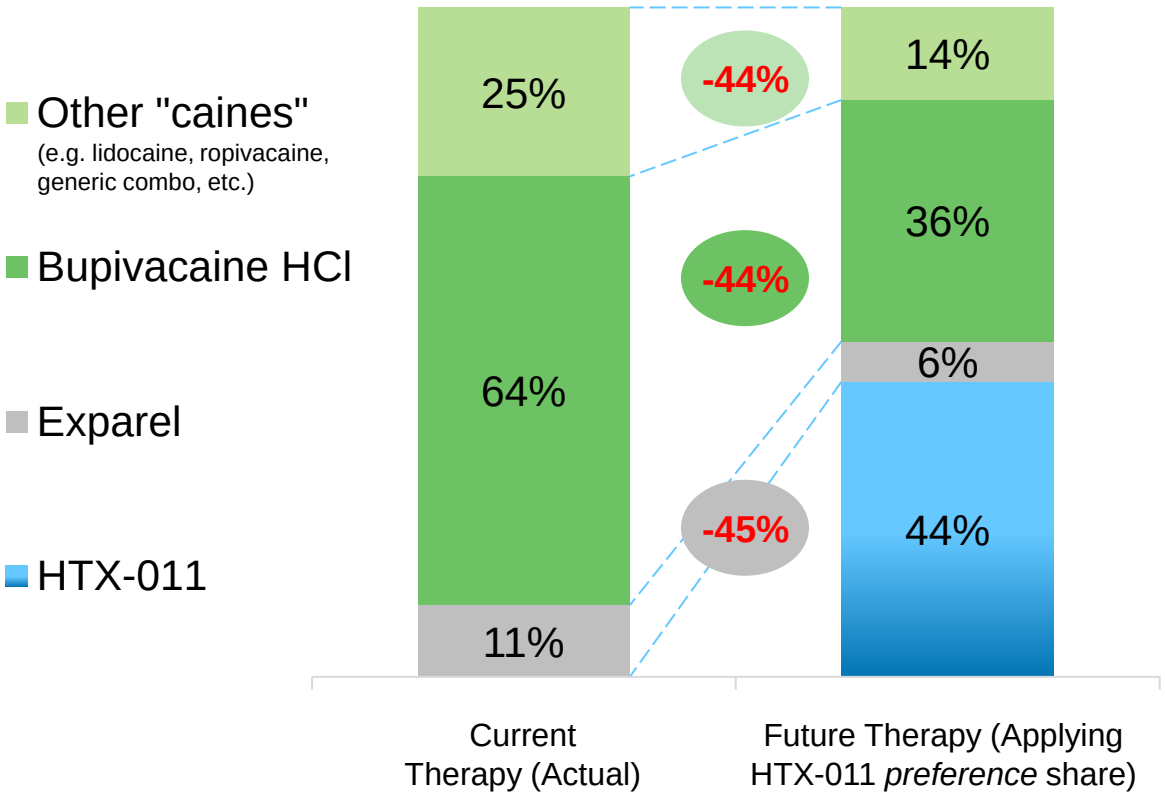


- Raw preference share for HTX-011 from physicians: 56%
- The top procedures where physicians expected to use HTX-011 were knee arthroplasty and hernia repair
- Several procedures saw higher raw preference shares than prior market research, notably knee & hip arthroplasty, C-section, laparoscopic hysterectomy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

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

HTX-011 Enjoyed a Physician Preference Share of 44%

Adjusted Physician Preference Share Distribution



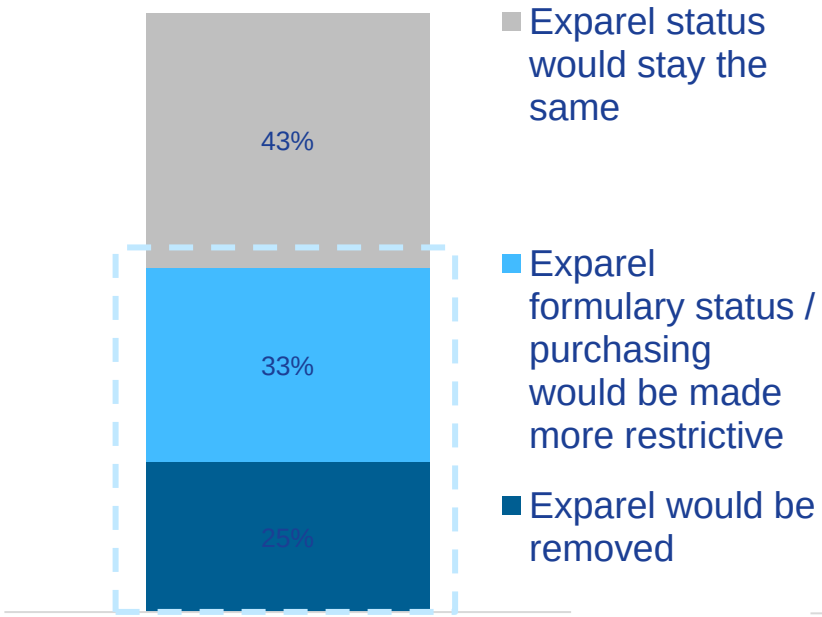
- HTX-011 is likely to initially convert share from Exparel, as well as the rest of the local anesthetics (bupivacaine & other “caines”)
- There is an additional opportunity to convert physicians not using local anesthetics; physicians indicated a willingness to use HTX-011 in ~30% of procedures where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

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

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

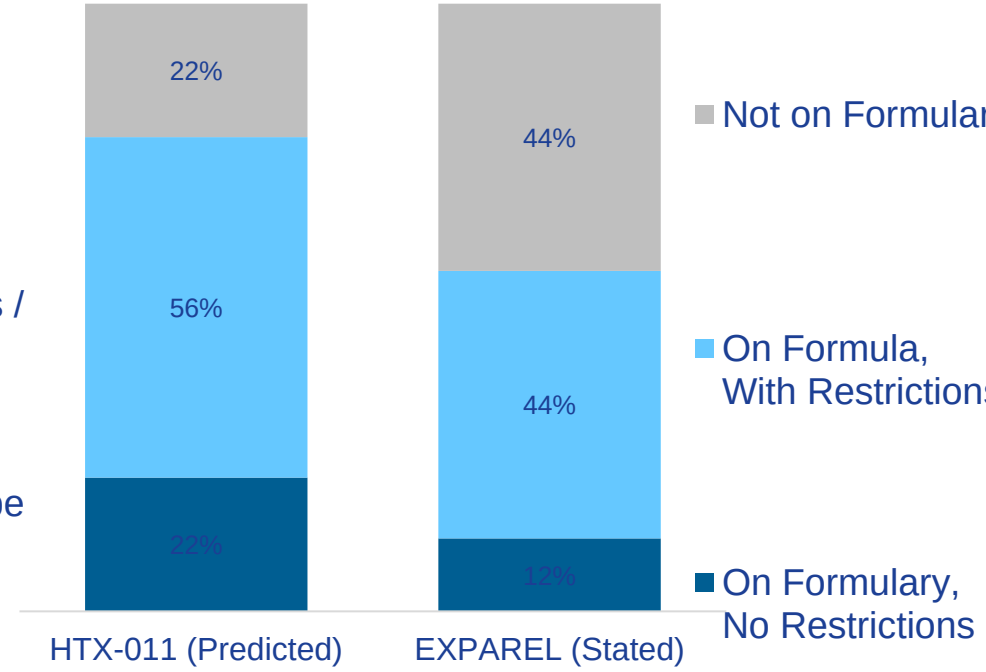
Pharmacy Directors Surveyed Prefer HTX-011 to Exparel®

Impact of HTX-011 Launch on Exparel Formulary Status



N = 40 Pharmacy Directors

Formulary Status of Exparel vs. Expected HTX-011 Status



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

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

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

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

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

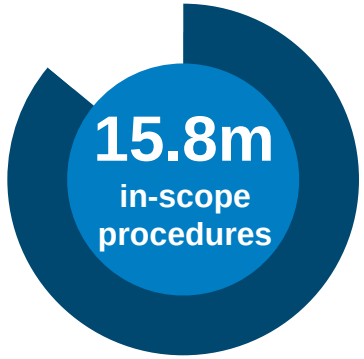
Heron is Well Positioned to Execute a Blockbuster Launch for HTX-011

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

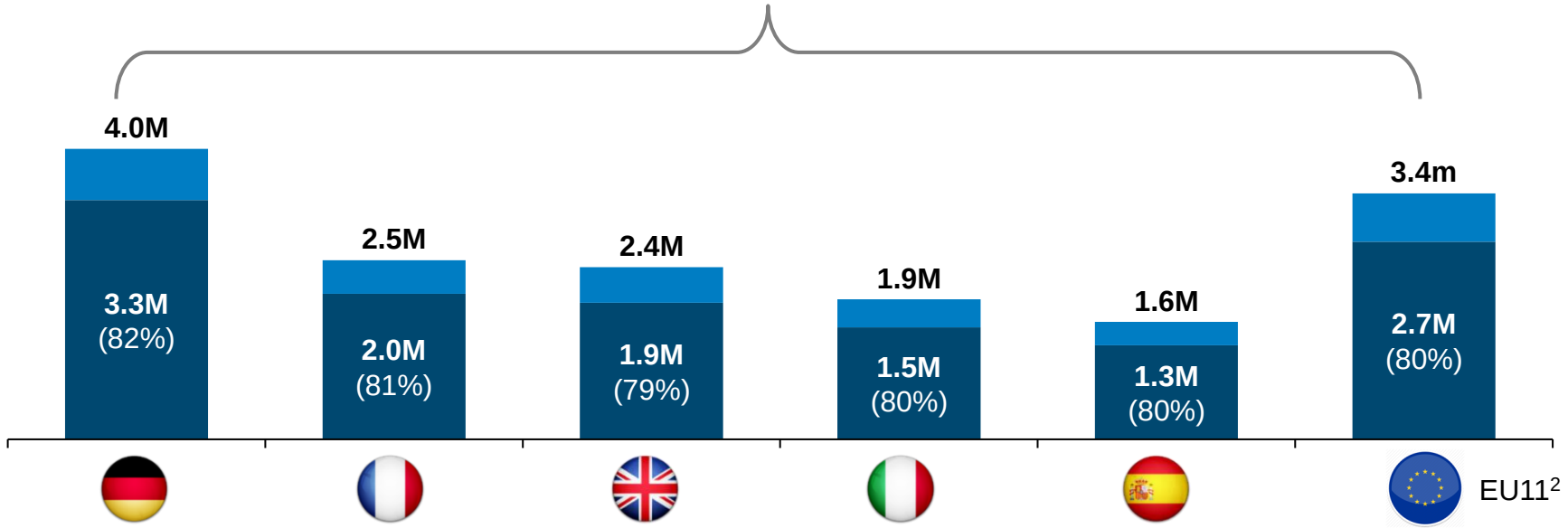
ZYNRELEF AUTHORIZED BY EUROPEAN COMMISSION

