

# Heron Therapeutics

## Q2 2025 Earnings Call

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August 8, 2025

# Forward-looking Statements and Non-GAAP Disclosures

This presentation contains “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. We caution investors that forward-looking statements are based on management’s expectations and assumptions as of the date hereof and are subject to certain risks and uncertainties that could cause actual results to differ materially. Examples of forward-looking statements include, among others, statements we make regarding the potential market opportunities for ZYNRELEF®, APONVIE®, CINVANTI® and SUSTOL®; revenue, adjusted EBITDA and other financial guidance provided by the Company; the potential additional market opportunity for the expanded U.S. label for ZYNRELEF or inclusion of ZYNRELEF under the OPSS and the ASC payment system or launch of the ZYNRELEF VAN; our ability to establish and maintain successful commercial arrangements like our co-promotion agreement with CrossLink Network, LLC (“CrossLink”); the outcome of the Company’s pending ANDA litigation, including potential appeals of any verdicts; whether the Company is required to write-off any additional inventory in the future; the expected future balances of Heron’s cash, cash equivalents and short-term investments; the expected duration over which Heron’s cash, cash equivalents and short-term investments balances will fund its operations and the risk that future equity financings may be needed; the terms and conditions, completion of the refinancing transactions, and the anticipated proceeds and use of proceeds of the refinancing transactions; any inability or delay in achieving profitability. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, and in our other reports filed with the Securities and Exchange Commission, including under the caption “Risk Factors.” Forward-looking statements reflect our analysis only on their stated date, and Heron takes no obligation to update or revise these statements except as may be required by law.

In addition to the company's financial results determined in accordance with U.S. GAAP, the company provides non-GAAP measures that it determines to be useful in evaluating its operating performance and liquidity. Management believes that presentation of operating results using non-GAAP financial measures provides useful supplemental information to investors and facilitates the analysis of the Company’s core operating results and comparison of operating results across reporting periods. Management uses non-GAAP financial measures to establish budgets, manage the Company’s business, and set incentive and compensation arrangements. The company presents adjusted EBITDA and adjusted operating expenses. For a reconciliation of non-GAAP measures to GAAP, see below slides captioned “YTD Adjusted EBITDA”, “2023 GAAP to Non-GAAP Reconciliation”, and “2022 GAAP to Non-GAAP Reconciliation.” The Company has not provided a reconciliation of its full-year 2025 guidance for adjusted EBITDA or adjusted operating expenses to the most directly comparable forward-looking GAAP measures, in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K, because the Company is unable to predict, without unreasonable efforts, the timing and amount of items that would be included in such a reconciliation, including, but not limited to, stock-based compensation expense and inventory reserve and asset write-offs. These items are uncertain and depend on various factors that are outside of the Company’s control or cannot be reasonably predicted. While the Company is unable to address the probable significance of these items, they could have a material impact on GAAP net income and operating expenses for the guidance period.

# Executive Summary



# Q2 2025 Achievements and Key Updates

1

Completed a comprehensive refinancing of prior debt facilities, reducing total debt from \$175 million to \$145 million and extending bullet maturity to 2030+

2

Generated Q2 2025 Net Revenue of \$37.2 million and year-to-date 2025 Net Revenue of \$76.1 million

3

Delivered record year-to-date 2025 Adjusted EBITDA of \$7.9 million

4

Acute Care franchise revenue growth of 55.5% for the three months ended June 30, 2025 vs. same time-period last year; ZYNRELEF unit demand grew 6.3% and APONVIE grew 19% in Q2 vs Q1 2025

