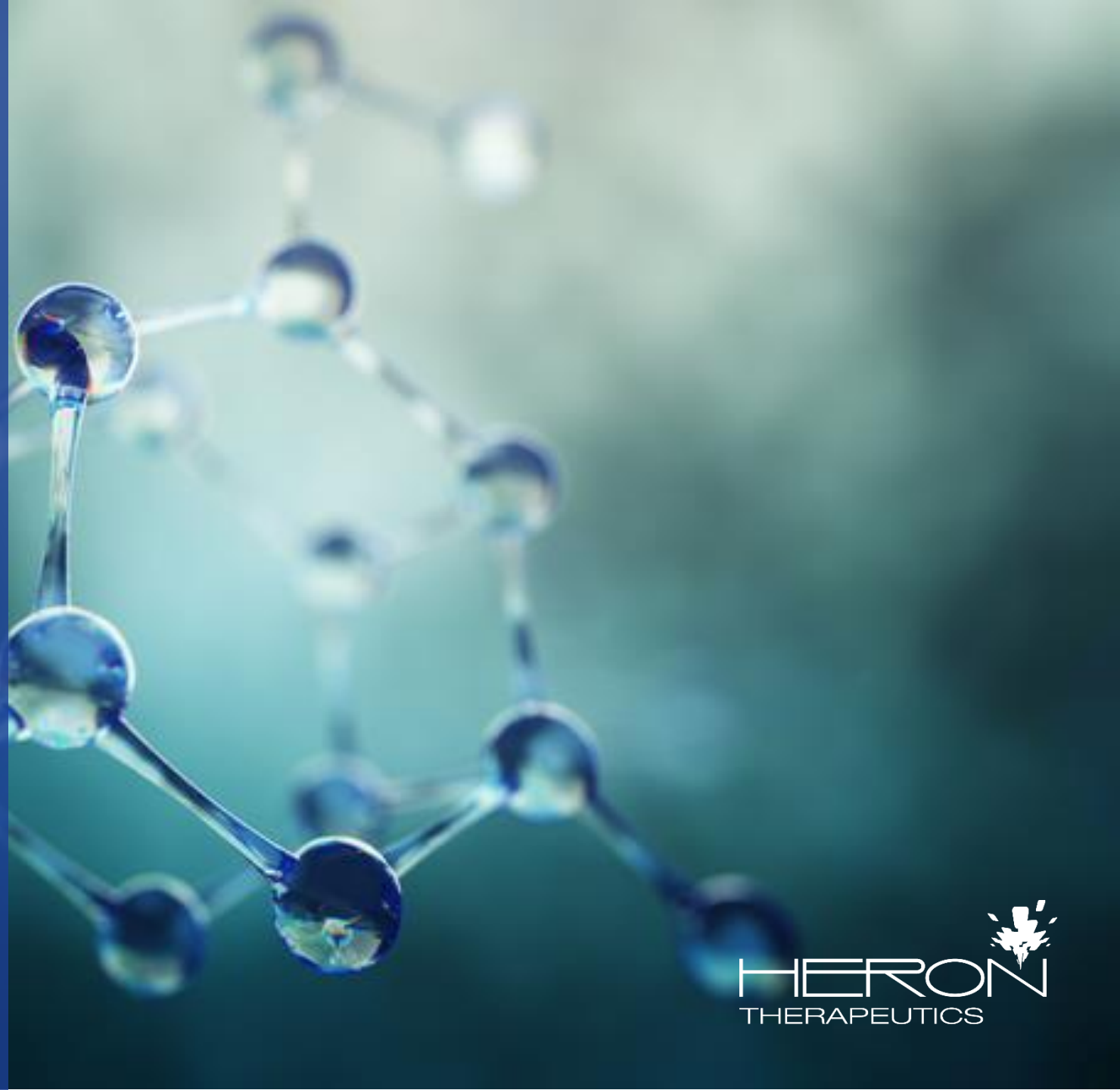
Heron Therapeutics

Q4 Earnings Call

March 12, 2024



Forward-looking Statements and non-GAAP Disclosures

This presentation contains “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. 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. Therefore, you should not place undue reliance on forward-looking statements. 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 results of the commercial launch of APONVIE; the potential additional market opportunity for the expanded U.S. label for ZYNRELEF; the timing of the Company’s development of the VAN program and receipt of required regulatory approvals; our ability to establish and maintain successful commercial arrangements like our co-promotion agreement CrossLink Life Sciences; the outcome of the Company’s pending ANDA litigation; 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. Reconciliations of adjusted EBITDA and adjusted operating expenses to the most directly comparable GAAP financial measures are included in this presentation. The Company has not provided a reconciliation of its full-year 2024 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, acquisition related expense and litigation settlements. 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