Market Opportunity for Zynrelef in EU5 is ~15.8M Procedures of Which ~80% are Priority Procedures[1]

Key:
- 58 in-scope procedures
- 28 priority procedures (aggressively targeted)



81%
priority procedures (aggressively targeted)



Notes: (1) In-scope procedures are those covered by current SmPC; (2) EU11 markets include Netherlands, Belgium, Luxembourg, Denmark, Sweden, Finland, Norway, Switzerland, Austria, Portugal, Ireland; (3) Based on 2018 procedure volumes data; **Sources**: National IQVIA data (2018); Regional hospital episodes data from public national statistics databases (2018)

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Potential Resource Savings and Better Pain Management are Key Value Messages in EU5, as is Opioid Reduction, Particularly in the UK

EU5

1. Potential alleviation of **staff and bed constraints** is a **key value driver** for **ZYNRELEF**

   Extended duration is a key strength to ~80% of HCPs and payers across the EU5. Demonstrating **earlier discharge**, reduction in **length of stay** and **cost of care** is highly compelling for payers[1]

2. ZYNRELEF's ability to **better manage severe pain** versus the standard of care is a **highly positive** value message for HCPs

   Adequate treatment options for **severe pain** is seen as a key unmet need in Europe and for ~70% of physicians this is a **key strength** of ZYNRELEF

3. Messaging around **reduction in opioid use resonates highly in the UK**, where there is an opioid crisis, and is an issue of **growing importance in Europe**

   In the **UK**, the majority of physicians feel there already is an opioid **crisis** and ~70% of HCPs and ~90% of payers see opioid-free as a strength of ZYNRELEF

   In the wider EU5, risks of opioids are perceived to be lower due to strict **controls** and **regulations,** however, there is a **growing recognition due to rapidly increasing opioid consumption**

Notes: 1) Aside from length of stay and cost of care, resource utilization savings can also be achieved through reducing re-admissions, less staff time and effort required to manage postoperative pain (e.g. reducing the need to adjust the titration of IV opioids every few hours, pressure on limited staff to manage pain for the entire recovery ward) and lowering total drug spend

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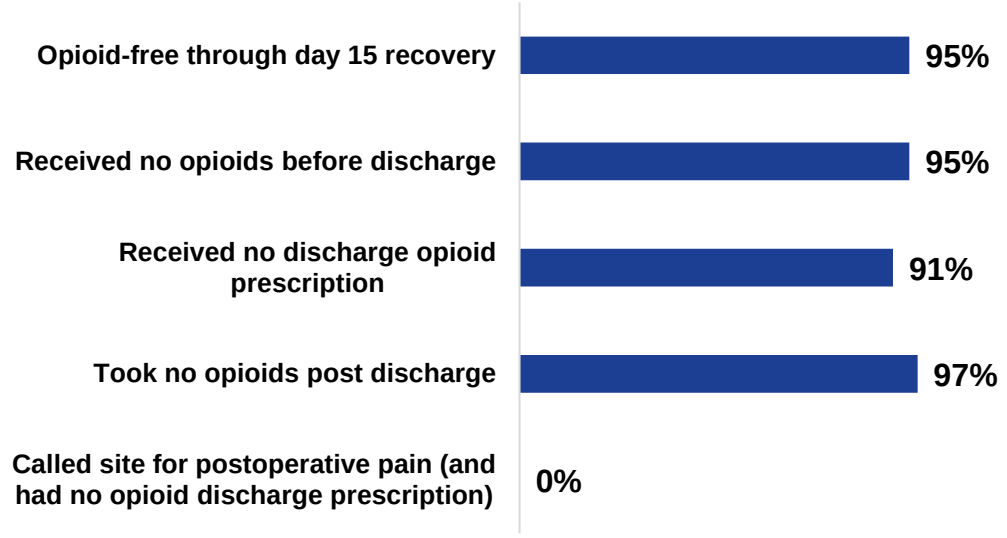
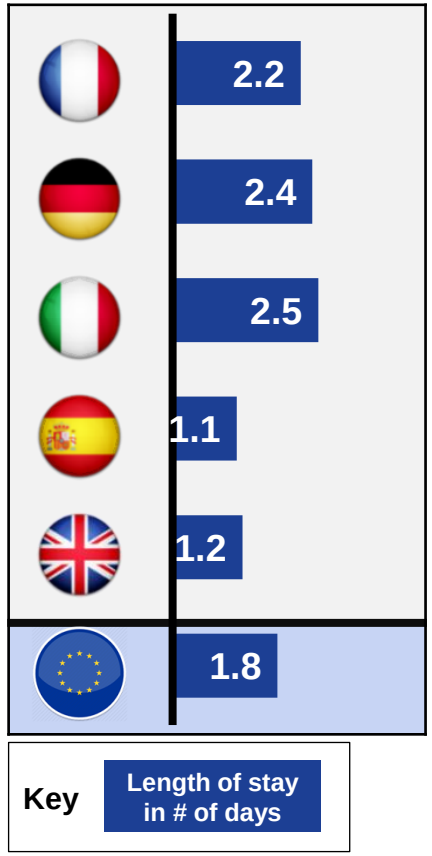
Based on the HOPE Study, There is an Opportunity to Demonstrate a Significant Reduction in Hospital Length of Stay in the EU After Hernia Repair

HTX-011 plus OTC analgesics for management of postoperative pain from open hernia repair with patients discharged 2 to 3 hours after surgery resulted in 95% of patients opioid-free through Day 15[1]



Average length of stay for hernia repair[2]



There is an opportunity to **demonstrate significant cost savings** through stay reductions for hernia repair and other procedures

ZYNRELEF may allow for **greater application of open hernia repair patients** and other procedures **in the outpatient setting**

Notes: 1) Open inguinal hernia repair patients were treated with ZYNRELEF and a scheduled non-opioid oral over-the-counter (OTC) analgesic regimen (N = 93). 2) Two cohorts of patients were studied under Alternating or Concurrent multimodal analgesia (MMA) regimens. Alternating regimen (N=46): OTC regimen of ibuprofen 600 mg every 6 hours (q6h) alternated 3 hours later with acetaminophen 1 g q6h. Concurrent regimen (N=47): OTC regimen of ibuprofen 600 mg and acetaminophen 1 g, taken together q6h. 3) Opioids were only prescribed at discharge for patients who rated their pain at ≥6 (NRS) or received opioid rescue medication prior to discharge. 4) Average length of stay (LOS) for 58 surgical procedures Heron is initially targeted based ZYNRELEF's ability to address unmet needs and commercial considerations. In a survey of 304 physicians in EU5, 58 procedures were defined by wound size (small, medium and large), and classified by length of stay. The mean LOS was determined by market, specialty, and procedure.
Sources: 1) Data on file. Study ZYNRELEF-304. San Diego, CA: Heron Therapeutics Inc; 2019. 2) Heron Therapeutics EU Physician Survey (2020).

