UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-33221

HERON THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-2875566**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4242 Campus Point Court, Suite 200 San Diego, CA	**92121**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(858) 251-4400**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	HRTX	The Nasdaq Capital Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☑
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares of the registrant's common stock, par value $0.01 per share, outstanding as of May 2, 2024 was 150,653,158.

HERON THERAPEUTICS, INC.

FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

HERON THERAPEUTICS, INC.

Condensed Consolidated Balance Sheets
(In thousands)

	March 31, 2024 (Unaudited)	December 31, 2023 (See Note 2)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 20,450	$ 28,677
Short-term investments	51,074	51,732
Accounts receivable, net	65,322	60,137
Inventory	42,473	42,110
Prepaid expenses and other current assets	6,584	6,118
Total current assets	185,903	188,774
Property and equipment, net	19,306	20,166
Right-of-use lease assets	4,794	5,438
Other assets	7,884	8,128
Total assets	$ 217,887	$ 222,506
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 837	$ 3,240
Accrued clinical and manufacturing liabilities	19,943	22,291
Accrued payroll and employee liabilities	7,647	9,224
Other accrued liabilities	43,814	41,855
Current lease liabilities	3,137	3,075
Total current liabilities	75,378	79,685
Non-current lease liabilities	2,045	2,800
Non-current notes payable, net	24,447	24,263
Non-current convertible notes payable, net	149,542	149,490
Other non-current liabilities	241	241
Total liabilities	251,653	256,479
Stockholders' deficit:		
Common stock	1,504	1,503
Additional paid-in capital	1,873,910	1,870,525
Accumulated other comprehensive (loss)/income	(6)	13
Accumulated deficit	(1,909,174)	(1,906,014)
Total stockholders' deficit	(33,766)	(33,973)
Total liabilities and stockholders' deficit	$ 217,887	$ 222,506

See accompanying notes.

HERON THERAPEUTICS, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2024	2023
Revenues:		
Net product sales	$ 34,670	$ 29,615
Cost of product sales	8,444	16,854
Gross profit	26,226	12,761
Operating expenses:		
Research and development	4,608	8,836
General and administrative	14,974	15,834
Sales and marketing	11,442	21,154
Total operating expenses	31,024	45,824
Loss from operations	(4,798)	(33,063)
Other income, net	1,638	295
Net loss	(3,160)	(32,768)
Other comprehensive loss:		
Unrealized (losses) gains on short-term investments	(19)	28
Comprehensive loss	$ (3,179)	$ (32,740)
Basic and diluted net loss per share	$ (0.02)	$ (0.27)
Weighted average common shares outstanding, basic and diluted	151,199	119,246

See accompanying notes.

HERON THERAPEUTICS, INC.

Condensed Consolidated Statements of Stockholders' Deficit
(Unaudited)
(In thousands)

	Common Stock					
	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
Balance as of December 31, 2023 (audited)	150,285	$ 1,503	$ 1,870,525	$ 13	$ (1,906,014)	$ (33,973)
Issuance of common stock under equity incentive plan	93	1	10	—	—	11
Stock-based compensation expense	—	—	3,375	—	—	3,375
Net loss	—	—	—	—	(3,160)	(3,160)
Net unrealized gains on short-term investments	—	—	—	(19)	—	(19)
Comprehensive loss						(3,179)
Balance as of March 31, 2024 (unaudited)	150,378	1,504	1,873,910	(6)	(1,909,174)	(33,766)

	Common Stock					
	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
Balance as of December 31, 2022 (audited)	119,155	$ 1,191	$ 1,807,855	$ (19)	$ (1,795,455)	$ 13,572
Issuance of common stock under equity incentive plan	125	2	(210)	—	—	(208)
Stock-based compensation expense	—	—	7,947	—	—	7,947
Net loss	—	—	—	—	(32,768)	(32,768)
Net unrealized losses on short-term investments	—	—	—	28	—	28
Comprehensive loss						(32,740)
Balance as of March 31, 2023 (unaudited)	119,280	1,193	1,815,592	9	(1,828,223)	(11,429)

See accompanying notes.

HERON THERAPEUTICS, INC.

Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2024	**2023**
Operating activities:		
Net loss	$ (3,160)	$ (32,768)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	3,375	7,947
Depreciation and amortization	689	718
Amortization of debt discount	88	—
Amortization of debt issuance costs	52	51
Accretion of discount on short-term investments	(638)	(474)
Impairment of property and equipment	170	154
Changes in operating assets and liabilities:		
Accounts receivable	(5,185)	601
Inventory	(363)	2,514
Prepaid expenses and other assets	(222)	906
Accounts payable	(2,403)	840
Accrued clinical and manufacturing liabilities	(2,347)	(3,195)
Accrued payroll and employee liabilities	(1,577)	(3,906)
Other accrued and other non-current liabilities	2,005	1,712
Net cash used in operating activities	(9,516)	(24,900)
Investing activities:		
Purchases of short-term investments	(37,892)	(13,942)
Maturities and sales of short-term investments	39,170	51,000
Purchases of property and equipment	—	(224)
Net cash provided by investing activities	1,278	36,834
Financing activities:		
Payments for stock issued under the equity incentive plan	11	(208)
Net cash provided by (used in) financing activities	11	(208)
Net (decrease) increase in cash and cash equivalents	(8,227)	11,726
Cash and cash equivalents at beginning of period	28,677	15,364
Cash and cash equivalents at end of period	$ 20,450	$ 27,090
Supplemental disclosure of cash flow information:		
Interest paid	$ 649	$ —

See accompanying notes.

In this Quarterly Report on Form 10-Q, all references to "Heron," the "Company," "we," "us," "our" and similar terms refer to Heron Therapeutics, Inc. and its wholly owned subsidiary, Heron Therapeutics B.V. Heron Therapeutics®, the Heron logo, ZYNRELEF®, APONVIE®, CINVANTI®, SUSTOL®, and Biochronomer® are our trademarks. All other trademarks appearing or incorporated by reference into this Quarterly Report on Form 10-Q are the property of their respective owners.

1. Business

We are 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.

ZYNRELEF (bupivacaine and meloxicam) extended-release solution ("ZYNRELEF") is approved in the United States ("U.S.") for the management of postoperative pain. APONVIE (aprepitant) injectable emulsion ("APONVIE") is approved in the U.S. for the prevention of postoperative nausea and vomiting. CINVANTI (aprepitant) injectable emulsion ("CINVANTI") and SUSTOL (granisetron) extended-release injection ("SUSTOL") are both approved in the U.S. for the prevention of chemotherapy-induced nausea and vomiting.

As of March 31, 2024, we had cash, cash equivalents and short-term investments of $71.5 million. Based on our current operating plan and projections, management believes that the Company's cash, cash equivalents and short-term investments will be sufficient to meet the Company's anticipated cash requirements for a period of at least one year from the date this Quarterly Report on Form 10-Q is filed with the U.S. Securities and Exchange Commission ("SEC").

2. Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the requirements of the SEC for interim reporting. Accordingly, since they are interim statements, they do not include all of the information and disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for other quarters or the year ending December 31, 2024. The condensed consolidated balance sheet as of December 31, 2023 has been derived from the audited financial statements as of that date. For more complete financial information, these condensed consolidated financial statements and the notes thereto should be read in conjunction with the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on March 12, 2024.

Reclassification of Certain Expenses

The condensed consolidated statements of operations and comprehensive loss for the three months ended March 31, 2023 reflects reclassification of certain expenses from research and development to general and administrative expenses to align with the Company's presentation for the three months ended March 31, 2024 as a result of the restructuring implemented in 2023, the realignment of the Company's departments and the function of the expenses incurred. This presentation results in no change to total operating expenses, loss from operations or net loss and no pro forma financial information is necessary.

3. Accounting Policies

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Heron Therapeutics, Inc. and its wholly owned subsidiary, Heron Therapeutics B.V., which was organized in the Netherlands in March 2015. Heron Therapeutics B.V. has no operations and no material assets or liabilities, and there have been no significant transactions related to Heron Therapeutics B.V. since its inception.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. Our significant accounting policies that involve significant judgment and estimates include revenue recognition, investments, inventory and the related reserves, accrued clinical liabilities, income taxes and stock-based compensation. Actual results could differ materially from those estimates.

Cash, Cash Equivalents and Short-Term Investments

Cash and cash equivalents consist of cash and highly liquid investments with contractual maturities of three months or less from the original purchase date.

Short-term investments consist of securities with contractual maturities of greater than three months from the original purchase date. Securities with contractual maturities greater than one year are classified as short-term investments on the condensed consolidated balance sheets, as we have the ability, if necessary, to liquidate these securities to meet our liquidity needs in the next 12 months. We have classified our short-term investments as available-for-sale securities in the accompanying condensed consolidated financial statements. Available-for-sale securities are stated at fair market value, with net changes in unrealized gains and losses reported in other comprehensive income (loss) and realized gains and losses included in other income (expense), net. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in interest income within other income (expense), net.

Our bank and investment accounts have been placed under a control agreement in accordance with our Working Capital Line of Credit (see Note 9).