HERON THERAPEUTICS

Heron Therapeutics 2023 Achievements

HERON THERAPEUTICS®
Developing Best-in-Class Medicine. Improving Lives.®

1. New management team and cost cutting measures in place;
   Operating expenses (excluding stock compensation and depreciation and amortization) reduced from $182M (2022), $135M (2023), $108-116M (2024)
2. Gross margin improvement from the 50% range historically to over 70%
   Completed capital raise - $30M in Equity and $50M in debt, pulled down $25M ($55M in total);
   Current cash and cash equivalents/investments at the end of December was over $80M
3. Vial Access Needle (VAN) and Prefilled Syringe (PFS) are all budgeted and making progress
4. 2023 oncology care franchise revenue was $107.9 million, exceeding full-year 2023 guidance
   ZYNRELEF achieved quarterly record of $5.6 million in Q4 Net Product Sales
5. Announced partnership with CrossLink Life Sciences, LLC to expand ZYNRELEF promotional efforts on January 7, 2024; January 23, 2024 label expansion

Product Performance Update

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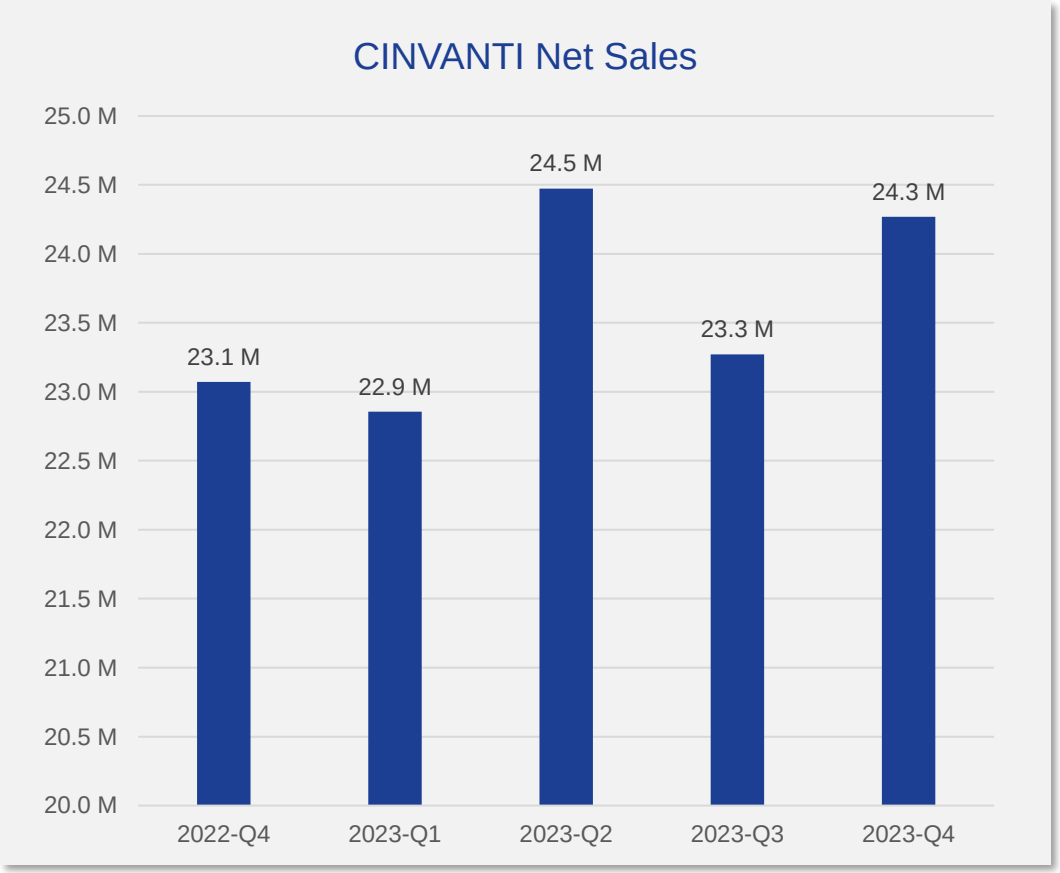
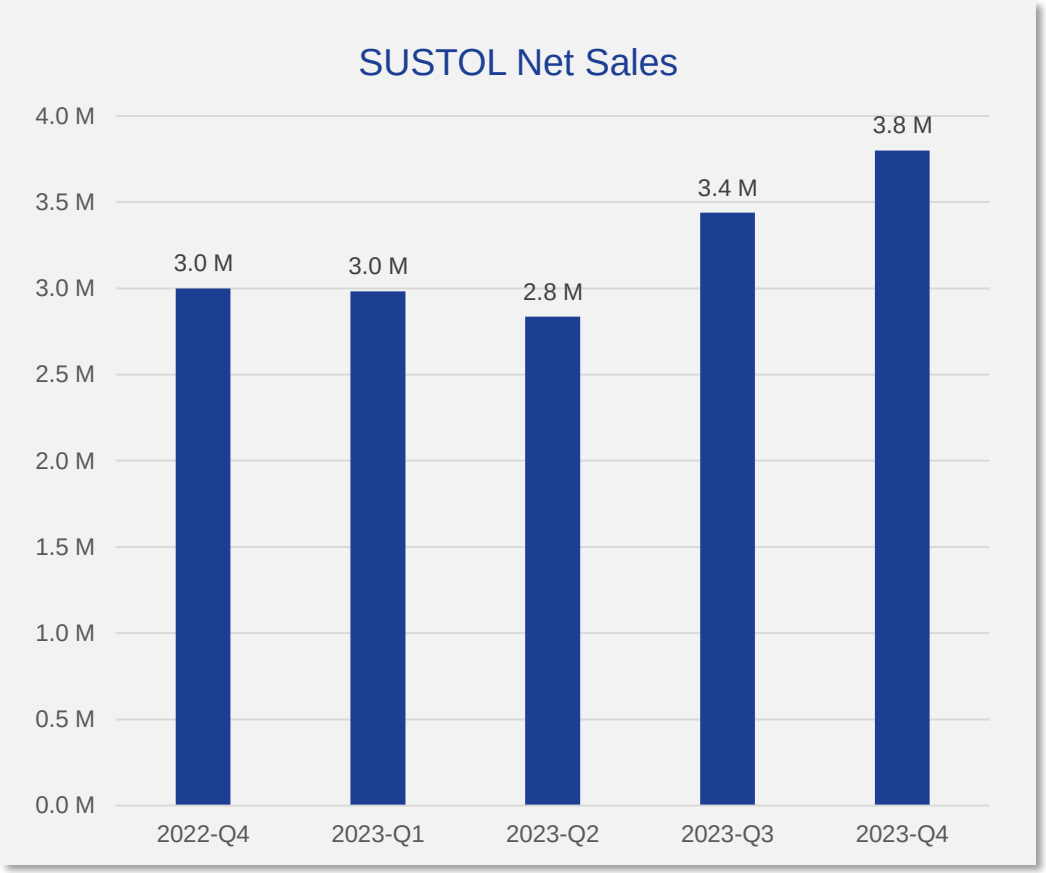
Oncology Care Franchise Net Sales