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HTX-011 Development Program

Advancing Pain Management

HERON THERAPEUTICS

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

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

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

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

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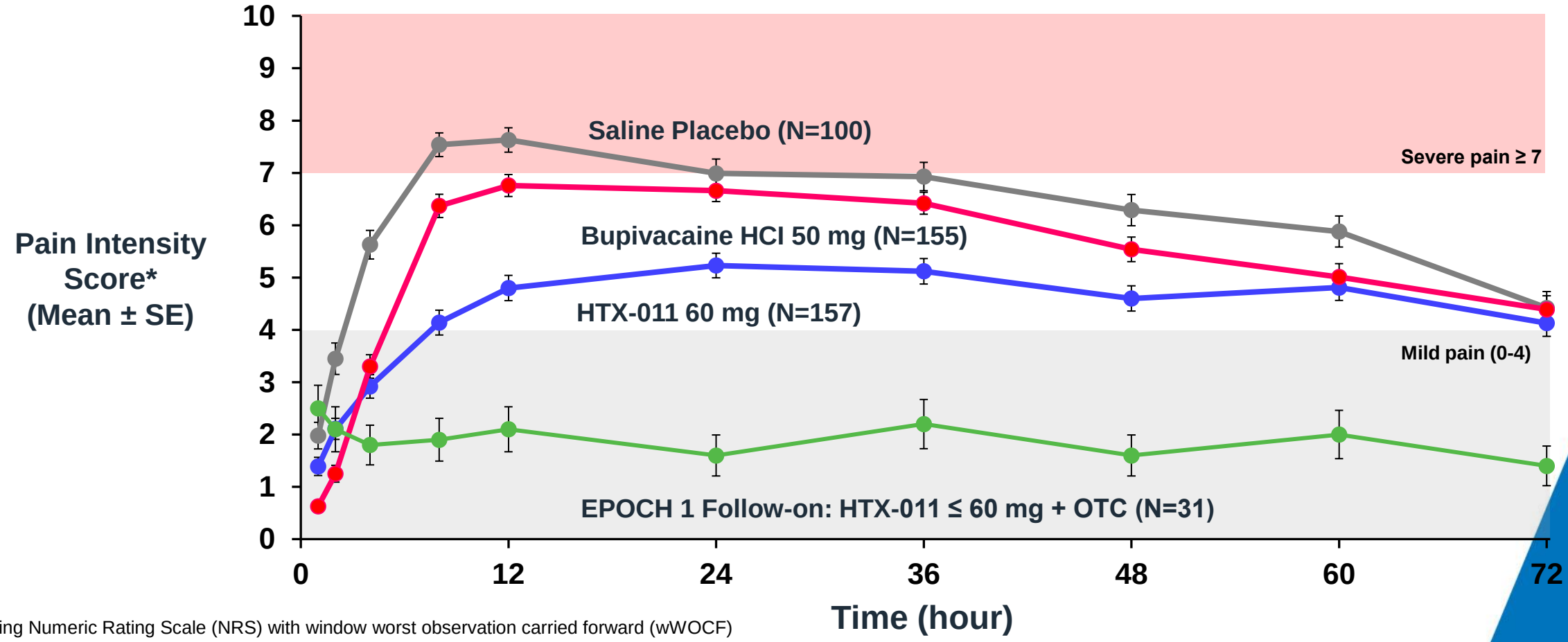
EPOCH 1: Bunionectomy Results (Study 301)

EPOCH 1 Follow-on: Opioid Elimination Study in Bunionectomy

HERON THERAPEUTICS

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

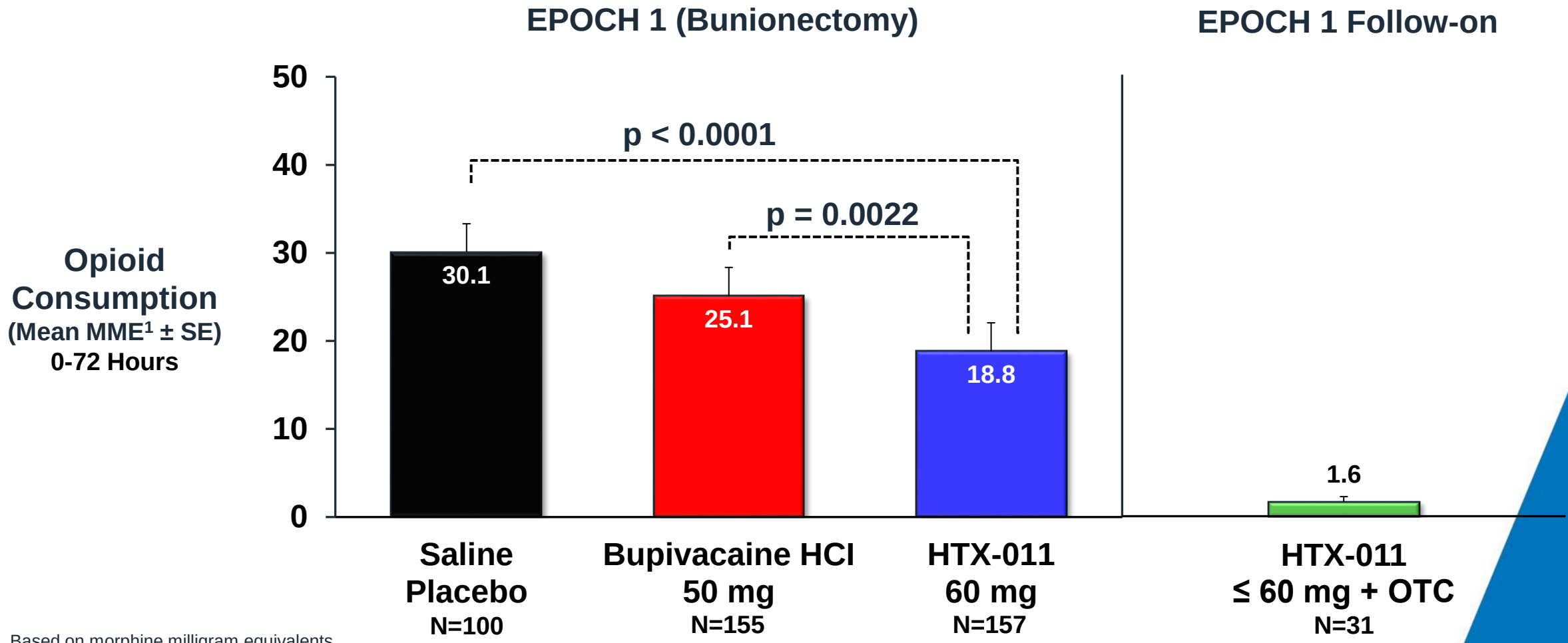


* Using Numeric Rating Scale (NRS) with window worst observation carried forward (wWOCF)

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

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

HTX-011 Significantly Reduced Total Opioid Consumption



1. Based on morphine milligram equivalents

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

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

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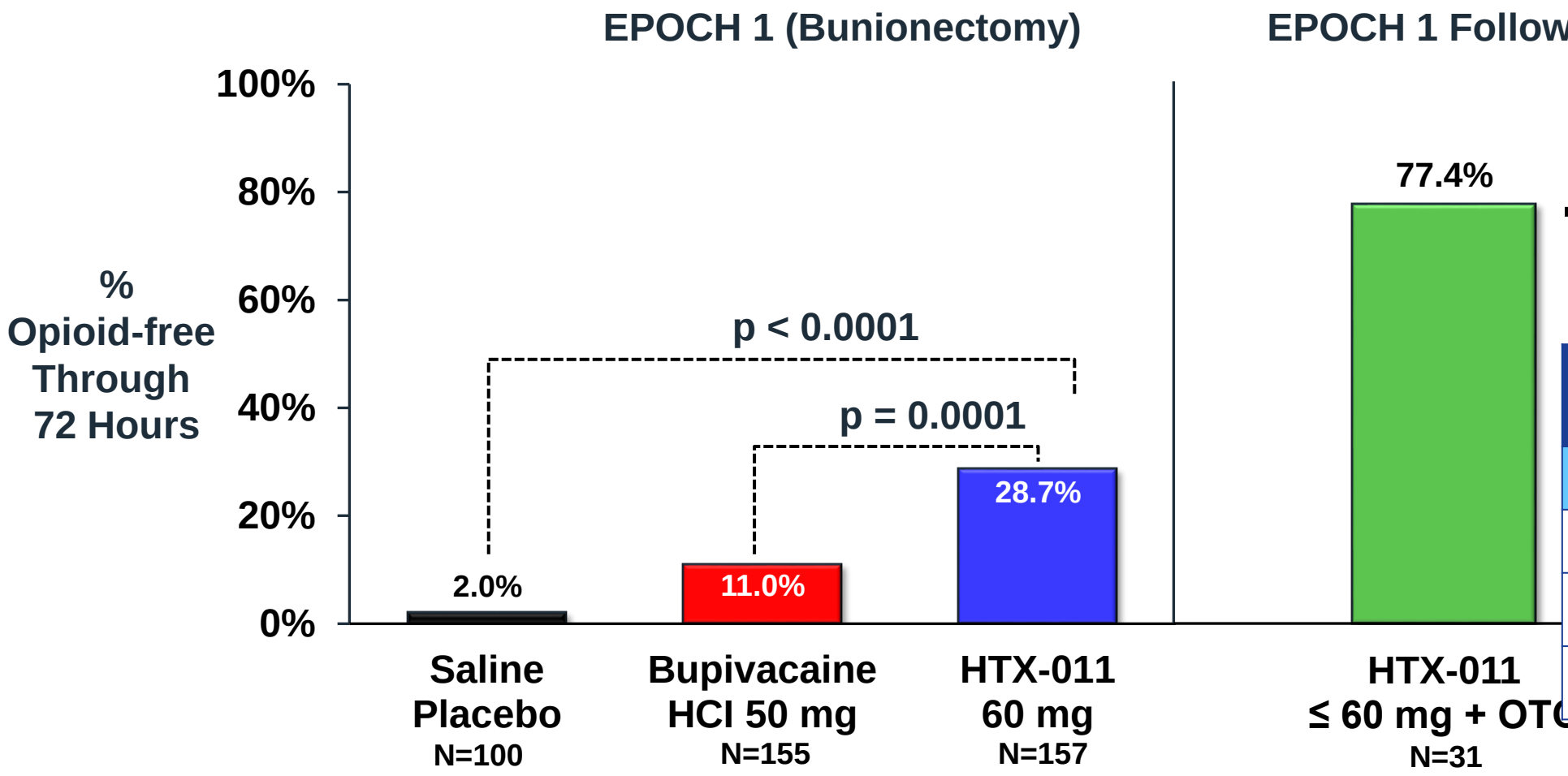
HTX-011 Significantly Reduced the Proportion of Patients Experiencing Severe Pain and Increased Proportion of Opioid-Free Patients



100% remained opioid free through Day 28

Percent of Patients With Severe Pain at Any Time Through 72 hours	
HTX-011 + OTC	**29%**
HTX-011	53.5%
Saline Placebo	83.0% p<0.0001
Bupivacaine	75.5% p<0.0001

