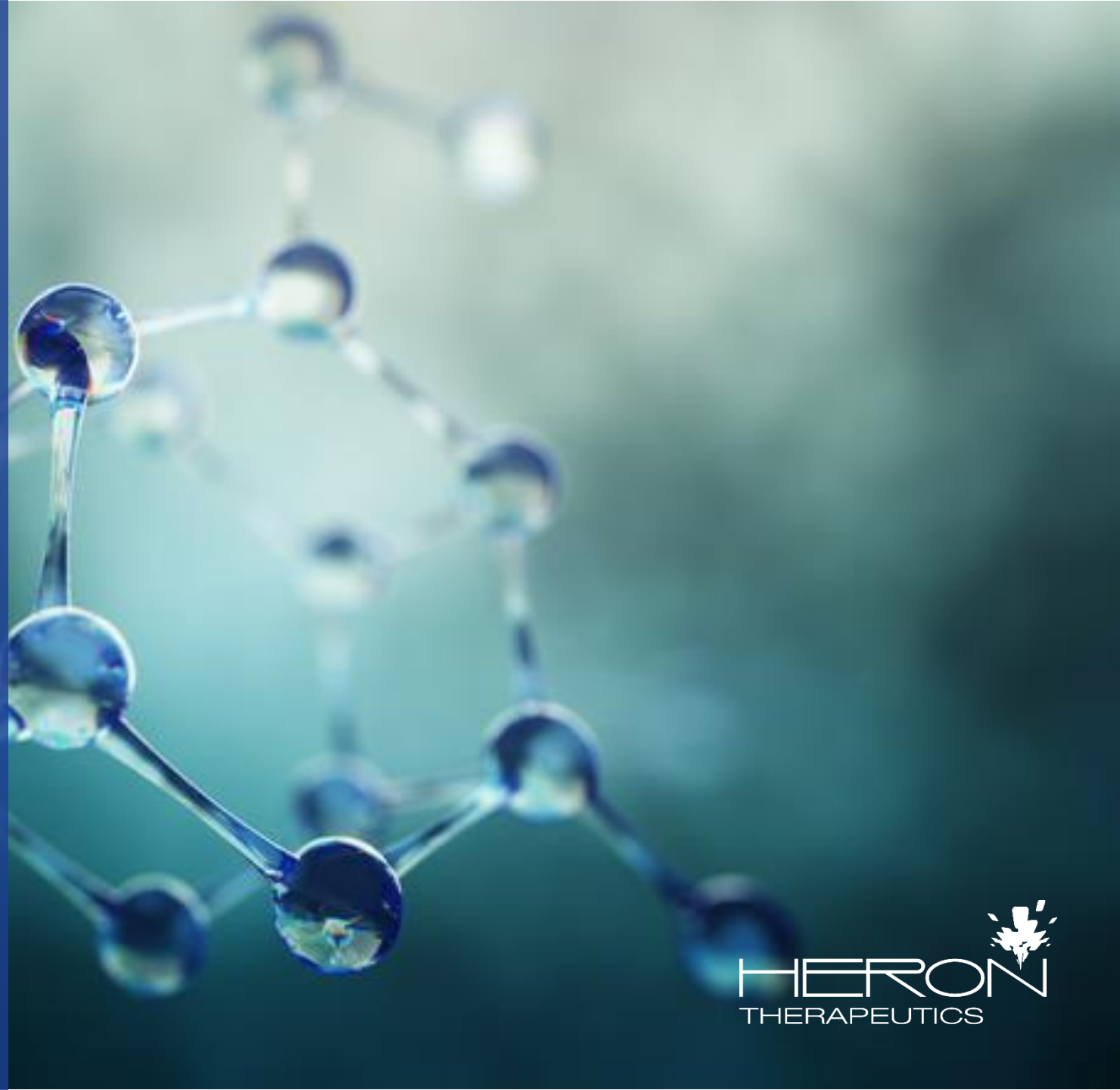


Heron Therapeutics

Q4 Earnings Call

February 27, 2025



HERON
THERAPEUTICS 

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 OPPS 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; 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

Milestone Year for Heron



- 1 Announced partnership with CrossLink Network, LLC (“Crosslink”) to expand promotional effort for ZYNRELEF®
- 2 FDA approval of expanded ZYNRELEF label indication including additional orthopedic and soft tissue procedures
- 3 ZYNRELEF included in CMS’ Final Rule for the NOPAIN Act with favorable reimbursement limit
- 4 FDA approval and launch of the ZYNRELEF Vial Access Needle (“VAN”)
- 5 U.S. District Court ruled in favor of Heron in patent lawsuit against Fresenius Kabi USA, LLC and upheld the validity of CINVANTI® patents