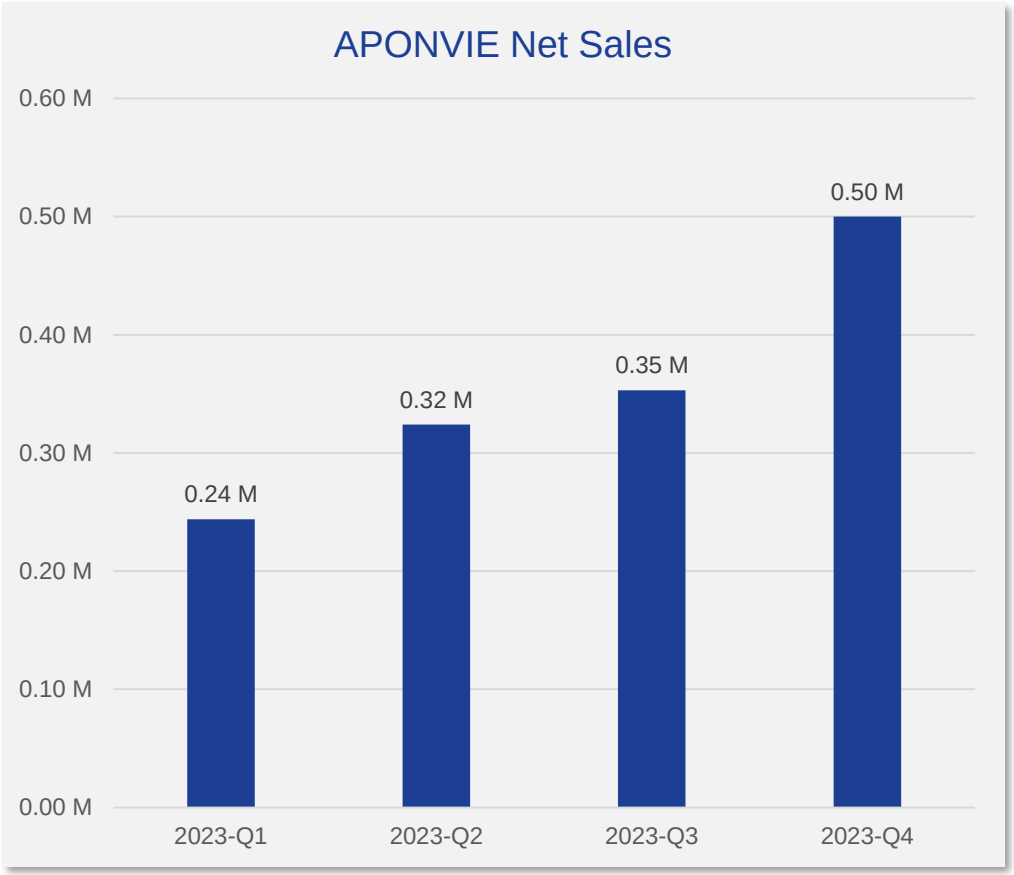
3 months ended December 31, 2023: $28.1 million
12 months ended December 31, 2023: $107.9 million