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

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

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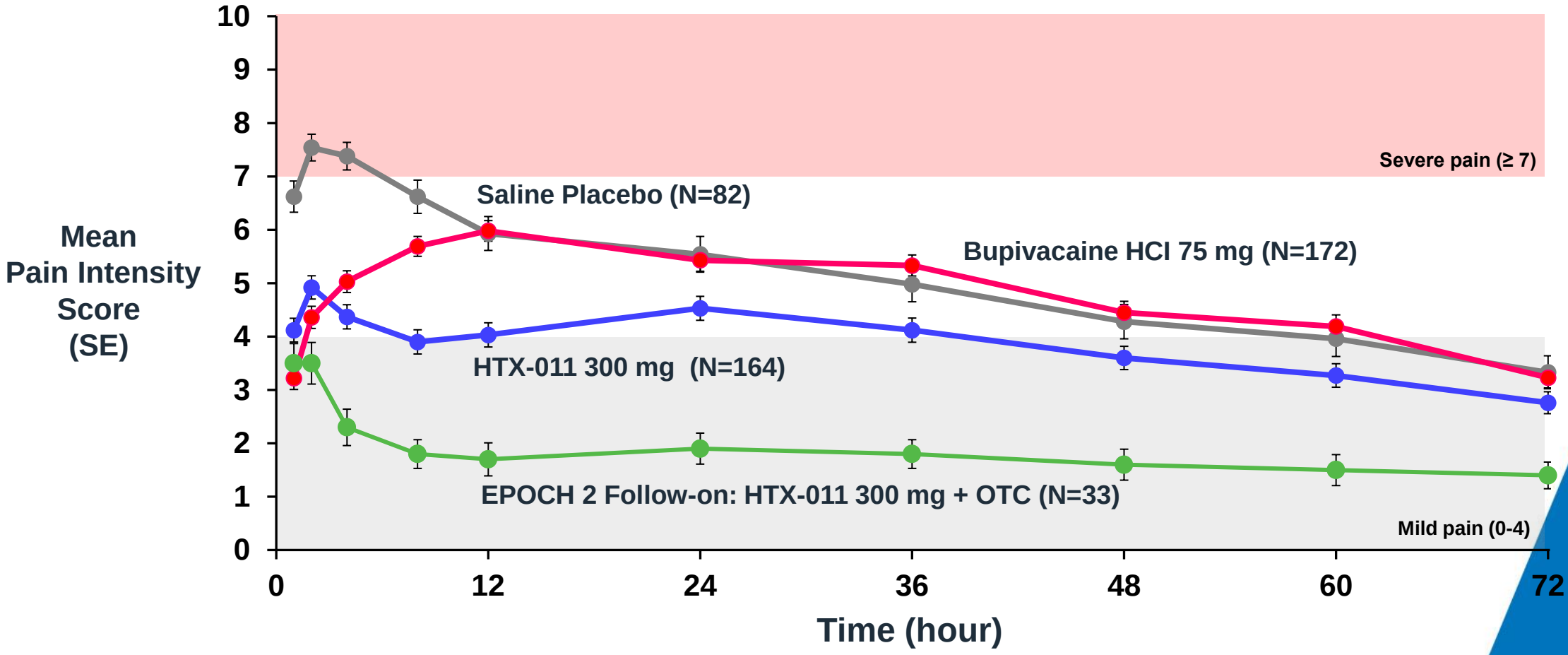
EPOCH 2: Herniorrhaphy Results (Study 302)

EPOCH 2 Follow-on: Opioid Elimination Study in Herniorrhaphy

HERON THERAPEUTICS

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



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

Source: Figure 14.2.7

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

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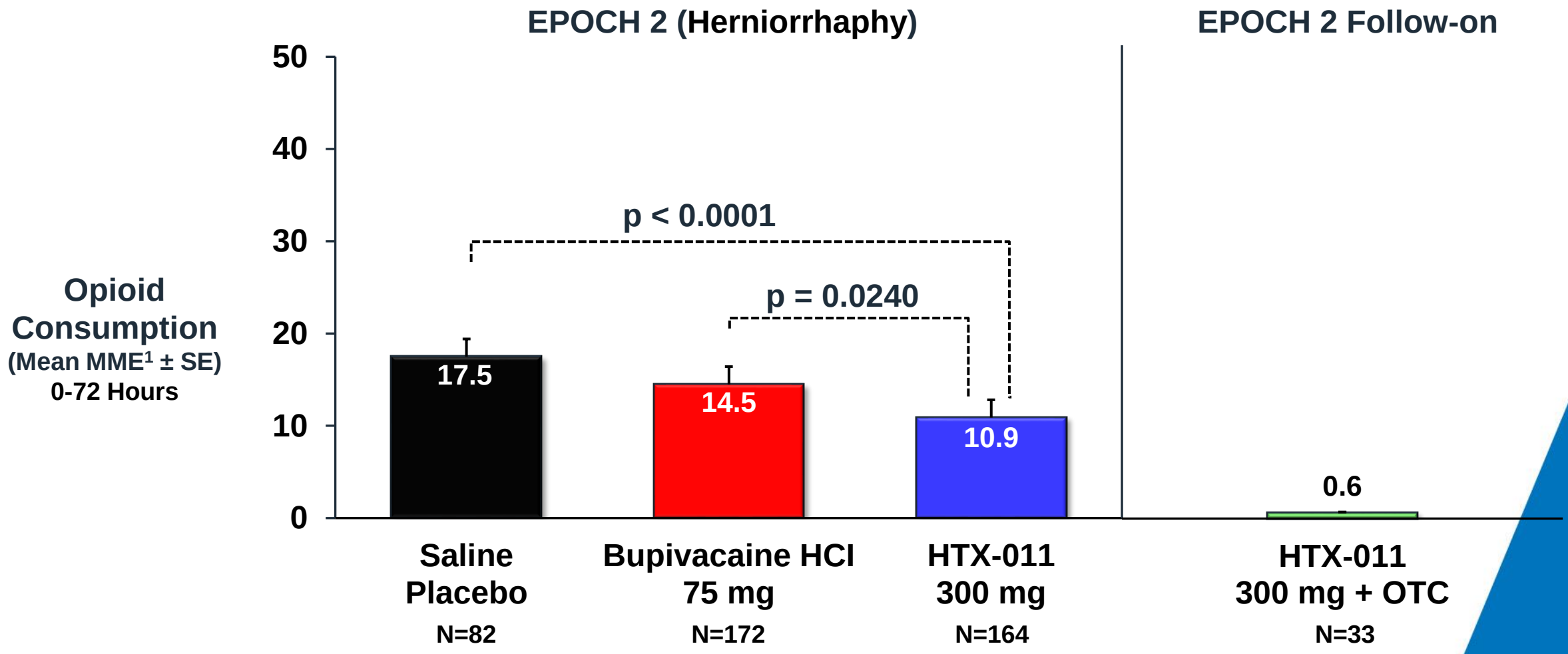
HTX-011 Significantly Reduced Total Opioid Consumption



1. Based on morphine milligram equivalents

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

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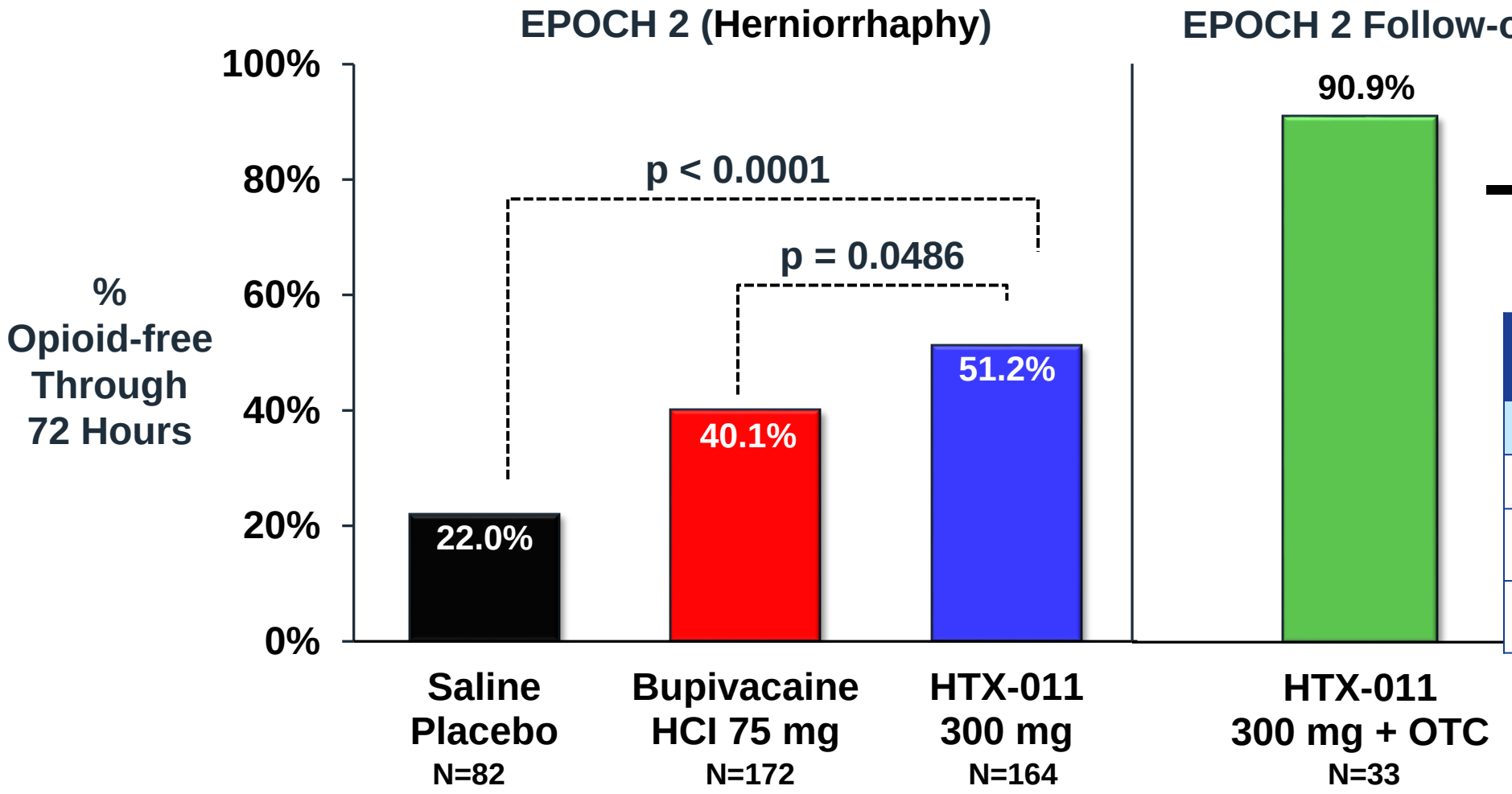
HTX-011 Significantly Reduced the Proportion of Patients Experiencing Severe Pain and Increased Proportion of Opioid-Free Patients