Concentration of Credit Risk

Cash, cash equivalents and short-term investments are financial instruments that potentially subject us to concentrations of credit risk. We deposit our cash in financial institutions. At times, such deposits may be in excess of insured limits. We have not experienced any losses in such accounts and believe we are not exposed to significant risk with respect to our cash, cash equivalents and short-term investments, however, any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations and cash flows.

We may also invest our excess cash in money market funds, U.S. government and agencies, corporate debt securities and commercial paper. We have established guidelines relative to our diversification of our cash investments and their maturities in an effort to maintain safety and liquidity. These guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates.

ZYNRELEF, APONVIE, CINVANTI and SUSTOL (collectively, our “Products”) are distributed in the U.S. through a limited number of specialty distributors and full line wholesalers (collectively, “Customers”) that resell to healthcare providers and hospitals, the end users of our Products.

The following table includes the percentage of net product sales and accounts receivable balances for our four major Customers, each of which comprised 10% or more of our product sales:

	Net Product Sales Three Months Ended March 31, 2024	Accounts Receivable As of March 31, 2024
Customer A	38.0%	37.0%
Customer B	24.0%	23.0%
Customer C	20.0%	20.0%
Customer D	17.0%	20.0%
Total	99.0%	100.0%

Accounts Receivable, Net

Accounts receivable are recorded at the invoice amount, net of an allowance for credit losses. The allowance for credit losses reflects accounts receivable balances that are believed to be uncollectible. In estimating the allowance for credit losses, we consider (1) our historical experience with collections and write-offs; (2) the credit quality of our Customers and any recent or anticipated changes thereto; (3) the outstanding balances and past due amounts from our Customers; and (4) reasonable and supportable forecast of economic conditions expected to exist throughout the contractual term of the receivable.

Inventory

Inventory is stated at the lower of cost or estimated net realizable value on a first-in, first-out, or FIFO, basis. We periodically analyze our inventory levels and write down inventory that has become obsolete, inventory that has a cost basis in excess of its estimated realizable value and inventory quantities that are in excess of expected sales requirements as cost of product sales. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required, which would be recorded as cost of product sales.

Leases

We determine if an arrangement is a lease or contains lease components at inception. Operating leases with an initial term greater than 12 months are recorded as lease liabilities with corresponding right-of-use (“ROU”) lease assets on the condensed consolidated balance sheets. ROU lease assets represent our right to use the underlying assets over the lease term, and lease liabilities represent the present value of our obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. The ROU lease assets equal the lease liabilities, less unamortized lease incentives, unamortized initial direct costs and the cumulative difference between rent expense and amounts paid under the lease. The lease term includes any option to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense is recognized on a straight-line basis over the lease term. We have elected the practical expedient to not separate lease and non-lease components.

Revenue Recognition

Revenue is recognized in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers* (“Topic 606”). Topic 606 is based on the principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Product Sales

Our Products are distributed in the U.S. through a limited number of Customers that resell to healthcare providers and hospitals, the end users of our Products.

Revenue is recognized in an amount that reflects the consideration we expect to receive in exchange for our Products. To determine revenue recognition for contracts with Customers within the scope of Topic 606, we perform the following five steps: (i) identify the contract(s) with a Customer; (ii) identify the performance obligations of the contract(s); (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract(s); and (v) recognize revenue when (or as) we satisfy the performance obligations. We recognize revenue from Product sales when there is a transfer of control of the Product to our Customers. We typically determine transfer of control based on when the Product is delivered, and title passes to our Customers.

Product Sales Allowances

We recognize product sales allowances as a reduction of product sales in the same period the related revenue is recognized. Product sales allowances are based on amounts owed or to be claimed on the related sales. Such variable consideration includes estimates that take into consideration the terms of our agreements with Customers, historical product returns, rebates or discounts taken, the shelf life of the product and specific known market events, such as competitive pricing and new product introductions. If actual future results vary from our estimates, we may need to adjust these estimates, which could have an effect on product sales and earnings in the period of adjustment. Our product sales allowances include:

- Product Returns—We allow our Customers to return product for credit beginning three months prior to the product expiration date and up to 12 months after the product expiration date. As such, there may be a significant period of time between the time the product is shipped and the time the credit is issued on returned product.
- Distributor Fees—We pay distribution service fees to our Customers based on a contractually fixed percentage of the wholesale acquisition costs and fees for data. These fees are paid no later than two months after the quarter in which product was shipped.
- Group Purchasing Organization (“GPO”) Discounts and Rebates—We offer cash discounts to GPO members. These discounts are taken when the GPO members purchase product from our Customers, who then charge back to us the discount amount. Additionally, we offer volume and contract-tier rebates to GPO members. Rebates are based on actual purchase levels during the quarterly rebate purchase period.
- GPO Administrative Fees—We pay administrative fees to GPOs for services and access to data. These fees are based on contracted terms and are paid after the quarter in which the product was purchased by the GPO's members.
- Medicaid Rebates—We participate in Medicaid rebate programs, which provide assistance to certain low-income patients based on each individual state’s guidelines regarding eligibility and services. Under the Medicaid rebate programs, we pay a rebate to each participating state, generally within six months after the quarter in which the product was sold.
- Prompt Pay Discounts—We may provide discounts on product sales to our Customers for prompt payment based on contractual terms.