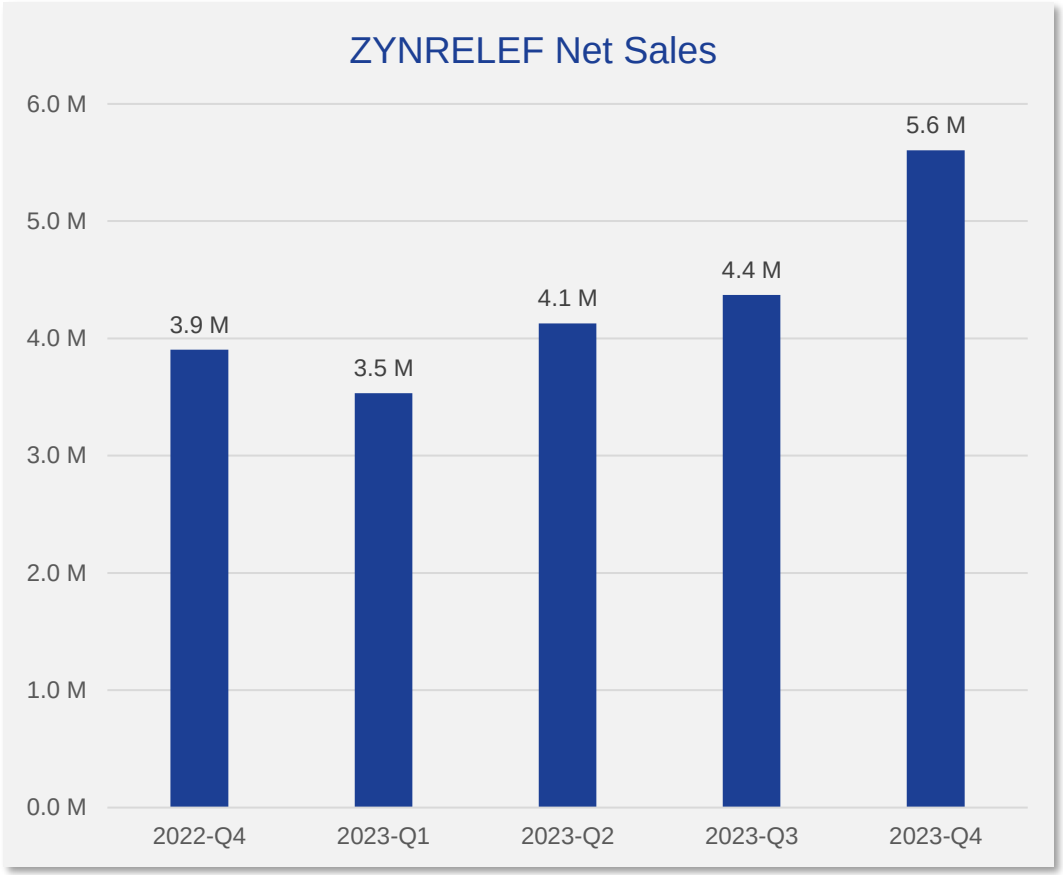




Acute Care Franchise Net Sales

3 months ended December 31, 2023: $6.1 million
12 months ended December 31, 2023: $19.1 million