5

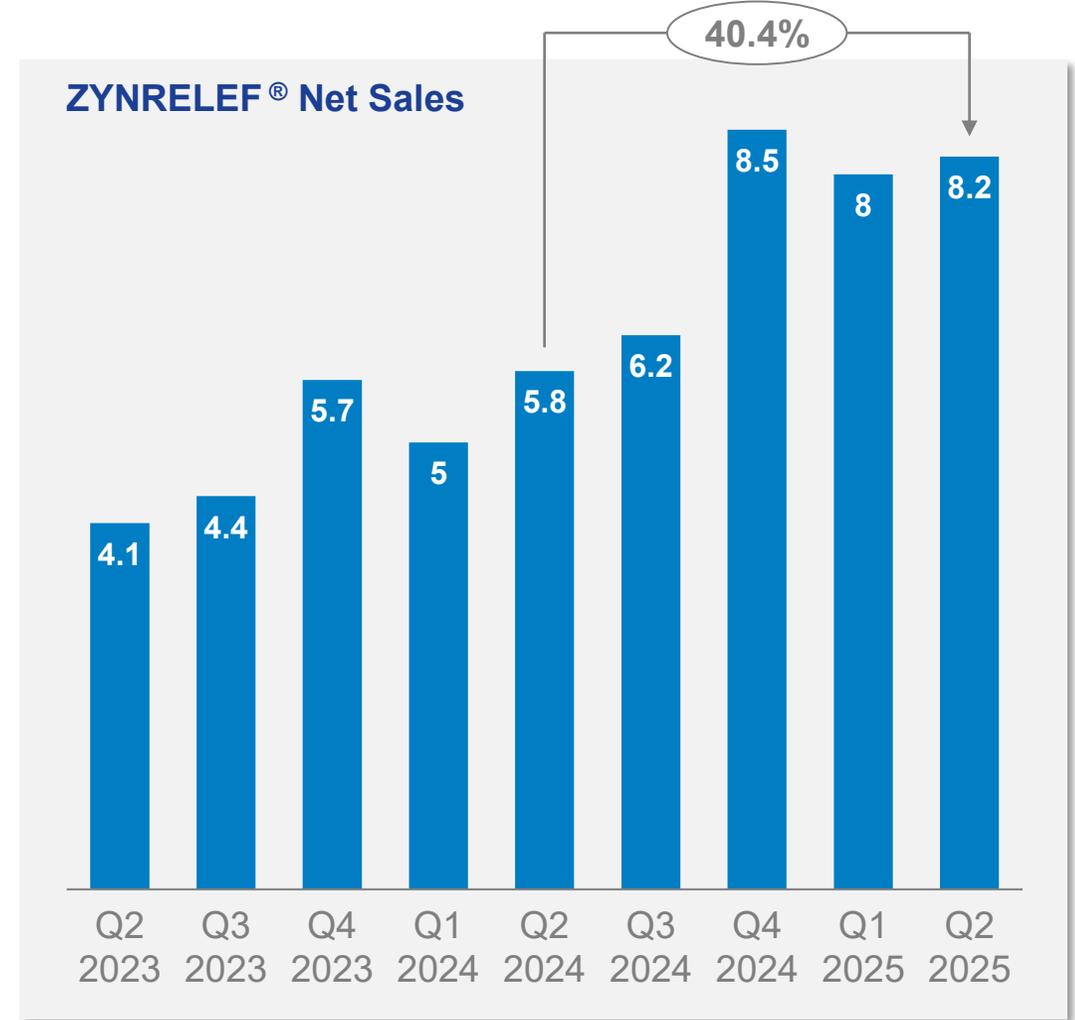
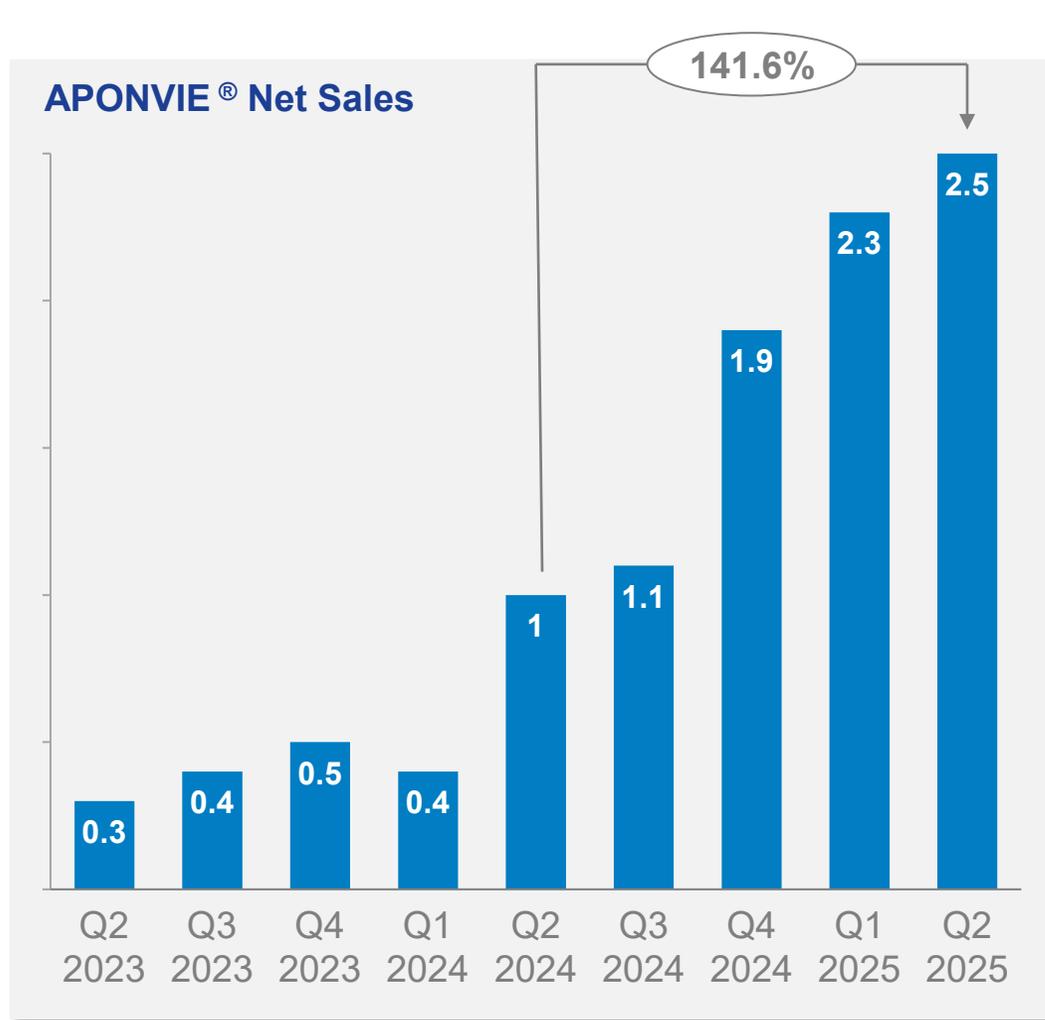
Centers for Medicare and Medicaid Services (CMS) granted a permanent, product-specific J-code 0668 for ZYNRELEF, effective October 1, 2025