We believe our estimated allowance for product returns and GPO discounts requires a high degree of judgment and is subject to change based on our experience and certain quantitative and qualitative factors. We believe our estimated allowances for distributor fees, GPO rebates and administrative fees, Medicaid rebates and prompt pay discounts do not require a high degree of judgment because the amounts are settled within a relatively short period of time.

Our product sales allowances and related accruals are evaluated each reporting period and adjusted when trends or significant events indicate that a change in estimate is appropriate. Changes in product sales allowance estimates could materially affect our results of operations and financial position.

The following table provides disaggregated net product sales (in thousands):

	Three Months Ended March 31,	
	2024	2023
CINVANTI net product sales	$ 25,617	$ 22,855
SUSTOL net product sales	3,615	2,983
ZYNRELEF net product sales	5,013	3,533
APONVIE net product sales	425	244
Total net product sales	$ 34,670	$ 29,615

The following table provides a summary of activity with respect to our product returns, distributor fees and discounts, rebates and administrative fees, which are included in other accrued liabilities on the condensed consolidated balance sheets (in thousands):

	Product Returns	Distributor Fees	Discounts, Rebates and Administrative Fees	Total
Balance at December 31, 2023	$ 4,776	$ 4,419	$ 27,334	$ 36,529
Provision	(1,698)	6,655	49,331	54,288
Payments/credits	(237)	(6,085)	(45,823)	(52,145)
Balance at March 31, 2024	$ 2,841	$ 4,989	$ 30,842	$ 38,672

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. Net changes in unrealized gains and losses on available-for-sale securities are included in other comprehensive income (loss) and represent the difference between our net loss and comprehensive loss for all periods presented.

Net Loss per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period, including pre-funded warrants to purchase shares of common stock. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock and common stock equivalents outstanding for the period determined using the treasury stock method. For purposes of this calculation, stock options, restricted stock units, warrants and shares of common stock underlying convertible notes are considered to be common stock equivalents and are included in the calculation of diluted net loss per share only when their effect is dilutive.

Because we have incurred a net loss for all periods presented in the unaudited condensed consolidated statements of operations and comprehensive loss, the following common stock equivalents were not included in the computation of net loss per share because their effect would be anti-dilutive (in thousands):

	March 31,	
	2024	2023
Stock options outstanding	29,380	21,376
Restricted stock units outstanding	1,973	3,851
Warrants outstanding	298	8,548
Shares of common stock underlying convertible notes outstanding	9,819	9,819

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that we adopt as of the specified effective date. We have evaluated recently issued accounting pronouncements and do not believe any will have a material impact on our condensed consolidated financial statements or related financial statement disclosures.

In December 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09")*, to enhance income tax reporting disclosures and require disclosure of specific categories in the tabular rate reconciliation. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, on

a prospective basis. Early adoption and retrospective application are permitted. We are currently evaluating the impact on our disclosures.

4. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We measure cash, cash equivalents and short-term investments at fair value on a recurring basis. The fair values of such assets were as follows (in thousands):

		Fair Value Measurements at Reporting Date Using		
	Balance at March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market funds	$ 15,271	$ 15,271	$ —	$ —
U.S. Treasury bills and government agency obligations	40,527	40,527	—	—
U.S. corporate debt securities	11,476	—	11,476	—
Foreign corporate debt securities	4,250	—	4,250	—
Total	$ 71,524	$ 55,798	$ 15,726	$ —

		Fair Value Measurements at Reporting Date Using		
	Balance at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market funds	$ 23,441	$ 23,441	$ —	$ —
U.S. Treasury bills and government agency obligations	31,636	31,636	—	—
U.S. corporate debt securities	16,889	—	16,889	—
Foreign corporate debt securities	5,460	—	5,460	
U.S. commercial paper	1,990	—	1,990	—
Foreign commercial paper	993	—	993	—
Total	$ 80,409	$ 55,077	$ 25,332	$ —

We have not transferred any investment securities between the three levels of the fair value hierarchy, during the three months ended March 31, 2024 or March 31, 2023.