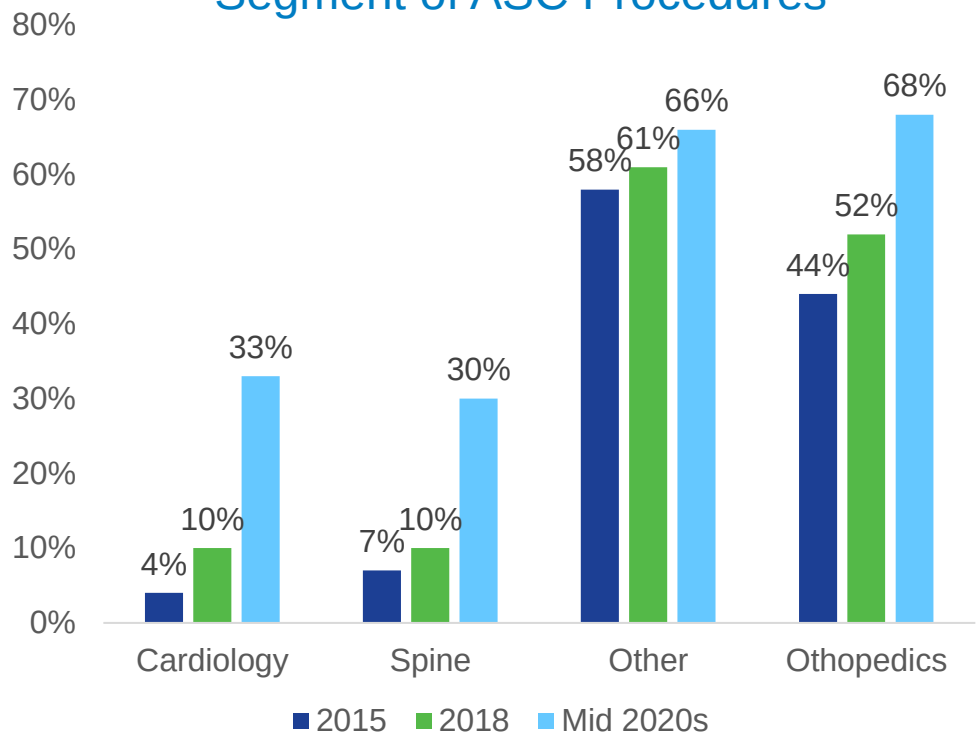




Ambulatory Surgery Center (ASC) Opportunity

- Total number of ASCs in the country – 6000+
  - ASC's are independent centers operating outside the hospital setting, a majority physician-owned
  - 60% of all outpatient surgical procedures were performed at ASCs in 2020
- CrossLink has a significant footprint in this setting and strong relationships
- Orthopedic procedure volume is trending toward ASCs

Orthopedics Among Fastest Growing Segment of ASC Procedures



Enhanced Recovery After Surgery (ERAS) with ZYNRELEF and APONVIE

Two *best in class* long-acting medications for the two most common concerns of patients and clinicians after surgery **postoperative pain** and **postoperative nausea and vomiting**

- Enhanced Recovery After Surgery (ERAS) Protocols

  Evidence-based practices that improve patient outcomes, including reduced opioid consumption, decreased post-operative nausea and vomiting (PONV), and decreased hospital length of stay

  - ZYNRELEF and APONVIE can provide the long-acting FOUNDATION for enhanced recovery
  - May improve patient satisfaction, clinical outcomes, and quality of life
  - May decrease risk of development of chronic pain and chronic opioid use

- Positive Financial Impact

  - Separately Payable HOPD/ASC by CMS (ZYNRELEF and APONVIE) and many commercial payors covering ZYNRELEF in the outpatient surgical setting
  - LOS (Discharge Readiness)
  - Readmission (Post Discharge Nausea Vomiting/Post Operative Pain)

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APONVIE: Broadening Provider Awareness and Patient Impact

