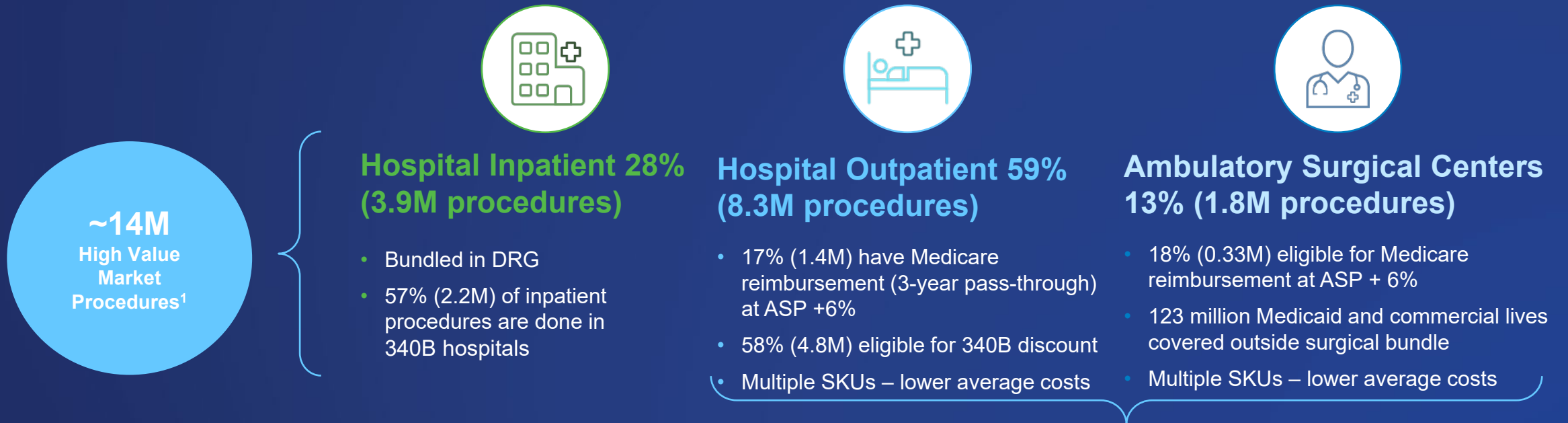


ZYNRELEF's Significant Economic Benefit With Pass-Through Status

March 25, 2022



The Outpatient Setting of Care Now Represents >70% of Target Surgeries With Hospital Outpatient Approaching 60%



OVERALL TOTAL

- ZYNRELEF has lower acquisition cost benefit versus Exparel
- ZYNRELEF will have HOPD reimbursement – 3-year pass-through
- ZYNRELEF offers 340B pricing

72% of the opportunity lends itself to favorable reimbursement and access

SKU: stock keeping unit. HOPD: hospital outpatient department. 1. Breakdown of settings of care based on 2021 Lexis Nexis claims data

Please see **IMPORTANT SAFETY INFORMATION** on pages 25 & 26 of Q4 2021 Earnings Call slides and full Prescribing Information, including **Boxed Warning**.

ZYNRELEF is the Only Reimbursed Local Anesthetic in Hospital Outpatient, the Largest Setting of Care

- Effective April 1, 2022 - ZYNRELEF is separately reimbursed for Medicare patients in the HOPD under 3-year transitional pass-through status
 - ZYNRELEF is the only local anesthetic with separate reimbursement in the HOPD
 - With pass-through status, the economic benefits vs Exparel in 340B and HOPD more than double
 - 72% of indicated procedures were performed in outpatient settings in 2021 (59% in HOPD, 13% in ASC)^a
- Effective January 1, 2022 - ZYNRELEF is separately reimbursed for Medicare patients in the ASC and a product specific C-code (C9088) is assigned
- Multiple commercial payers and state Medicaid agencies covering >123 million lives have agreed to reimburse ZYNRELEF outside of the surgical packaged payment in the ASC
 - Many of these covered lives are also reimbursed separately in the HOPD
- ZYNRELEF's lower price benefits all settings of care, including those in which local anesthetics are reimbursed as part of the surgical packaged payment

HOPD: Hospital Outpatient Department; **ASC:** Ambulatory Surgical Center

^a Based on third party claims data

Please see **IMPORTANT SAFETY INFORMATION** on pages 25 and 26 and full Prescribing Information, including **Boxed Warning**.

ZYNRELEF's Economic Benefits Significantly Lower Hospital Costs, While Improving the Standard of Care

ZYNRELEF	WAC	340B	Exparel	WAC	340B
400 mg/12 mg	\$267.50	\$205.36	266 mg (20 mL)	\$354.53	\$354.53
200 mg/6 mg	\$135.50	\$104.14	133 mg (10 mL)	\$198.84	\$198.84

ZYNRELEF Savings vs Exparel

WAC \$/unit	WAC %	340B \$/unit	340B %
~ \$87	25%	~\$149	42%
~ \$63	32%	~\$95	48%

Medicare NCR By Site of Care*

	NCR 340B	NCR HOPD	ASC
ZYNRELEF 400 mg/12 mg	\$73.44	\$11.30	\$11.30
Exparel 266 mg	(\$354.53)	(\$354.53)	\$1.92
ZYNRELEF 200 mg/6 mg	\$35.26	\$3.90	\$3.90
Exparel 133 mg	(\$198.84)	(\$198.84)	(\$20.62)

Does not include additional cost of bupivacaine to admix with Exparel to achieve efficacy

ZYNRELEF Economic Benefit vs. Exparel*

- 340B accounts: ~ \$428 (400 mg to 266 mg) and ~ \$234 (200 mg to 133 mg)
- HOPD accounts: ~ \$366 (400 mg to 266 mg) and ~ \$203 (200 mg to 133 mg)
- Example, 340B facility performing 250 HOPD Medicare TKAs per month save over \$1 million in out-of-pocket Exparel costs and make ~ \$220,000 in profit by switching to ZYNRELEF
- Lower acquisition cost also seen as significant advantage**

*Estimates Comparing WAC (or 340B) acquisition cost to published ASP reimbursement for Medicare patients to calculate NCR based on ZYNRELEF Q2'22 rate and Exparel Q1'22 rate. Medicare reimbursement is subject to sequestration.

WAC: wholesale acquisition cost. NCR: net cost recovery. HOPD: hospital outpatient department. ASC: ambulatory surgical center.

**DRG Research Pricing Research 2018 and Mock P&T Research 2019