As of March 31, 2024, cash equivalents included $5.2 million of available-for-sale securities with contractual maturities of three months or less and short-term investments included $21.4 million of available-for-sale securities with contractual maturities of three months to one year. As of December 31, 2023, cash equivalents included $5.3 million of available-for-sale securities with contractual maturities of three months or less and short-term investments included $51.7 million of available-for-sale securities with contractual maturities of three months to one year. The money market funds as of March 31, 2024 and December 31, 2023 are included in cash and cash equivalents on the condensed consolidated balance sheets.

A company may elect to use fair value to measure accounts receivable, available-for-sale securities, accounts payable, guarantees and issued debt, among others. If the use of fair value is elected, any upfront costs and fees related to the item such as debt issuance costs must be recognized in earnings and cannot be deferred. The fair value election is irrevocable and generally made on an instrument-by-instrument basis, even if a company has similar instruments that it elects not to measure based on fair value. Unrealized gains and losses on existing items for which fair value has been elected are reported as a cumulative adjustment to beginning retained earnings and any changes in fair value are recognized in earnings. We have elected to not apply the fair value option to our financial assets and liabilities.

Financial instruments, including cash, cash equivalents, receivables, inventory, prepaid expenses, other current assets, accounts payable and accrued expenses are carried at cost, which is considered to be representative of their respective fair values because of the short-term maturity of these instruments. Short-term available-for-sale investments are carried at fair value. Our notes payable and convertible notes payable outstanding at March 31, 2024 and December 31, 2023 do not have a readily available ascertainable market value; however, their carrying value, which is measured at carrying value less unamortized debt issuance costs and debt discounts, is considered to approximate their fair value.

5. Short-Term Investments

The following is a summary of our short-term investments (in thousands):

	March 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury bills and government agency obligations	$ 40,533	$ —	$ (6)	$ 40,527
U.S. corporate debt securities	6,298	—	(1)	6,297
Foreign corporate debt securities	4,249	1	—	4,250
U.S. commercial paper	—	—	—	—
Foreign commercial paper	—	—	—	—
Total	$ 51,080	$ 1	$ (7)	$ 51,074

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury bills and government agency obligations	$ 31,625	$ 11	$ —	$ 31,636
U.S. corporate debt securities	11,652	1	—	11,653
Foreign corporate debt securities	5,459	1	—	5,460
U.S. commercial paper	1,991	—	(1)	1,990
Foreign commercial paper	993	—	—	993
Total	$ 51,720	$ 13	$ (1)	$ 51,732

The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. We regularly monitor and evaluate the realizable value of our marketable securities. We did not recognize any impairment losses during the three months ended March 31, 2024 and 2023.

Unrealized gains and losses associated with our investments are reported in accumulated other comprehensive income (loss). Realized gains and losses associated with our investments, if any, are reported in the statements of operations and comprehensive loss. We did not recognize any realized gains or losses during the three months ended March 31, 2024 or March 31, 2023.

6. Inventory

Inventory consists of the following (in thousands):

	March 31, 2024	December 31, 2023
Raw materials	$ 18,075	$ 17,643
Work in process	16,288	14,550
Finished goods	8,110	9,917
Total inventory	$ 42,473	$ 42,110

As of March 31, 2024, total inventory included $27.4 million related to CINVANTI, $11.2 million related to ZYNRELEF, $3.7 million related to SUSTOL and $0.1 million related to APONVIE. As of December 31, 2023, total inventory included $26.4 million related to CINVANTI, $11.2 million related to ZYNRELEF, $4.1 million related to SUSTOL and $0.4 million for APONVIE. For the three months ended March 31, 2023, cost of product sales included charges of $5.3 million primarily relating to the write-off of short-dated ZYNRELEF inventory. There were no such charges incurred during the three months ended March 31, 2024.

7. Leases

As of March 31, 2024, we had an operating lease for 52,148 square feet of laboratory and office space in San Diego, California, with a lease term that expires on December 31, 2025. In October 2021, we entered into a sublease agreement to sublet 23,873 square feet of laboratory and office space. The space was delivered to the subtenant in March 2022. As a result of the sublease agreement, our one five-year option to renew this lease on expiration applies only with respect to our remaining 28,275 square feet of laboratory and office space.

We also have an operating lease through which we sublease 5,840 square feet of office space in Cary, North Carolina, with a lease term that expires on April 30, 2025.

During the three months ended March 31, 2024, we recognized $0.7 million of operating lease expense and we paid $0.8 million for our operating leases. During the three months ended March 31, 2023, we recognized $0.7 million of operating lease expense and we paid $0.7 million for our operating leases.