Q4 and 2024 FY Financial Achievements

1

Achieved Q4 2024 GAAP Net Income of \$3.6 million

2

Generated full-year 2024 Net Revenue of \$144.2 million, up 14% year-over-year

3

Delivered full-year 2024 adjusted EBITDA of \$8.6 million

4

CINVANTI achieved Q4 Net Revenue of \$26.9 million, a 19% increase over Q3

5

ZYNRELEF achieved Net Revenue of \$8.5 million, a 33% increase over Q3

Financial Trends 2022-Present

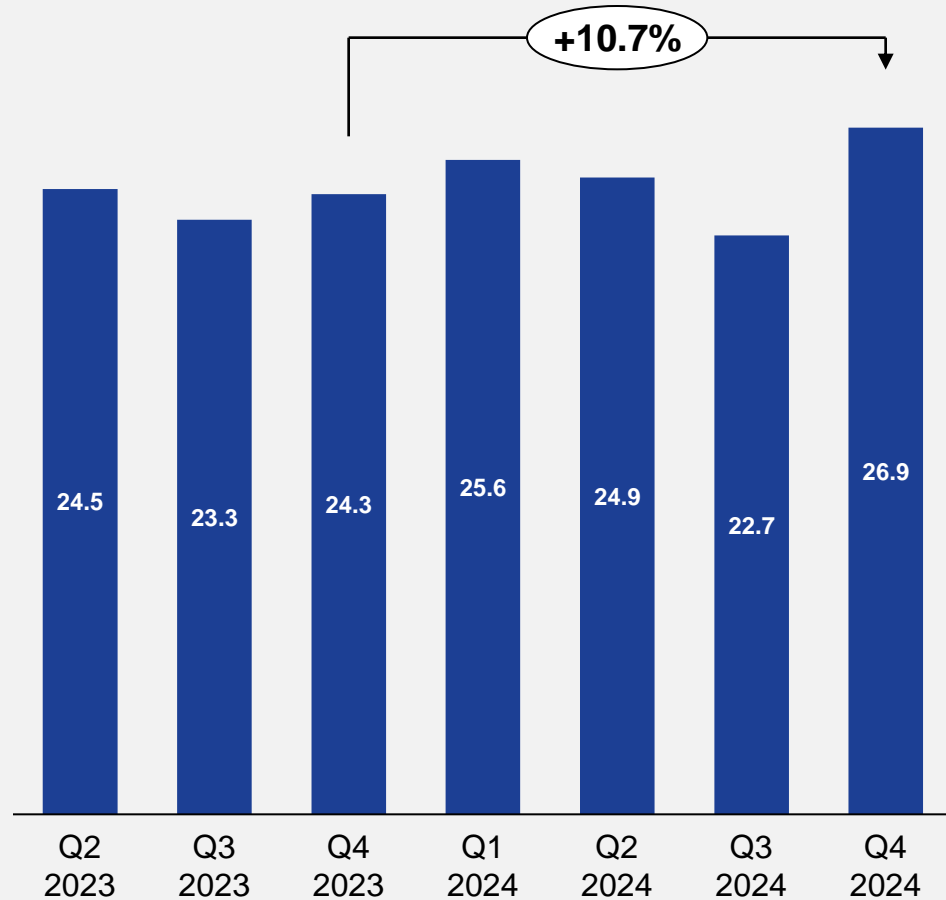
(\$Thousands)	2022	2023	2024
Net Revenue	107,672	127,044	144,285
Cost of Product Sales	54,875	65,105	38,648
Gross Profit	52,798	61,939	105,637
Gross Margin %	49%	49%	73%
Research & Development	70,098	29,963	12,522
General & Administrative	42,403	48,733	46,109
Selling & Marketing	69,086	58,104	43,081
Total Operating Expenses (Cash expenses)	181,587	136,801	101,712
EBITDA	(128,789)	(74,862)	3,925
Stock Based Compensation	42,980	32,854	12,962
D&A	2,889	2,899	2,492
Loss from operations	(174,658)	(110,615)	(11,528)
Ending Cash Balance	84,852	80,409	59,284