93% remained opioid free through Day 28

Percent of Patients With Severe Pain at Any Time Through 72 hours	
HTX-011 + OTC	15.2%
HTX-011	48.8%
Saline Placebo	81.7% p<0.0001
Bupivacaine	60.5% p=0.0372

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

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

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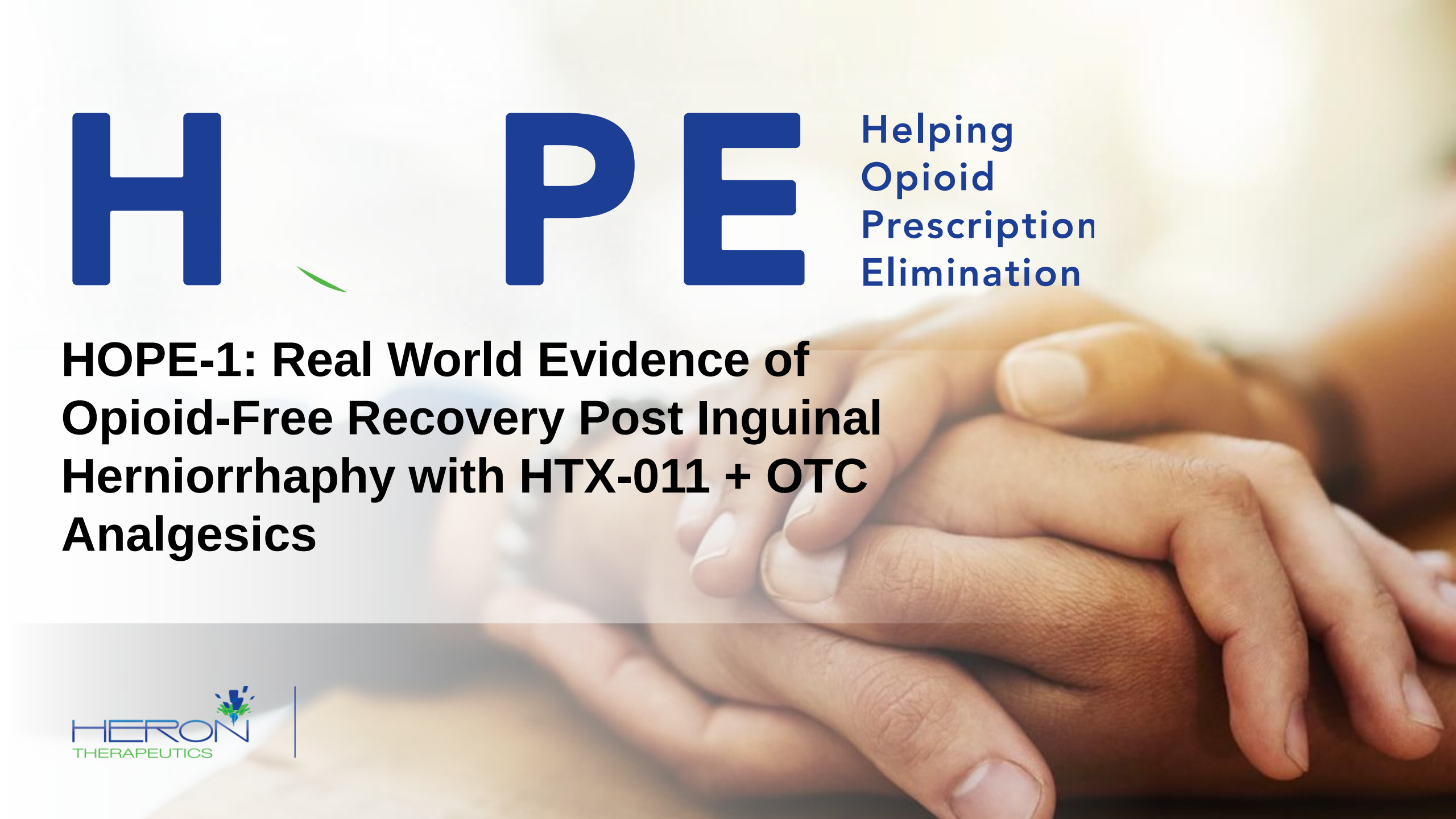
HOPE

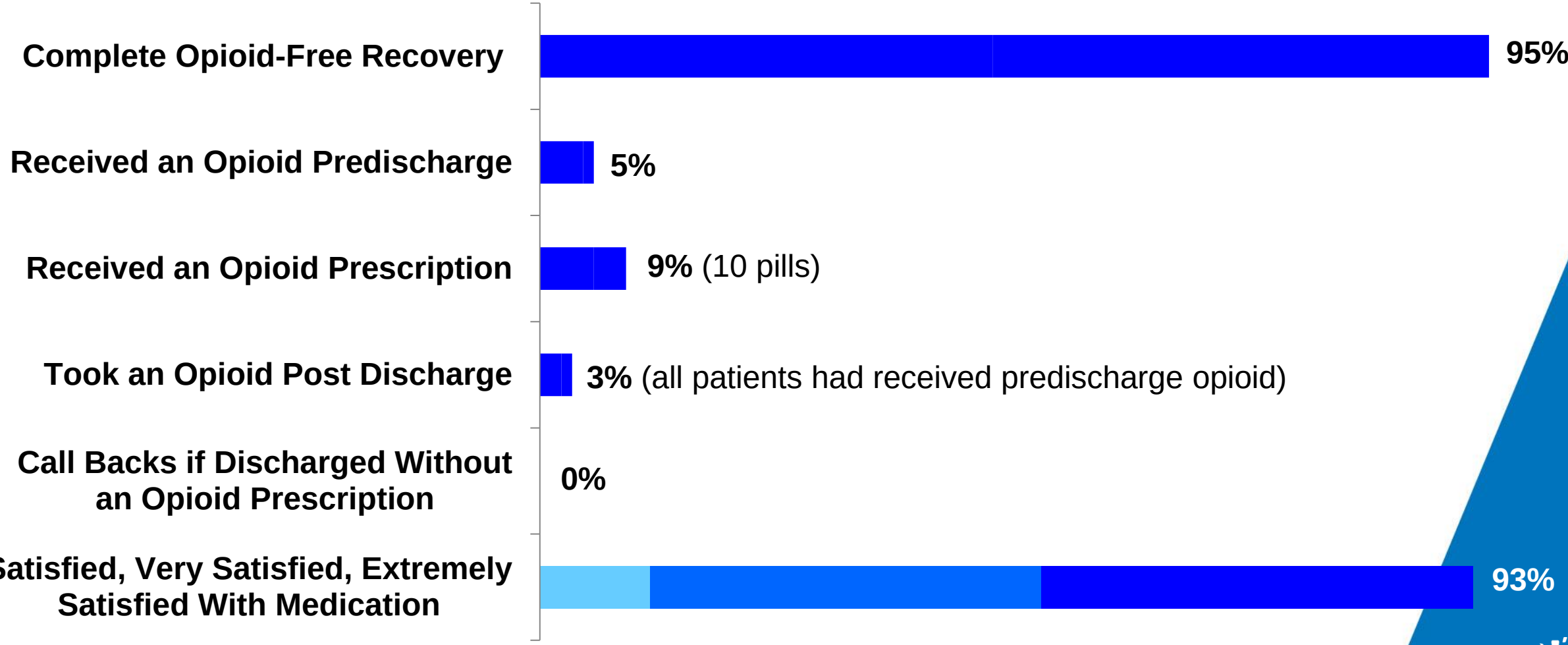
Helping
Opioid
Prescription
Elimination

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



HERON THERAPEUTICS

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



N=93 in initial pilot program

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

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Potential Reduction of Discharge Opioids Based on HOPE-1