Annual future minimum lease payments as of March 31, 2024 are as follows (in thousands):

2024	$ 2,362
2025	3,138
Total future minimum lease payments	$ 5,500
Less: discount	(318)
Total lease liabilities	**$ 5,182**

8. Reorganizations

June 2023 Reorganization

In June 2023, we implemented a restructuring plan under which we provided employees one-time severance payments upon termination, continuation of benefits for a specific period of time, outplacement services and certain stock award modifications. The total amount incurred for these activities was $4.2 million, which primarily consists of severance payments to terminated employees. During the three months ended March 31, 2024, we paid $0.5 million of the total cash severance charges. As of March 31, 2024, we have completed payment of the cash severance charges.

Executive Officer Departures

During the second and third quarters of 2023, we also implemented changes to our executive leadership structure. In connection with these changes, we provided five executive officers with one-time severance payments upon termination, continued benefits for a specified period of time, and certain stock option modifications. The total expense for these activities was $13.4 million, $4.7 million of which was primarily for severance and $8.7 million of which was for non-cash, stock-based compensation expense, which was

recognized in 2023. During the three months ended March 31, 2024, we paid $0.1 million of the total cash severance charges. As of March 31, 2024, we have completed payment of the cash severance charges.

We have accounted for these expenses in accordance with the FASB ASC Topic 420, *Exit or Disposal Cost Obligations*.

9. Long-Term Debt and Convertible Notes

Working Capital Facility Agreement

On August 9, 2023, we entered into a working capital facility agreement (the "Loan Agreement") with Hercules Capital, Inc., as administrative agent and collateral agent, and the lenders party thereto (the "Lenders"). The Loan Agreement provides an aggregate principal amount of up to $50.0 million with tranched availability as follows: $25.0 million at closing ("tranche 1A"), $5.0 million available through December 15, 2024 ("tranche 1B"), and $20.0 million available from the earlier of: (1) the full draw of tranche 1B and (2) the expiration of tranche 1B, and available through December 15, 2025 ("tranche 1C"), and in the case of tranches 1B and 1C, subject to certain customary conditions to draw down.

The Loan Agreement has a term of four years, with a springing maturity date that is 91 days prior to the stated maturity of our Notes (as defined below) (if still outstanding at such time). The loans thereunder do not have any scheduled amortization payments and accrue interest at a floating rate equal to, as of closing, 9.95% per annum, payable in cash on a monthly basis and upon maturity or payoff. In addition, under the terms of the Loan Agreement, the loans also accrue paid-in-kind interest at a fixed-rate of 1.5% per annum which is due upon maturity or payoff.

In addition, in connection with the tranche 1A funding, we issued warrants to the Lenders to purchase up to 297,619 shares of our common stock at an exercise price of $1.68 per share (the "Lender Warrants"). The Lender Warrants are equal to 2.00% of the principal amount of loans funded by the Lenders (the "Warrant Coverage"). The Loan Agreement also requires that we issue additional warrants to the Lenders at the time of each draw down of tranches 1B and 1C with the same Warrant Coverage. Each Lender Warrant is exercisable for seven years from the date of issuance.

The Loan Agreement contains a minimum cash covenant, beginning on the closing date, requiring us to hold cash of no less than $8.5 million, if our market capitalization is less than $400 million. The Loan Agreement also contains customary representations and warranties and customary affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness, and dividends and other distributions, subject to certain exceptions. We were in compliance with all covenants of the Loan Agreement as of March 31, 2024.

The Loan Agreement was accounted for in accordance with ASC Topic 470, Debt, ASC Topic 480, Distinguishing Liabilities from Equity, and ASC Topic 815, Derivatives and Hedging. The initial tranche 1A funding of $25.0 million and the Lender Warrants are accounted for as freestanding debt and equity financial instruments, respectively, as they are legally detachable and separately exercisable. The additional borrowings available under the Loan Agreement plus the additional warrants to purchase shares of our common stock, which would be issued concurrently, are accounted for as a single freestanding financial instrument that are not assets or obligations of ours; this financial instrument meets the loan commitment derivative scope exception and will be accounted for when and if we borrow additional tranches in the future. The initial funding of $25.0 million was recorded as a liability on the condensed consolidated balance sheets.