Product Performance Update

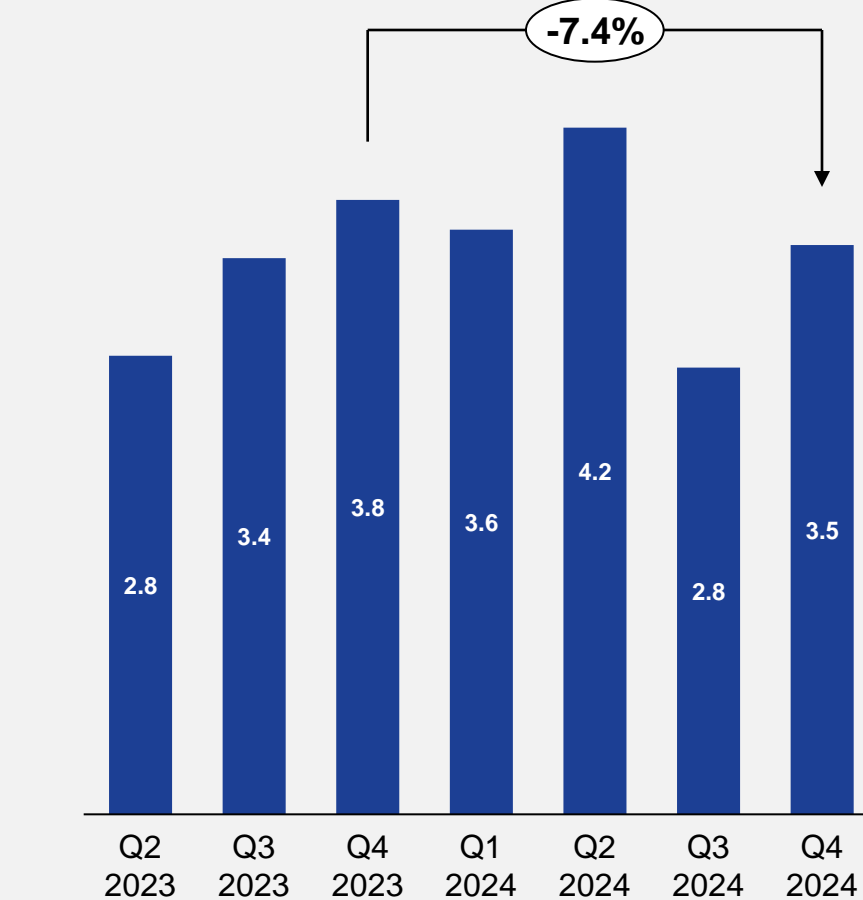
Oncology Care Franchise Net Sales

3 months ended December 31, 2024: \$30.4 million

CINVANTI® Net Sales



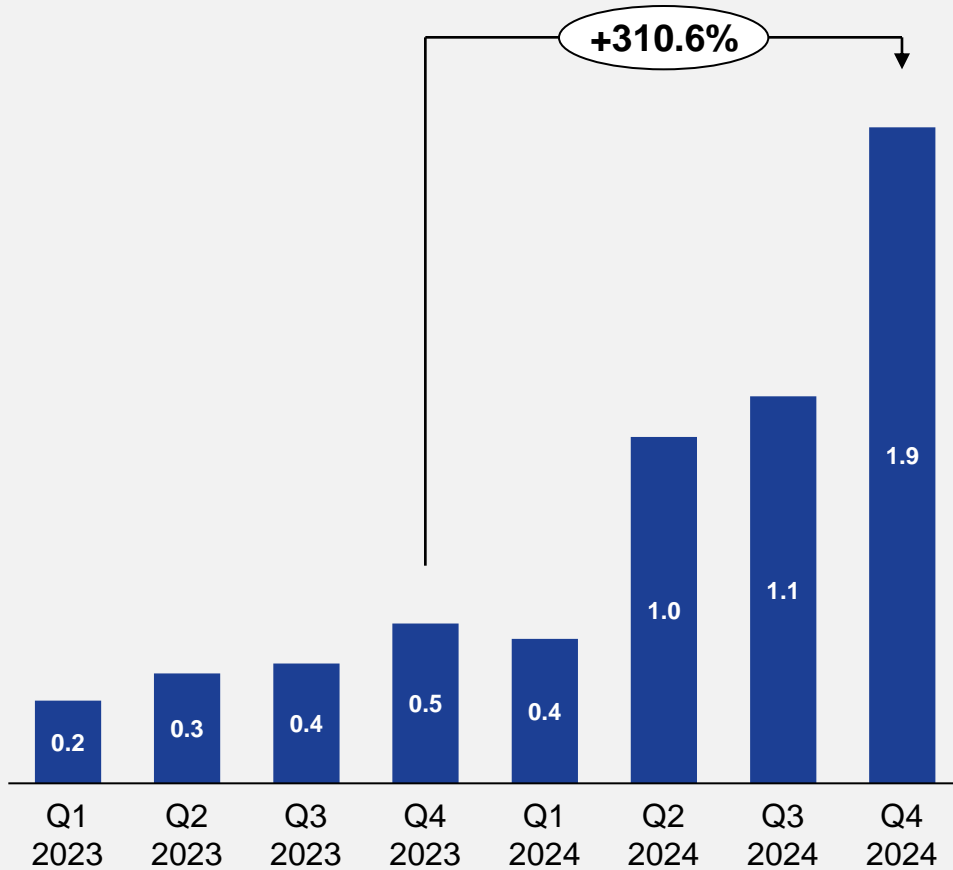
SUSTOL® Net Sales



Acute Care Franchise Net Sales