# Product Performance



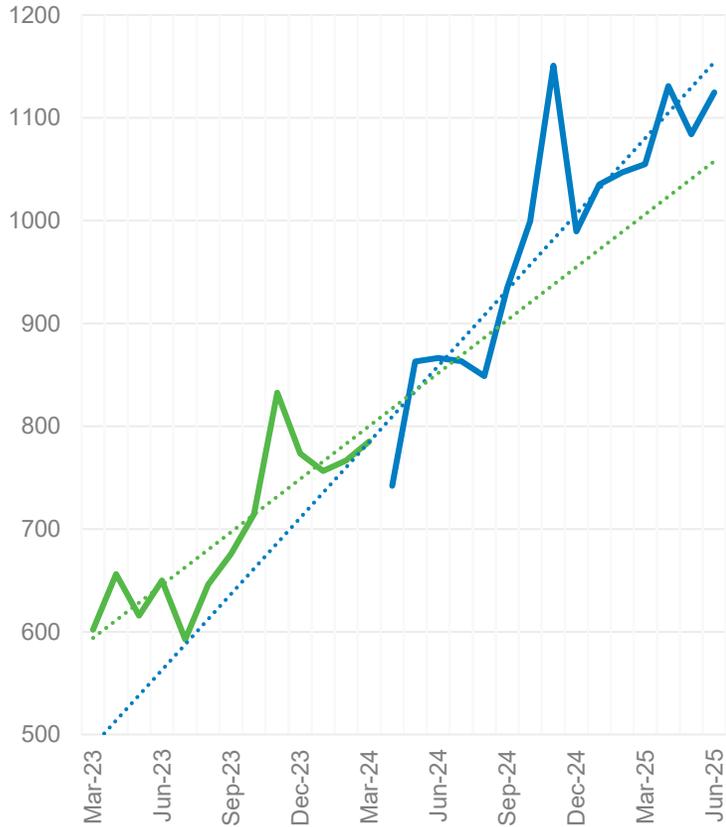
# Acute Care Franchise Net Sales

3 months ended June 30, 2025: \$10.7 million



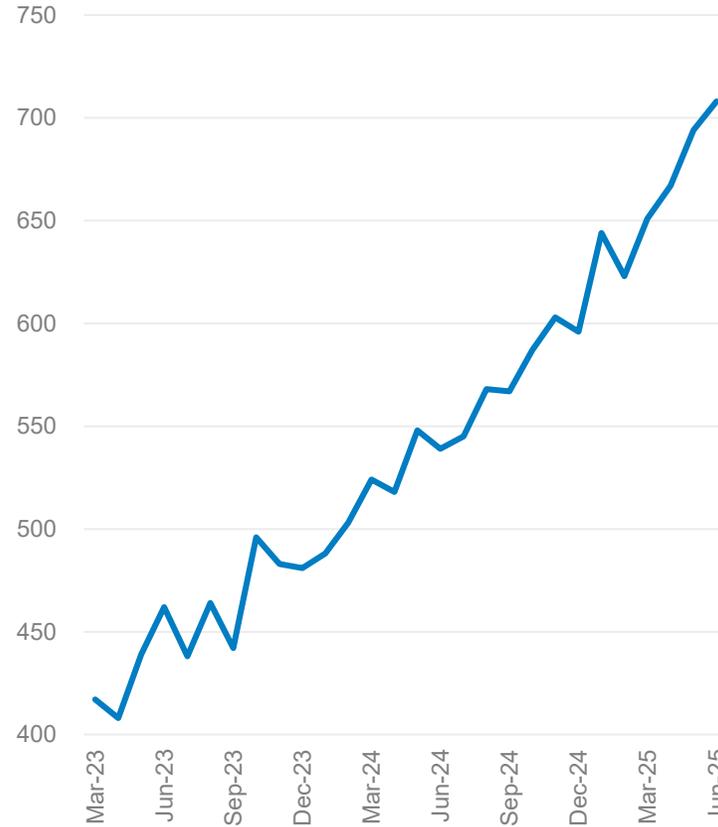
# ZYNRELEF® performance metrics and growth drivers

## ZYNRELEF - AVERAGE DAILY UNITS



Acceleration in growth of Average Daily Units correlates with the launch of the Orthopedic Surgery focus and CrossLink

## ZYNRELEF - ORDERING ACCOUNTS



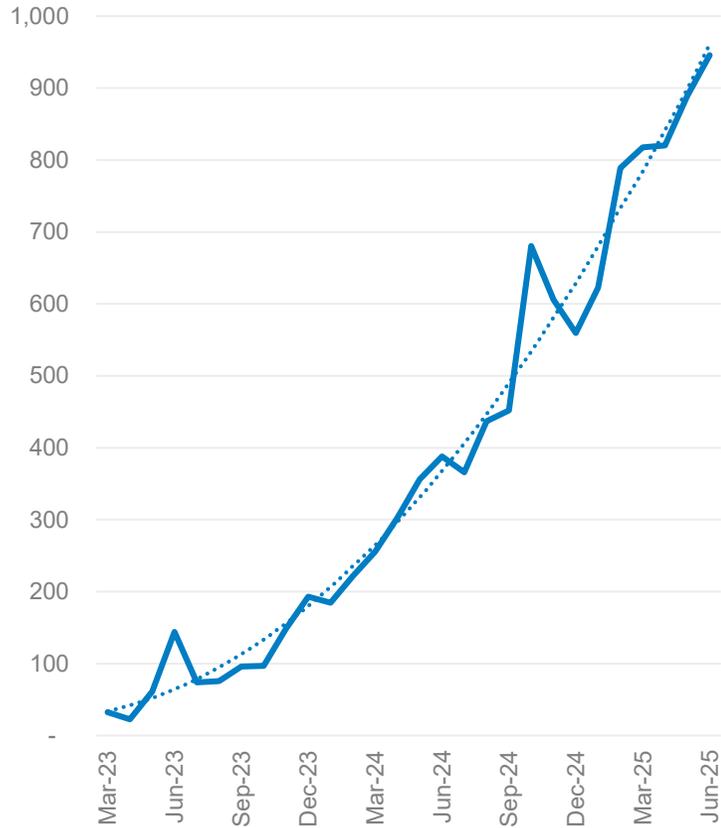
Steady growth in number of accounts ordering ZYNRELEF each month, 4 years from launch

## Key ZYNRELEF Highlights

- **Q2 Demand Units grew 6.3% over Q1** signaling continued momentum
- **Enhanced per-unit compensation program with CrossLink** currently in place through end of 2025
- **New Peri-Operative Clinical Educator Team** providing onboarding and support
- **Permanent J-Code (J0688) in place effective October 1, 2025**, streamlining reimbursement