- **APONVIE –Long Acting (48h) Safe and Effective PONV Prophylaxis**
  - Incidence of PONV is 30% can reach up to 80% in high-risk populations
    - PONV #1 ranked most undesirable effect by patients, also presents clinical risks, can lead to increase LOS, readmissions, and surgical complications
  - **65 million** diagnostic and surgical procedures at risk for PONV in U.S. annually
    - 50% of those procedures are **moderate** to **high risk**
  - Cochrane-Metanalysis (97,516 Patients) Ranked Aprepitant #1 most effective antiemetic
  - Incorporation of APONVIE into guideline directed multi-modal PONV prophylaxis offers superior efficacy with enhanced safety by avoidance common overlapping antiemetic side effects (QT Prolongation, Sedation, Anticholinergic Effects, EPS)
  - APONVIE 30-Second IVP and rapid target receptor occupancy allows for acute peri-operative decision making and administration

PONV Guideline Update Expected 2024 (Education/Awareness)

ZYNRELEF: Broadening Provider Awareness and Patient Impact

- **ZYNRELEF – Long Acting (72h) Safe and Effective Foundation of Multi-Modal Analgesia**
  - Label Expansion **Approved** January 23, 2024
    - ZYNRELEF is indicated in adults for instillation to produce postsurgical analgesia for up to 72 hours after soft tissue and orthopedic procedures including foot and ankle, and other procedures in which direct exposure to articular cartilage is avoided.
  - Formulary Substitutions (Expanded Label)
  - 3rd Party Data
  - Accrediting Bodies (Joint Commission) Opioid Stewardship
  - NOPAIN Act (**The NOPAIN Act expands patient and provider access** to FDA-approved non-opioids in all outpatient surgical settings beginning in 2025 by providing separate Medicare reimbursement for non-opioid therapies)
  - Opioid Settlement $53 Billion (Awareness/Prevention/Treatment)
  - Crosslink Partnership

ZYNRELEF Regulatory and Development Offer Continued Expansion of Opportunity

2024-2026 Milestones

sNDA PDUFA

Expanded label almost doubled ZYNRELEF opportunity to ~13M procedures

January 23, 2024

Vial Access Needle (VAN) Approval

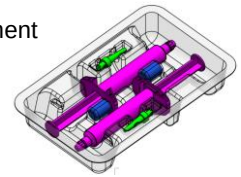
VAN reduces withdrawal time from >1 minute to 20-30 seconds

Q4 2024

Prefilled Syringe (PFS) Approval

Perceived as the most meaningful improvement given potential to more rapidly administer intra-operatively in market research*

Q4 2026



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New VAN designed to facilitate ZYNRELEF product withdrawal based on HCP feedback

Market research and customer feedback since launch suggests current Vented Vial Spike (VVS) can be cumbersome and an improvement in withdrawal would be significant and increase adoption.

*"This profile improvement is a 10/10 in increasing my desire to prescribe as it would help shorten my OR time." – Surgeon**

*Market research conducted in September 2023

Finance

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2023 and 2022 Adjusted Op. Expenses

In $K	GAAP Actuals FY2023	Zynrelef Write-Offs	Restructuring*	Stock Based Compensation **	Depreciation & Amort	Adjusted FY 2023	Var Adj 2023 vs Adj 2022
Net Product Sales	127,044					127,044	19,372
Cost of Product Sales	65,105	20,300				44,805	(1,169)
Gross Profit	61,939					82,239	20,541
Operating Expenses							
Research & Development	55,897		4,063	9,419	2,665	39,750	(43,437)
General & Administrative	49,014		7,329	7,593	199	33,893	8,657
Sales & Marketing	67,643		6,249	7,101	35	54,258	(13,883)
Total Operating Expenses	172,554					127,901	(48,664)
Loss from Operations	(110,615)	20,300	17,641	24,113	2,899	(45,662)	69,205

In $K	GAAP Actuals FY2022	Zynrelef Write-Offs	Restructuring*	Stock Based Compensation **	Depreciation & Amort	Adjusted FY 2022
Net Product Sales	107,672					107,672
Cost of Product Sales	54,874	8,900				45,974
Gross Profit	52,798					61,698
Operating Expenses						
Research & Development	107,506		4,209	17,528	2,581	83,188
General & Administrative	37,437		229	11,688	284	25,236
Sales & Marketing	82,513		965	13,383	24	68,141
Total Operating Expenses	227,456					176,565
Loss from Operations	(174,658)	8,900	5,403	42,599	2,889	(114,867)

*Includes stock-based compensation related to Restructuring

** Excludes stock based compensation related to Restructuring

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Reaffirm 2024 Guidance

$M	2024
Revenues	$138M- $158M
Gross Profit	$94M - $111M
Gross Margin	70%+
Cash OpEx	$108M - $116M
EBITDA (excluding stock compensation)	$(22M) - $3M

Questions

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