In connection with the Loan Agreement, we recognized the initial Lender Warrants at their relative fair value of $0.4 million, and we incurred debt issuance costs of $0.6 million, both of which were recorded as debt discounts. The debt discounts and the end of term fee, of $0.8 million, are being amortized and accreted into interest expense using the effective interest rate method over the term of the Loan Agreement, resulting in an effective interest rate of 14.5%. For the three months ended March 31, 2024, interest expense related to the Loan Agreement was $0.9 million, which included $0.6 million related to the stated interest rate, $0.1 million related to paid-in-kind interest, and $0.2 million related to the amortization of the debt discounts. As of March 31, 2024, the carrying value of

tranche 1A was $24.4 million, which is comprised of the $25.0 million principal amount outstanding, $0.2 million of accumulated paid-in-kind interest, less debt discounts of $0.8 million.

Senior Unsecured Convertible Notes

In May 2021, we entered into a note purchase agreement with funds affiliated with Baker Bros. Advisors LP for a private placement of $150.0 million in Senior Unsecured Convertible Notes (the "Notes"). We received a total of $149.0 million, net of issuance costs, from the issuance of the Notes.

The Notes were issued at par. The Notes bear interest at a rate of 1.5% per annum, payable in cash semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2021. The Notes mature on May 26, 2026, unless earlier converted, redeemed or repurchased.

The Notes will be subject to redemption at our option, between May 24, 2024 and May 24, 2025, but only if the last reported sale price per share of our common stock exceeds 250% of the conversion price for a specified period of time, or on or after May 24, 2025 if the last reported sale price per share of our common stock exceeds 200% of the conversion price for a specified period of time. The redemption price will be equal to the principal amount of the Notes to be redeemed, plus accrued and unpaid interest.

Upon conversion, we will settle the Notes in shares of our common stock. The initial conversion rate for the Notes is 65.4620 shares per $1,000 principal amount of the Notes (equivalent to an initial conversion price of $15.276 per share of common stock).

If a holder of the Notes converts upon a make-whole fundamental change or company redemption, the holder may be eligible to receive a make-whole premium through an increase to the conversion rate.

In May 2021, we filed a registration statement with the SEC to register for resale 12.4 million shares of our common stock underlying the Notes, including the maximum number of shares of common stock issuable under the make-whole premium.

The Notes were accounted for in accordance with ASC Subtopic 470-20, Debt with Conversion and Other Options ("ASC 470-20"), and ASC Subtopic 815-40, Contracts in Entity's Own Equity ("ASC 815-40"). Under ASC 815-40, to qualify for equity classification (or non-bifurcation, if embedded), the instrument (or embedded feature) must be both (1) indexed to the issuer's stock and (2) meet the requirements of the equity classification guidance. Based upon our analysis, it was determined that the Notes do contain embedded features indexed to our common stock, but do not meet the requirements for bifurcation, and therefore do not need to be separately accounted for as an equity component. Since the embedded conversion feature meets the equity scope exception from derivative accounting, and, also since the embedded conversion option does not need to be separately accounted for as an equity component under ASC 470-20, the proceeds received from the issuance of the Notes were recorded as a liability on the condensed consolidated balance sheets.

We incurred issuance costs related to the Notes of $1.0 million, which we recorded as debt issuance costs and are included as a reduction to the Notes on the condensed consolidated balance sheets. The debt issuance costs are being amortized to interest expense using the effective interest rate method over the term of the Notes, resulting in an effective interest rate of 1.6%. For the three months ended March 31, 2024, interest expense related to the Notes was $0.6 million, which included $563,000 related to the stated interest rate and $52,000 related to the amortization of debt issuance costs. For the three months ended March 31, 2023, interest expense related to the Notes was $0.6 million, which included $563,000 related to the stated interest rate and $51,000 related to the amortization of debt issuance costs. As of March 31, 2024, the carrying value of the Notes was $149.5 million, which is comprised of the $150.0 million principal amount of the Notes outstanding, less debt issuance costs of $0.5 million.

10. Stockholders' Deficit

2023 Private Placement

On July 21, 2023, we entered into a Securities Purchase Agreement (the "July 2023 Private Placement") with Rubric Capital Management L.P., Velan Capital, Clearline Capital and Hercules Capital, Inc. (collectively, the "Purchasers") whereby we sold 20.7 million shares of our common stock in a private placement at a purchase price of $1.37 per share. In addition, as a component of the July 2023 Private Placement, we sold 1.2 million pre-funded warrants to purchase shares of our common stock at a purchase price of $1.3699 per share (the "July 2023 Pre-Funded Warrants"). The July 2023 Pre-Funded Warrants have an exercise price of $0.0001 per share. The total net proceeds from the sale of the common stock and the July 2023 Pre-Funded Warrants is $29.8 million (net of $0.2 million in issuance costs). The July 2023 Private Placement closed on July 25, 2023. In August 2023, we filed a registration statement with the SEC to register for resale 21.9 million shares of our common stock. The registration statement was declared effective on August 31, 2023.