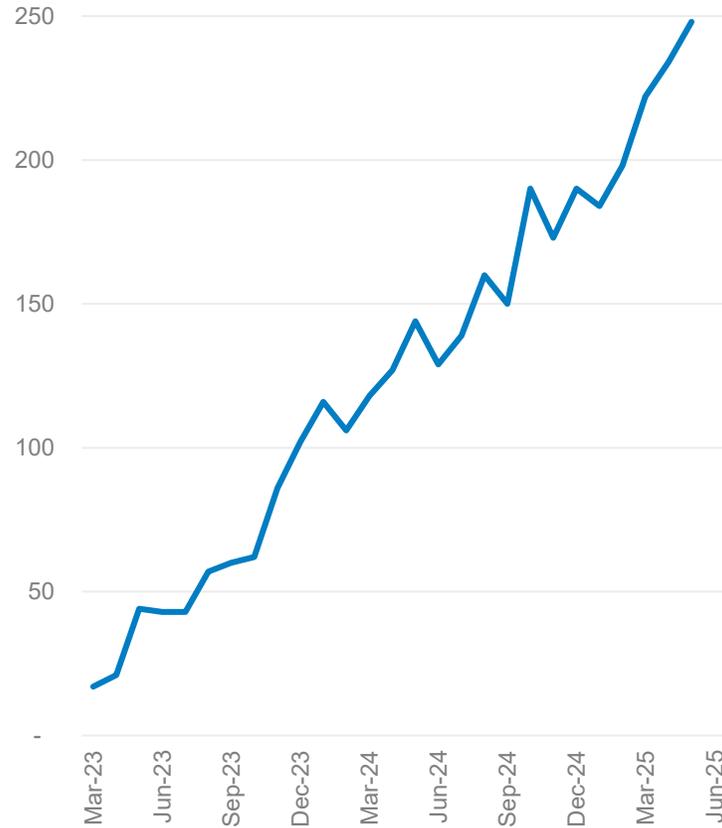
# APONVIE® performance metrics and growth drivers

## APONVIE - AVERAGE DAILY UNITS



A smooth upward bend in growth of Average Daily Units throughout 2024 aligns with implementation of One Heron strategy