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

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

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

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

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

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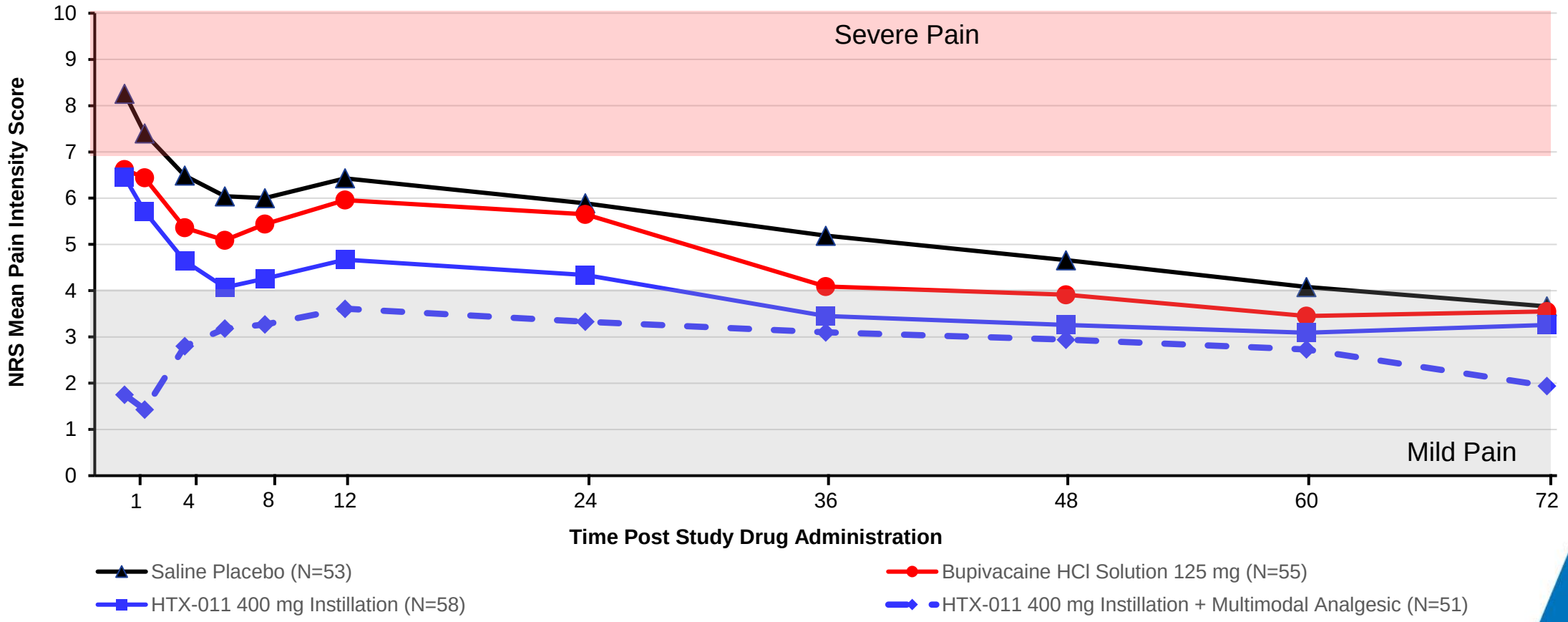
Phase 2b Total Knee Arthroplasty (TKA) (Study 209)

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

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

HERON THERAPEUTICS

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



LOCF for missing pain data

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

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

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

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

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

Disclaimer

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

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

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

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

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

Disclaimer

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

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

HERON THERAPEUTICS

Safety Summary

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

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

HTX-034 Development

Next Generation Product for Postoperative Pain

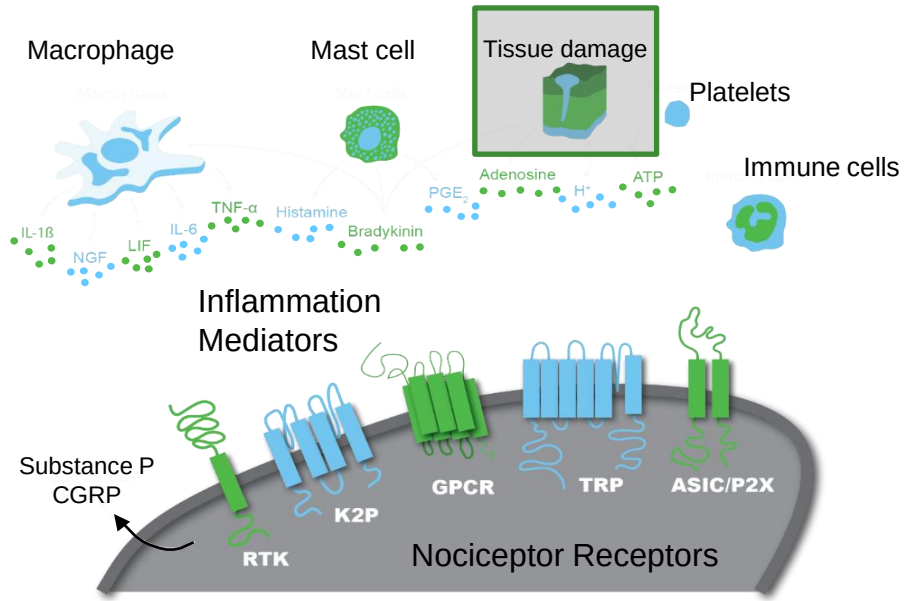
HERON THERAPEUTICS

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

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

HTX-034, an investigational non-opioid, is a fixed-dose combination, extended-release solution of the local anesthetic bupivacaine, the nonsteroidal anti-inflammatory drug meloxicam and an additional agent targeting the inflammatory process that further potentiates the activity of bupivacaine

Peripheral mediators of inflammation



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

HTX-034 is an investigational new drug and not approved by the FDA

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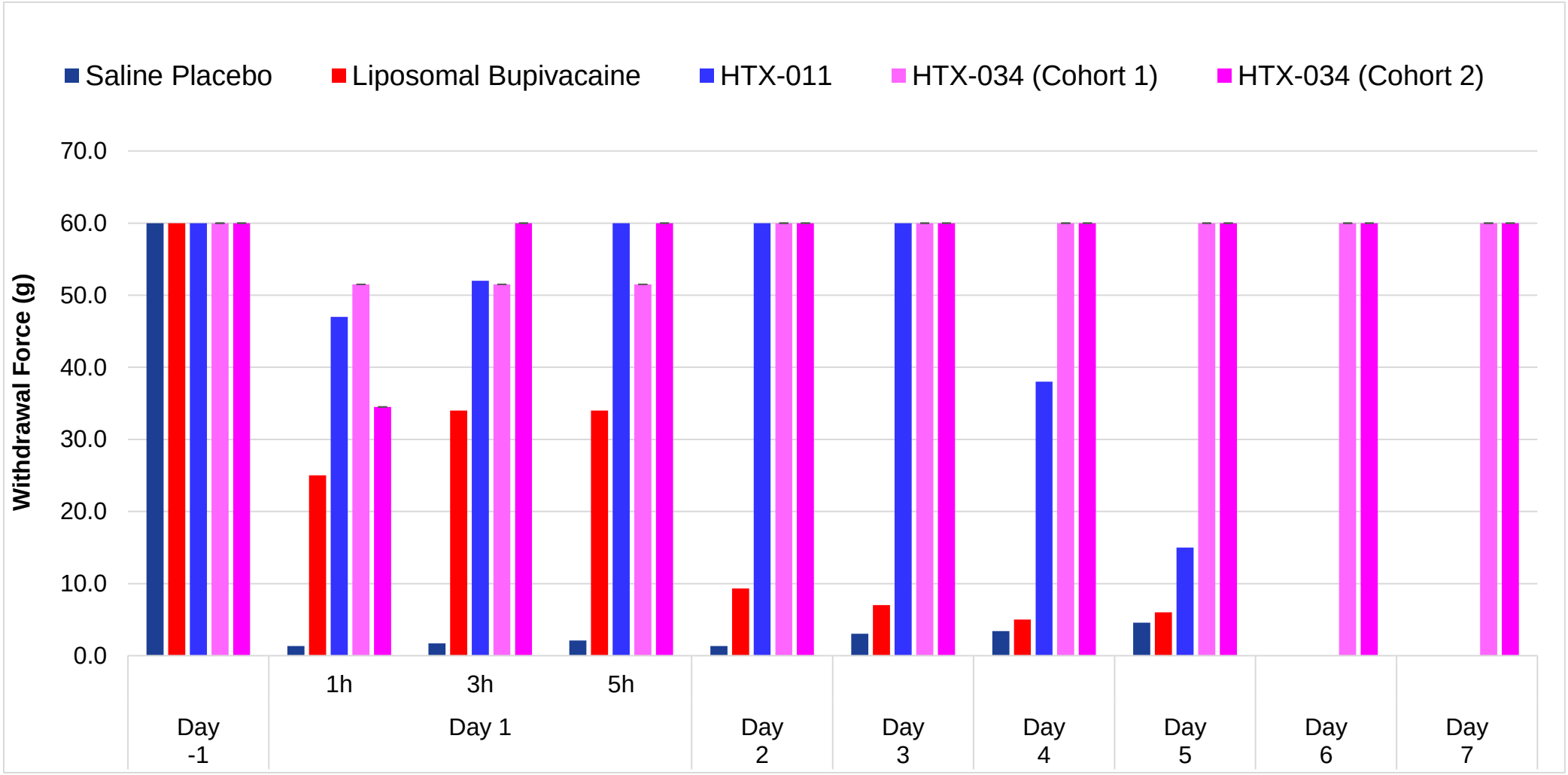
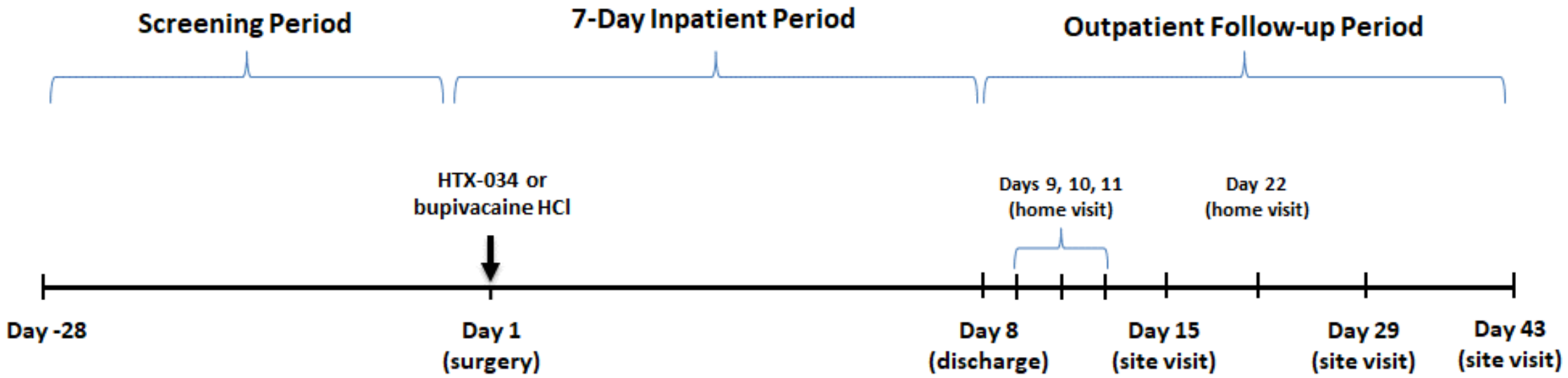
HTX-034 Produces Complete Elimination of Pain Through 7 Days in Pig Postoperative Pain Model