3 months ended December 31, 2024: \$10.4 million

APONVIE® Net Sales

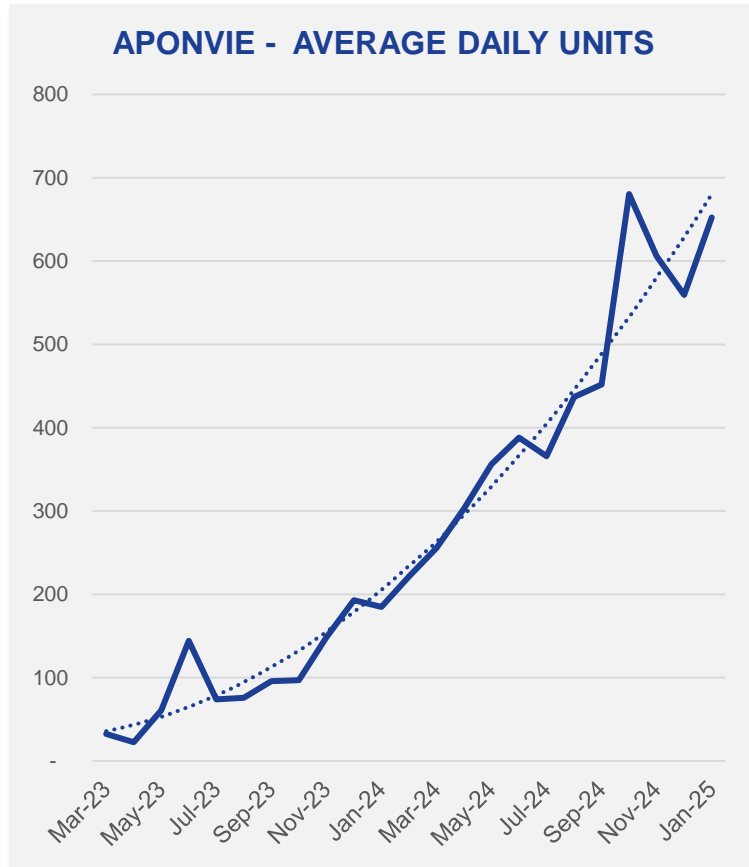


ZYNRELEF® Net Sales

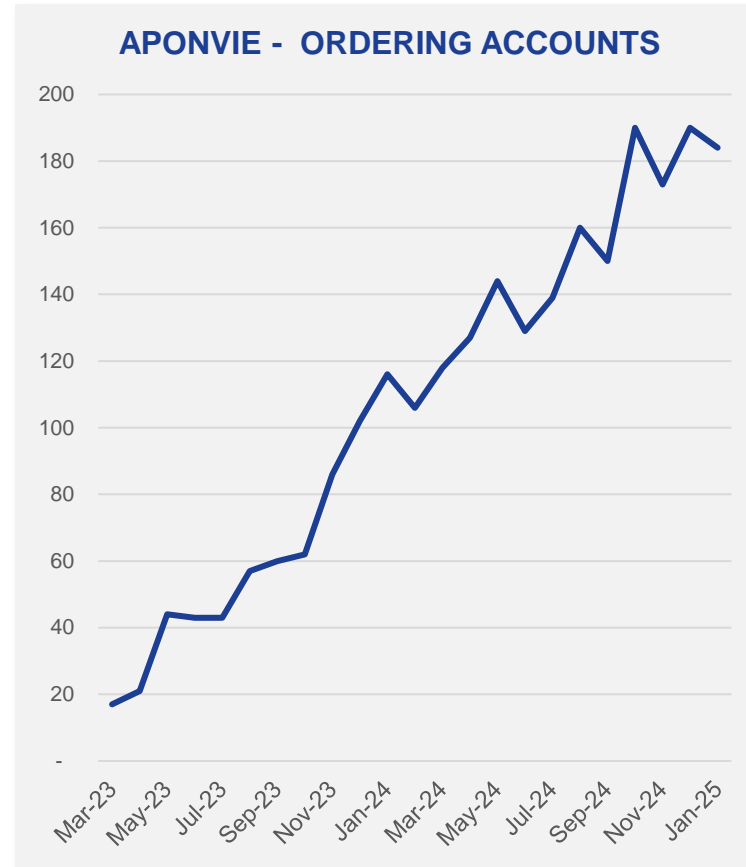


APONVIE: Gaining Momentum through Team Alignment

Beginning 2025 on a new growth trajectory