## APONVIE - ORDERING ACCOUNTS



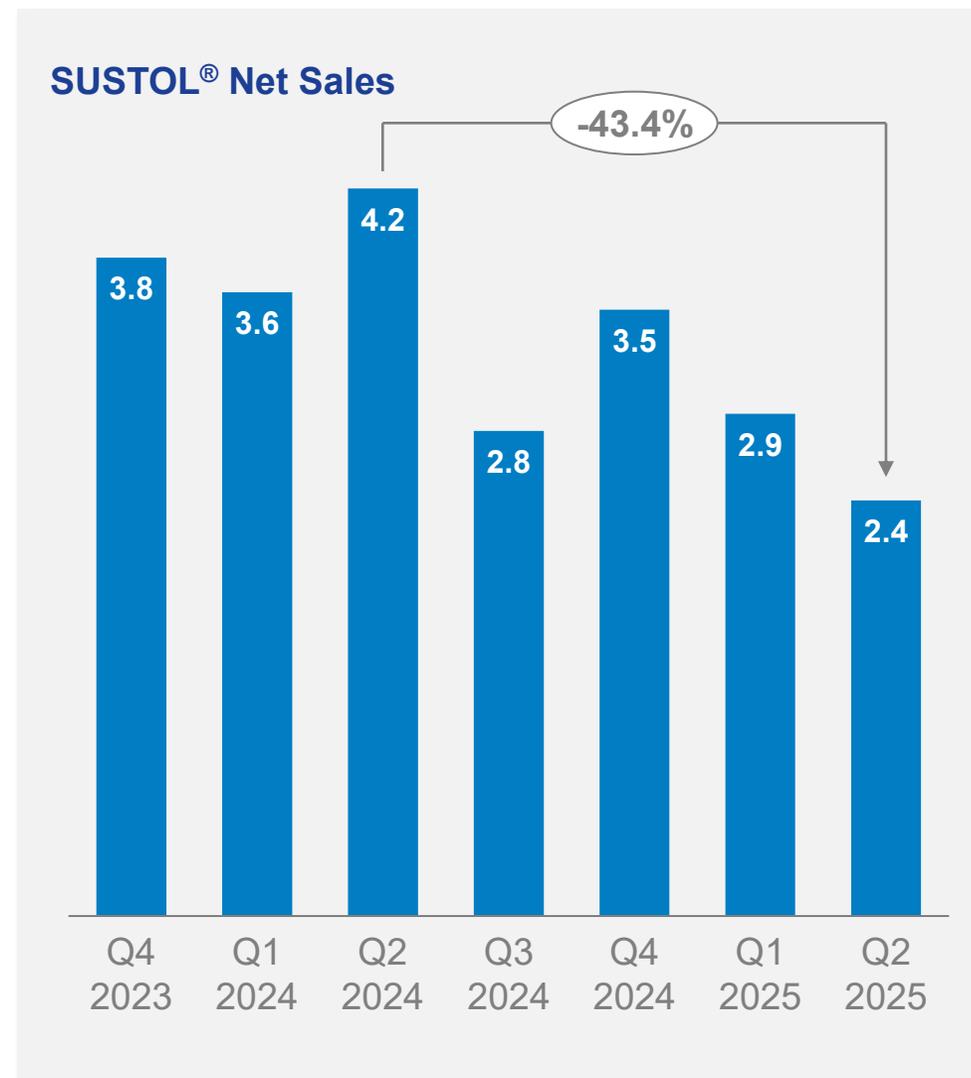
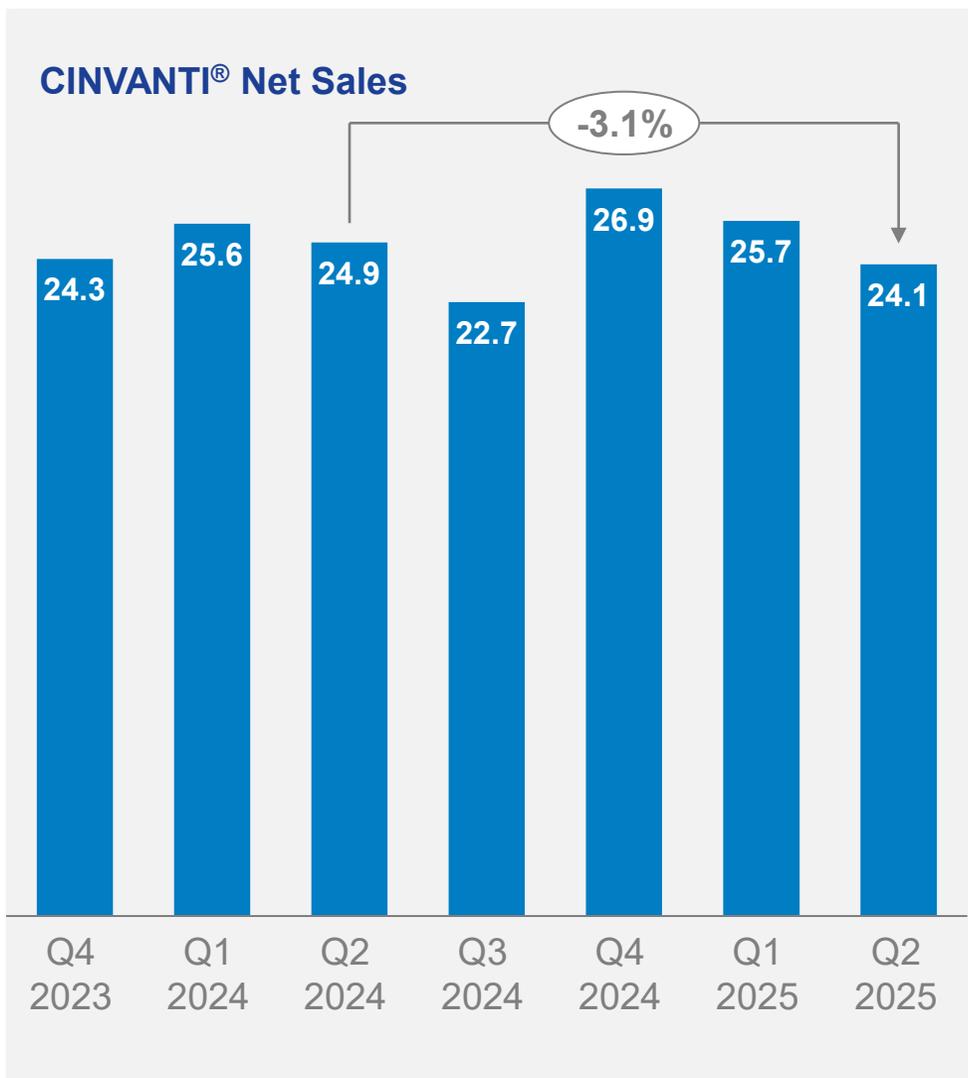
Steady growth in number of accounts ordering APONVIE each month, up ~88% from March 2024