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

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

HTX-034-101: FIH Study in Patients Undergoing Bunionectomy with Internal Fixation



Study Design:

- Phase 1b Dose Escalation
  - 2 sequential dose cohorts of n=16 each: HTX-034 (n=12) or bupivacaine HCl 50 mg (n=4)
    - Cohort 1: HTX-034 containing 25 mg bupi, Cohort 2: HTX-034 containing up to 50 mg bupi
    - 7 Day Inpatient period for all subjects
- Optional Phase 2 Dose Expansion with n=36: HTX-034 (n=24) or bupivacaine (n=12)

CINV Commercial Products

HERON THERAPEUTICS

2020 CINV Franchise Outlook

CINVANTI®

- Cinvanti continues to have the best overall profile compared to the other available NK_1 antagonists and is completely differentiated from generic fosaprepitant with the 2-min IV Push administration
- Generic fosaprepitant entered the market in September 2019 and is expected to reduce net product sales of CINVANTI in 2020; however, the impact of the arbitrage should be substantially reduced by 1Q2021, with clinics returning to CINVANTI

SUSTOL®

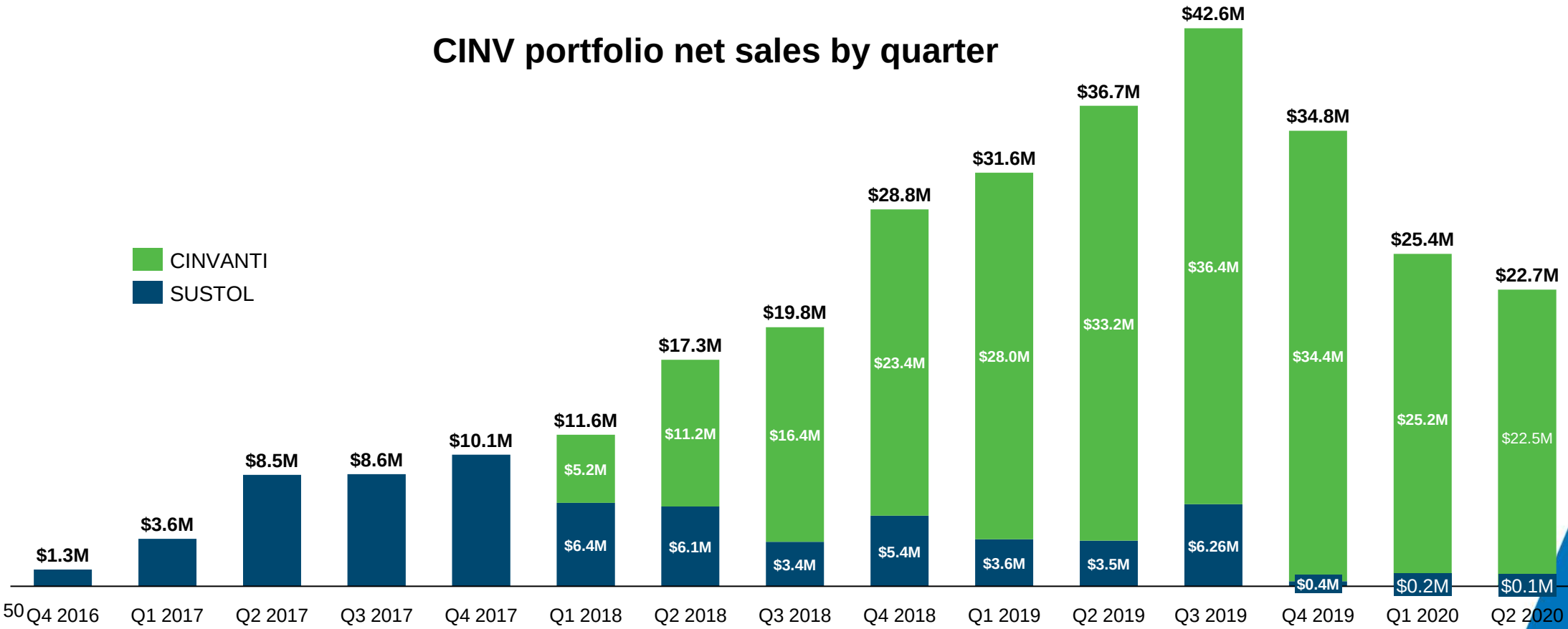
- The Aloxi arbitrage is over and Heron has implemented an innovative strategy to refresh the value of SUSTOL
- Once the ASP for SUSTOL resets in January 2021 sales should significantly rebound

CINV Franchise

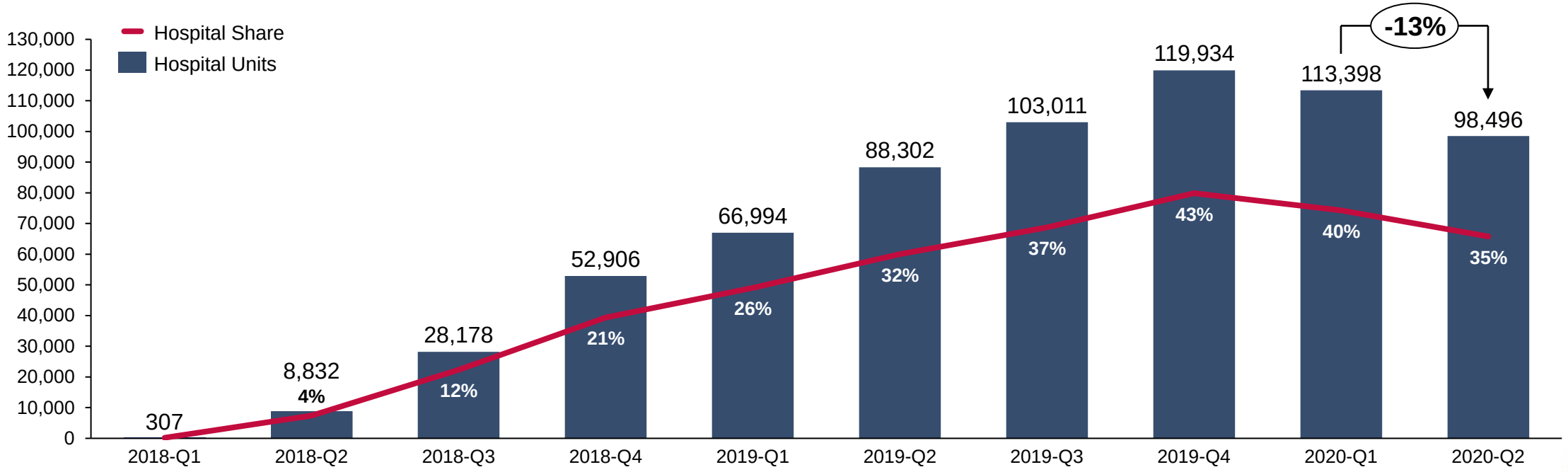
- **2020 net sales guidance for CINV franchise: $70M - $80M**

Heron's CINV Portfolio Has Generated Over $300M Since Inception, CINV Franchise Sales Will Return to Growth in 2021 & Beyond

- Launch of generic Emend IV in September resulted in declining CINVANTI sales
- Clinic-based practices are much faster to take advantage of the arbitrage, but are expected to return to CINVANTI post-arbitrage in early 2021
- SUSTOL sales continue to be low due to the Refresh Program and should rebound in 1Q2021



CINVANTI – Hospital Share/Units Were Down Modestly in 1H2020



SOURCE:867 7.16.2020, IMS DDD 7.4.2020

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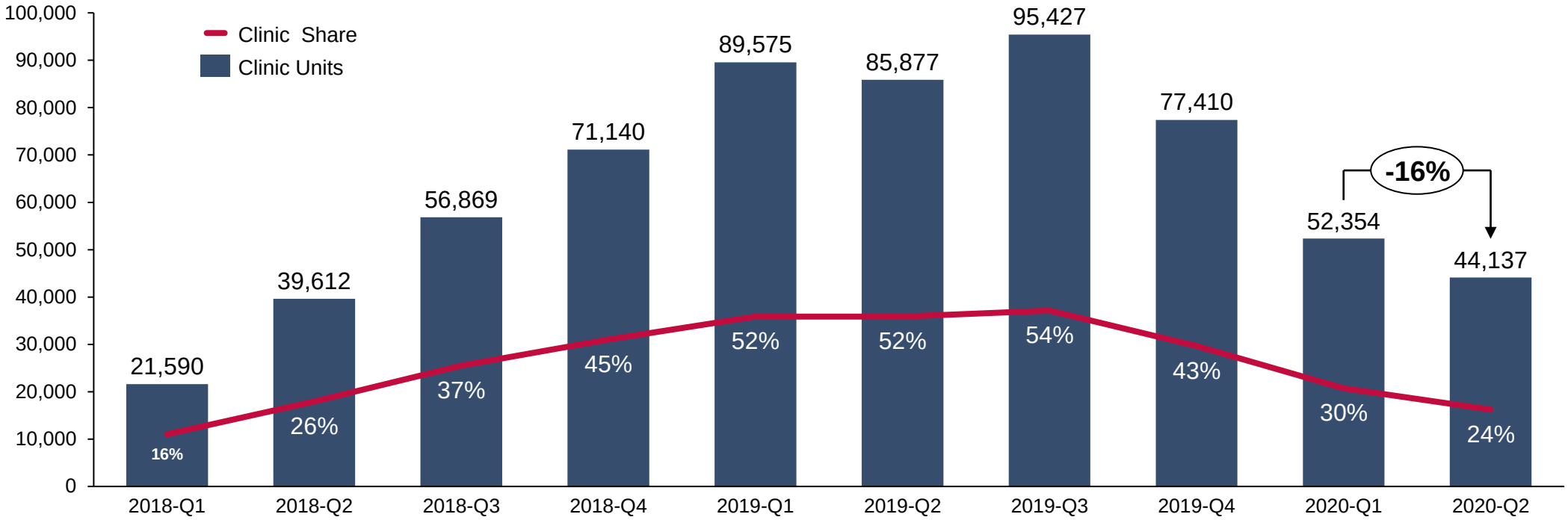
CINVANTI – Clinic Share/Units Continued to Decline in 2Q2020 Due to the Emend IV Arbitrage



