Heron Therapeutics Announces $76.5 Million Private Placement Financing

August 9, 2022

SAN DIEGO, Aug. 9, 2022 /PRNewswire/ -- Heron Therapeutics, Inc. (Nasdaq: HRTX), a commercial-stage biotechnology company focused on improving the lives of patients by developing and commercializing therapeutic innovations that improve medical care, announced today that it has entered into a securities purchase agreement to sell in a private placement to a group of new and existing institutional investors, led by Deep Track Capital, LP and including participation from Great Point Partners, Broadfin Holdings, LLC and other leading healthcare investors, 16,129,032 shares of its common stock at an offering price of $3.10 per share, and, to certain investors in lieu of common stock, pre-funded warrants to purchase up to 8,548,387 shares of common stock at a purchase price of $3.0999 per pre-funded warrant, which represents the per share offering price for the common stock less the $0.0001 per share exercise price for each pre-funded warrant. Gross proceeds of the private placement are expected to be approximately $76.5 million, before deducting placement agent fees and other expenses. The private placement is expected to close on or about August 11, 2022, subject to the satisfaction of customary closing conditions.

Heron intends to use the net proceeds from the proposed private placement to support its acute care and oncology care commercial franchises, including accelerating the adoption of ZYNRELEF® and preparing for the anticipated launch of HTX-019 for the prevention of postoperative nausea and vomiting ("PONV") ahead of the September PDUFA date, and for working capital and general corporate purposes.

Cantor Fitzgerald & Co. is acting as sole placement agent.

The securities being issued and sold in the private placement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any states' securities laws and may not be offered or sold in the United States, except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act. Heron has agreed to file a registration statement with the Securities and Exchange Commission (the "SEC") registering the resale of the shares of common stock issued in this private placement (the "Resale Shares").

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities being offered in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction. Any offering of the Resale Shares under the resale registration statement will only be by means of a prospectus.

About Heron Therapeutics, Inc.

Heron Therapeutics, Inc. is 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.

About ZYNRELEF for Postoperative Pain

ZYNRELEF is the first and only dual-acting local anesthetic that delivers a fixed-dose combination of the local anesthetic bupivacaine and a low dose of nonsteroidal anti-inflammatory drug meloxicam. ZYNRELEF is the first and only extended-release local anesthetic to demonstrate in Phase 3 studies significantly reduced pain and significantly increased proportion of patients requiring no opioids through the first 72 hours following surgery compared to bupivacaine solution, the current standard-of-care local anesthetic for postoperative pain control. ZYNRELEF was initially approved by the FDA in May 2021 for use in adults for soft tissue or periarticular instillation to produce postsurgical analgesia for up to 72 hours after bunionectomy, open inguinal herniorrhaphy and total knee arthroplasty. In December 2021, the FDA approved an expansion of ZYNRELEF's indication. ZYNRELEF is now indicated in the U.S. in adults for soft tissue or periarticular instillation to produce postsurgical analgesia for up to 72 hours after foot and ankle, small-to-medium open abdominal, and lower extremity total joint arthroplasty surgical procedures. Safety and efficacy have not been established in highly vascular surgeries, such as intrathoracic, large multilevel spinal, and head and neck procedures. In September 2020, the European Commission granted a marketing authorization for ZYNRELEF for the treatment of somatic postoperative pain from small- to medium-sized surgical wounds in adults. As of January 1, 2021, ZYNRELEF is approved in 31 European countries including the countries of the European Union and European Economic Area and the United Kingdom. In March 2022, Health Canada issued a Notice of Compliance for ZYNRELEF for instillation into the surgical wound for postoperative analgesia after bunionectomy, open inguinal herniorrhaphy, and total knee arthroplasty surgical procedures.

Please see full prescribing information, including Boxed Warning, at www.ZYNRELEF.com.

About HTX-019 for PONV

HTX-019 is an IV injectable emulsion formulation designed to directly deliver aprepitant, the active ingredient in EMEND® (aprepitant) capsules, which is the only substance P/neurokinin-1 (NK_1) receptor antagonist (RA) to be approved in the United States for the prevention of PONV in adults. The FDA-approved dose of oral EMEND is 40 mg for PONV prevention, which is given within 3 hours prior to induction of anesthesia for surgery. In a Phase 1 clinical trial, 32 mg of HTX-019 as a 30-second IV injection was demonstrated to be bioequivalent to oral aprepitant 40 mg. The NDA for HTX-019 for PONV was submitted in November 2021 and the FDA set a PDUFA goal date of September 17, 2022.

Forward-looking Statements

This news release contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts included in this press release, including, but not limited to, Heron's expectations regarding the completion of the private placement, the satisfaction of customary closing conditions related to the private placement and the expected receipt and intended uses of the proceeds from the private placement, are forward-looking statements. Heron cautions readers that forward-looking statements are based on management's expectations and assumptions as of the date of this news release and are subject to certain risks and uncertainties that could cause actual results to differ materially, including, but not limited to, uncertainties related to market conditions and the completion of the private placement on the anticipated terms or at all, the uncertainties inherent in the clinical drug development process; the timing of regulatory filings; the potential market opportunities for ZYNRELEF in the United States, Europe and Canada; the timing of the NDA review process for HTX-019 and whether the FDA approves HTX-019; the potential market opportunity for HTX-019; 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 COVID-19 pandemic on our business; and other risks and uncertainties described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Heron's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022, and other subsequent documents we file with the SEC, including but not limited to our Quarterly Reports on Form 10-Q. Forward-looking statements reflect our analysis only on their stated date, and Heron takes no obligation to update or revise these statements except as may be required by law.

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