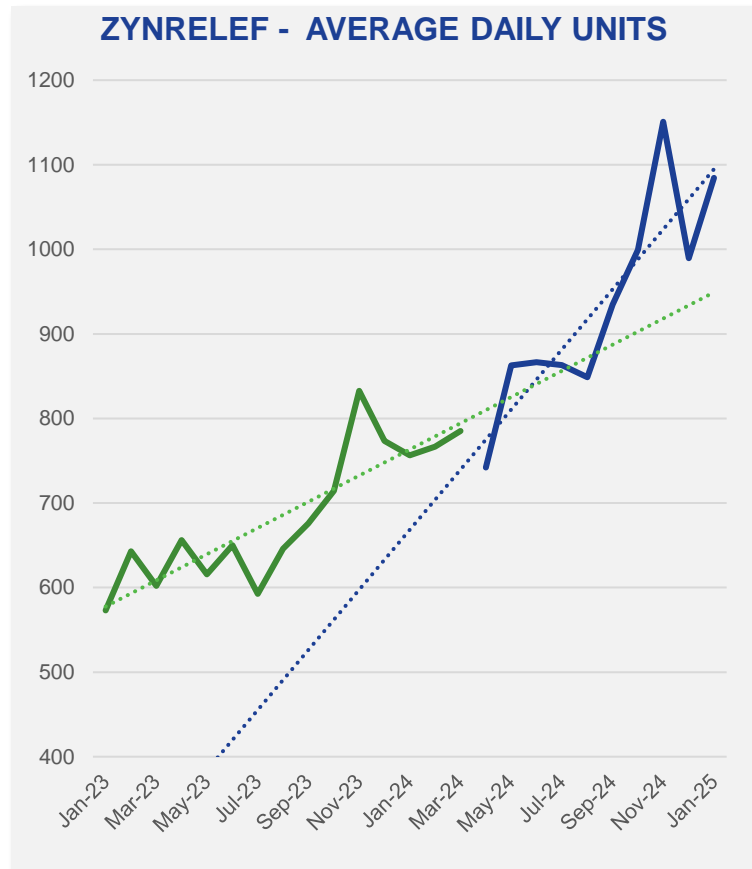
An upward trend in growth of Average Daily Units throughout 2024 aligns with implementation of *One Heron* strategy



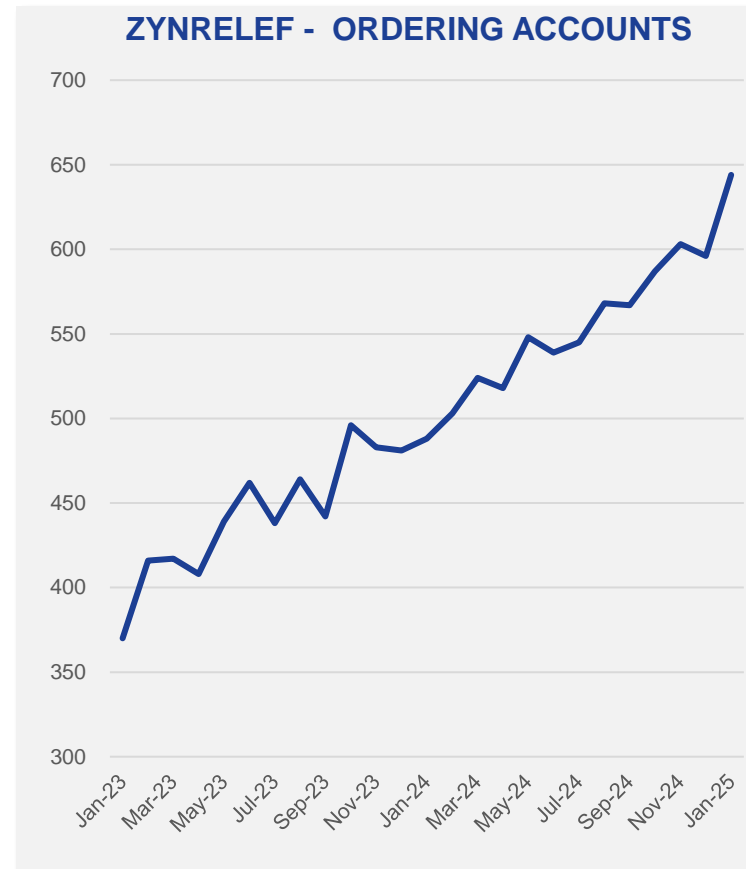
Steady growth in number of accounts ordering APONVIE each month, up ~60% from January 2024