SOURCE:867 7.16.2020, IMS DDD 7.4.2020

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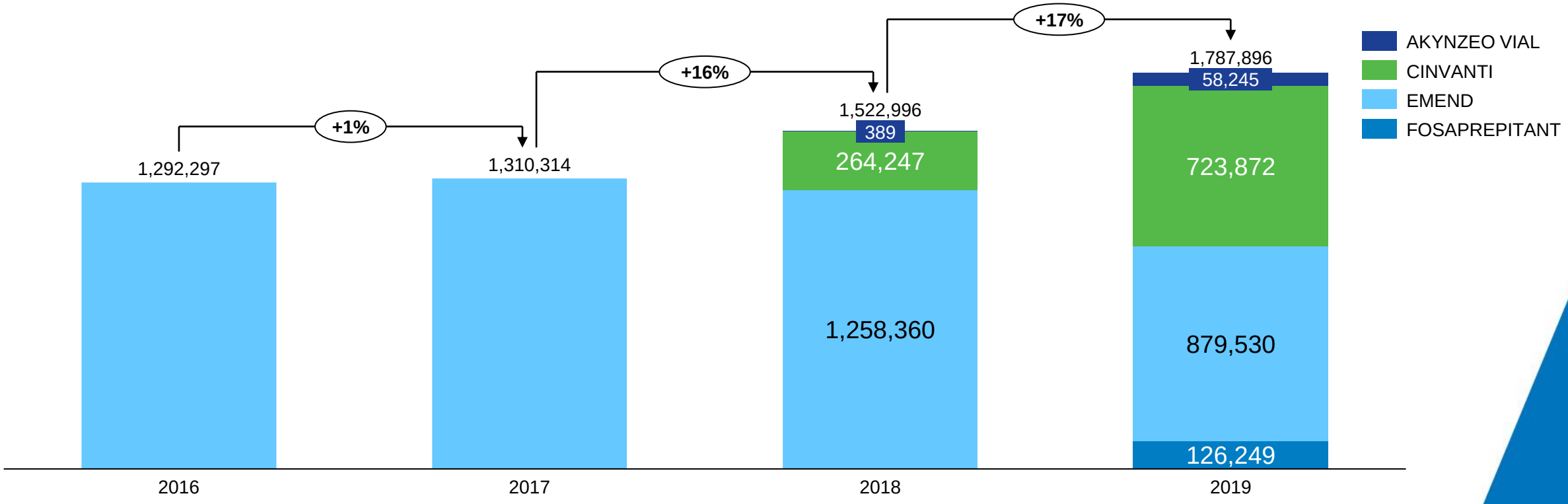
Prior To CINVANTI Entry NK1 Market Growth Was Flat, Since CINVANTI Launch The Market Has Grown 36% With Opportunity for Further Growth



SOURCE: IMS DDD 2.27.2020

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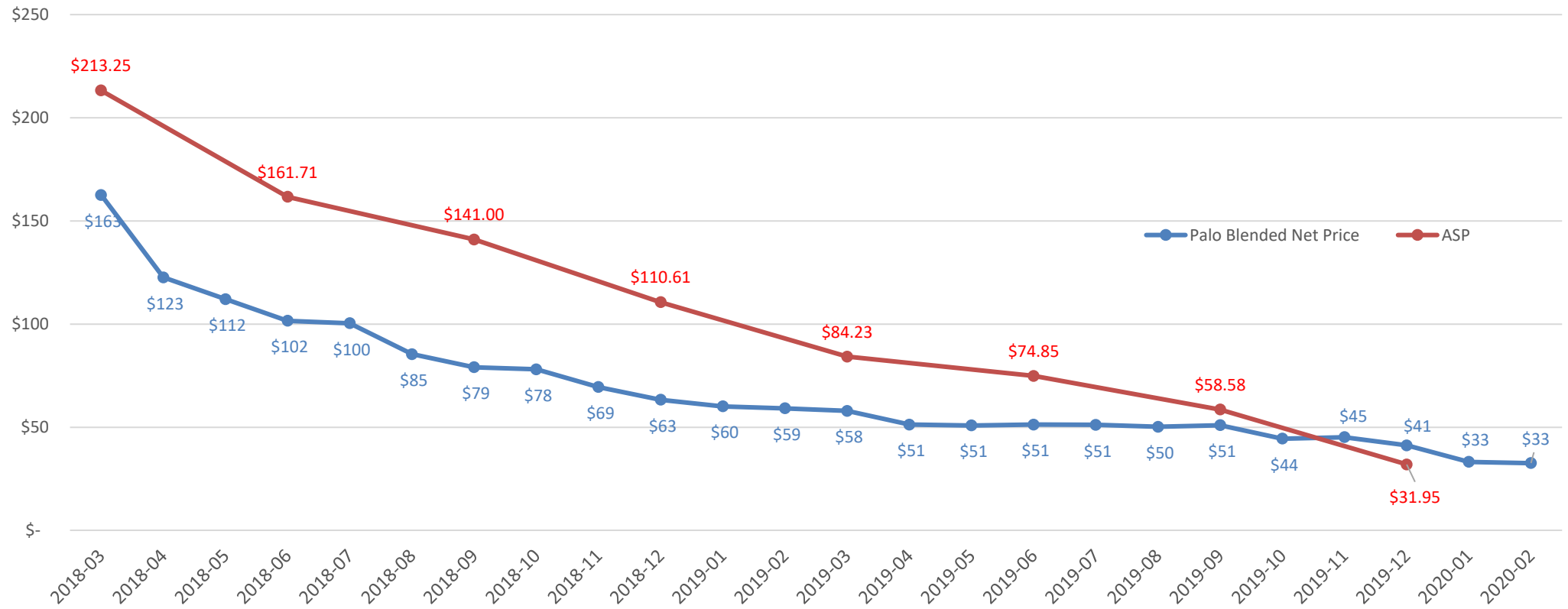
Aloxi Arbitrage is Over – Once the SUSTOL ASP Resets in 1Q2021 Sales Should Significantly Rebound



Source: IMS NSP data as of 2.27.2020

Note: ASP reflects reported period ASP submission. Becomes reimbursement basis 2 Qs later

HERON THERAPEUTICS

Financial Summary

Heron expects that its cash, cash equivalents and short-term investments of $300.8 million at June 30, 2020 will be sufficient to fund its operations into 2022.

Summary Statement of Operations and Net Cash Used in Operations (In thousands, except per share data)	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
Net product sales	$ 22,668	$ 48,068
Operating expenses[1]	78,417	156,551
Other income, net	559	1,714
Net loss[1]	$ (55,190)	$ (106,769)
Net loss per share[2]	$ (0.61)	$ (1.18)
Net cash used in operations	$ (57,277)	$ (90,212)

Condensed Balance Sheet Data (In thousands)	June 30, 2020
Cash, cash equivalents and short-term investments	$ 300,842
Accounts receivable, net	$ 37,502
Total assets	$ 432,721
Total stockholders' equity	$ 324,058

Common shares outstanding at June 30, 2020 totaled 90.8 million.

[1] Includes $11.1 million and $23.1 million of non-cash, stock-based compensation expense for the three and six months ended June 30, 2020, respectively.
[2] Based on 90.8 million and 90.6 million weighted-average common shares outstanding for the three and six months ended June 30, 2020, respectively.

HERON THERAPEUTICS

Key Catalysts in Pain Management & CINV Franchises

HTX-011 & HTX-034 for Postoperative Pain	CINVANTI ® and SUSTOL® for CINV
▪ **CRL received 26 June 2020** ➢ **Successful Type A meeting; plan to resubmit NDA in 4Q2020** ▪ **EU Centralised Procedure** ➢ **European Commission Authorization received** ▪ **Canadian NDS** ▪ **Questions received**	• **2020 net sales guidance for CINV franchise: $70M - $80M**
• Publication of Phase 3 and Phase 2b studies ✓ Phase 3 studies published in peer-reviewed journals ➢ EPOCH 1: Reg Anesth Pain Med. 2019;0:1–7. doi:10.1136/rapm-2019-100531 ➢ *EPOCH 2: Hernia*. doi: 10.1007/s10029-019-02023-6. ➢ MOA: Reg Anesth Pain Med 2019;**0**:1–7. doi:10.1136/rapm-2019-100714	
• Phase 1b/2 study with HTX-034 initiated in May 2020	

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