## Key APONVIE Highlights

- **Q2 Demand Units grew 19% over Q1** continuing strong adoption trends
- **Dedicated APONVIE sales team launched on July 1**, consisting of 6 representatives covering high-potential hospital accounts

# Oncology Care Franchise Net Sales

3 months ended June 30, 2025: \$26.5 million



# Finance



# Select Financial Results

(Unaudited)

\$ in 000's	QTD	QTD	YTD	YTD
	Q2 2025	Q2 2024	Q2 2025	Q2 2024
Net Product Sales	\$ 37,200	\$ 36,024	\$ 76,103	\$ 70,694
Cost of Product Sales	9,857	10,518	18,314	18,962
Gross profit	<u>27,343</u>	<u>25,506</u>	<u>57,789</u>	<u>51,732</u>
Operating Expenses:				
Research and development	2,934	4,432	5,213	9,040
General and administrative	14,471	13,905	27,173	28,879
Sales and marketing	11,575	13,614	23,886	25,056
Total operating expense	<u>28,980</u>	<u>31,951</u>	<u>56,272</u>	<u>62,975</u>
(Loss) income from operations	<u>\$ (1,637)</u>	<u>\$ (6,445)</u>	<u>\$ 1,517</u>	<u>\$ (11,243)</u>
Cash and short-term investments	\$ 40,633	\$ 67,347		

# Adjusted EBITDA

U.S. GAAP to Non-GAAP Reconciliation

(unaudited)

\$ in 000's	QTD	QTD	YTD	YTD
	Q2 2025	Q2 2024	Q2 2025	Q2 2024
Net (loss) income	\$ (2,381)	\$ (9,235)	\$ 254	\$ (12,395)
Other expense, net	744	2,790	1,263	1,152
Depreciation	611	641	1,162	1,330
Stock-based compensation	2,797	4,570	5,308	7,945
Adjusted EBITDA	\$ 1,771	\$ (1,234)	\$ 7,987	\$ (1,968)

# Comprehensive Refinancing Overview

## Transaction Highlights

- **Fully Retired Legacy Debt**
  - \$150M 2026 Convertible Notes repaid / converted
  - \$25M prior Hercules Working Capital Facility repaid
  
- **Strengthened Capital Structure**
  - Extended debt maturities through 2030+
  - New equity capital via private placement

## Executed a Four-Part Refinancing Transaction to Restructure the Company's Balance Sheet

Transaction	Details
1) <b>Senior Secured Term Loan</b>	<ul style="list-style-type: none"> <li>▪ \$110M funded at closing from Hercules Capital (5-year bullet maturity)</li> <li>▪ Additional \$40M in two \$20M tranches available upon achievement of certain milestones</li> </ul>
2) <b>2031 Convertible Notes</b>	<ul style="list-style-type: none"> <li>▪ \$35M of 5.0% Senior Convertible Notes issued to Rubric Capital Management due in 2031</li> </ul>
3) <b>Private Placement</b>	<ul style="list-style-type: none"> <li>▪ \$27.7M in Common and Series A Preferred Stock issued to equity investors</li> </ul>
4) <b>2026 Convertible Note Restructuring</b>	<ul style="list-style-type: none"> <li>▪ \$150M 1.5% Convertible Notes due 2026:               <ul style="list-style-type: none"> <li>– \$125M repaid in cash</li> <li>– \$25M converted into equity shares</li> </ul> </li> </ul>

# Revised 2025 Guidance

Product Revenues, Net				\$153.0 – \$163.0 million
Adjusted EBITDA <sup>^</sup>	Original \$0 - \$8.0 million	Q1 Updated Guidance \$4.0 - \$12.0 million	Q2 Updated Guidance \$9.0 - \$13.0 million	
<sup>^</sup> Excludes Stock-Based Compensation, depreciation and amortization				

# Questions

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# Addendum

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