ZYNRELEF: The Stage is Set for Exponential Growth

Multiple drivers contributing to increasing adoption



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



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

Finance



Select Financial Results

In \$K	QTD Q4 2024	YTD Q4 2024	QTD Q4 2023	YTD Q4 2023
Net Product Sales	\$ 40,781	\$144,285	\$ 34,233	\$ 127,044
Cost of Product Sales	10,229	38,648	9,885	65,105
Gross profit	30,552	105,637	24,348	61,939
Operating Expenses:				
Research and development	3,178	16,683	7,803	39,133
General and administrative	12,144	53,397	14,437	65,778
Sales and marketing	11,057	47,085	12,328	67,643
Total operating expense	26,379	117,165	34,568	172,554
Income (loss) from operations	\$ 4,173	\$ (11,528)	\$ (10,220)	\$ (110,615)
Cash and short-term investments		\$ 59,283		\$ 80,409

YTD Adjusted EBITDA

In \$K	GAAP Actuals YTD 2024	Depreciation	Stock-Based Compensation	Inventory Reserve & Write-Off	Asset Write-Off	Adjusted YTD 2024
Net Product Sales	\$ 144,285	\$ -	\$ -	\$ -	\$ -	\$ 144,285
Cost of Product Sales	38,648	2,117	-	2,474	-	34,057
Gross profit	105,637	(2,117)	-	(2,474)	-	110,159
Operating Expenses:						
Research and development	16,683	189	1,856	-	2,210	12,428
General and administrative	53,397	149	7,138	-	-	46,110
Sales and marketing	47,085	37	3,968	-	-	43,080
Total Operating Expense	117,165	375	12,962	-	2,210	101,618
(Loss) Income from Operations	\$ (11,528)	\$ (2,492)	\$ (12,962)	\$ (2,474)	\$ (2,210)	\$ 8,610

Financial Guidance for 2025

Item	2025 Full-Year Guidance for Net Revenue and Adjusted EBITDA (in millions)
Net Revenue	\$153.0 to 163.0
Adjusted EBITDA [^]	\$0.0 to \$8.0
[^] Excludes Stock-Based Compensation, Depreciation and Amortization	

Questions

Addendum

2023 GAAP to Non-GAAP Reconciliation

In \$K	GAAP Actuals YTD 2023	Depreciation	Stock-Based Compensation	Adjusted YTD 2023
Net Product Sales	\$ 127,044	\$ -	\$ -	\$127,044
Cost of Product Sales	65,105	-	-	65,105
Gross profit	61,939	-	-	61,939
Operating Expenses:				
Research and development	39,133	2,665	6,505	29,963
General and administrative	65,778	198	16,846	48,734
Sales and marketing	67,643	36	9,503	58,104
Total Operating Expense	172,554	2,899	32,854	136,801
Loss from Operations	\$ (110,615)	\$ (2,899)	\$ (32,854)	\$ (74,862)

2022 GAAP to Non-GAAP Reconciliation

In \$K	GAAP Actuals YTD 2022	Depreciation	Stock-Based Compensation	Adjusted YTD 2022
Net Product Sales	\$ 107,672	\$ -	\$ -	\$107,672
Cost of Product Sales	54,874	-	-	54,874
Gross profit	52,798	-	-	52,798
Operating Expenses:				
Research and development	82,704	2,581	10,025	70,098
General and administrative	62,239	284	19,552	42,403
Sales and marketing	82,513	24	13,403	69,086
Total Operating Expense	227,456	2,889	42,980	181,587
Loss from Operations	\$ 174,658	\$ (2,889)	\$ (42,980)	\$ (128,789)