11. Equity Incentive Plan

Option Plan Activity

The following table summarizes the stock option activity for the three months ended March 31, 2024:

	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)
Outstanding at December 31, 2023	24,575	$ 7.06	5.60
Granted	6,331	$ 2.17	
Exercised	(40)	$ 1.88	
Expired and forfeited	(1,486)	$ 10.35	
Outstanding at March 31, 2024	29,380	$ 5.85	7.23

We estimated the fair value of each option grant on the grant date using the Black-Scholes option pricing model and for market-based stock option grants using the Monte Carlo simulation model. The following are the weighted-average assumptions:

	For the Three Months Ended March 31,	
	2024	2023
Risk-free interest rate	4.2%	3.7%
Dividend yield	0.0%	0.0%
Volatility	79.7%	63.9%
Expected life (years)	4	6

We estimated the fair value of each purchase right granted under our 1997 Employee Stock Purchase Plan, as amended, at the beginning of each new offering period using the Black-Scholes option pricing model. There were no new offering periods during the three months ended March 31, 2024.

The following table summarizes the restricted stock unit activity ("RSUs") for the three months ended March 31, 2024:

	Shares (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2023	1,405	$ 4.43
Granted	949	$ 2.16
Released	(125)	$ 2.56
Expired and forfeited	(256)	$ 3.85
Outstanding at March 31, 2024	1,973	$ 3.09

The fair value of RSUs is estimated based on the closing market price of our common stock on the date of the grant. RSUs generally vest quarterly over a four-year period.

Stock-Based Compensation

The following table summarizes stock-based compensation expense related to stock-based payment awards granted pursuant to all of our equity compensation arrangements (in thousands):

	Three Months Ended March 31,	
	2024	2023
General and administrative	$ 1,878	$ 3,532
Sales and marketing	796	2,679
Research and development	701	1,736
Total stock-based compensation expense	$ 3,375	$ 7,947

As of March 31, 2024, there was $21.3 million of total unrecognized compensation cost related to non-vested, stock-based payment awards granted under all of our equity compensation plans and all non-plan option grants. Total unrecognized compensation cost will be adjusted for future changes in estimated forfeitures. We expect to recognize this compensation cost over a weighted-average period of three years.

12. Income Taxes

Deferred income tax assets and liabilities are recognized for temporary differences between financial statements and income tax carrying values using tax rates in effect for the years such differences are expected to reverse. Due to uncertainties surrounding our ability to generate future taxable income and consequently realize such deferred income tax assets, a full valuation allowance has been established. We continue to maintain a full valuation allowance against our deferred tax assets as of March 31, 2024.

The impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will be recognized when it is more likely than not of being sustained. The disclosures regarding uncertain tax positions included in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on March 12, 2024, continue to be accurate for the three months ended March 31, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the U.S. Securities and Exchange Commission ("SEC") on March 12, 2024 (the "2023 Annual Report").

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. In some cases, you can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "project," "will," "would," "could," "should," "may," "might," "plan," "assume" and other expressions that predict or indicate future events and trends and which do not relate to historical matters. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, business and commercialization strategy, products and product candidates, research pipeline, ongoing and planned preclinical studies and clinical trials, regulatory submissions and approvals, addressable patient population, research and development expenses, timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. These risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from our anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Factors that might cause these differences include the following:

•our ability to successfully commercialize, market and achieve market acceptance of ZYNRELEF® (bupivacaine and meloxicam) extended-release solution ("ZYNRELEF"), APONVIE® (aprepitant) injectable emulsion ("APONVIE"), CINVANTI® (aprepitant) injectable emulsion ("CINVANTI"), and SUSTOL® (granisetron) extended-release injection ("SUSTOL" and together with ZYNRELEF, APONVIE and CINVANTI, our "Products") in the United States ("U.S.") , and our positioning relative to products that now or in the future compete with our Products or product candidates;

•our estimates regarding the potential market opportunities for our Products and our product candidates, if approved, and our ability to capture the potential additional market opportunity from the expanded ZYNRELEF label recently approved in the U.S.;

•our ability to establish satisfactory pricing and obtain adequate reimbursement from government and third-party payors of our Products and product candidates that receive regulatory approvals;

•whether study results of our Products and product candidates are indicative of the results in future studies;

•the results of the commercial launch of APONVIE in the U.S.;

•the potential regulatory approval for, and commercial launch, of our product candidates, if approved;

•our competitors' activities, including decisions as to the timing of competing product launches, generic entrants, pricing and discounting;

•whether safety and efficacy results of our clinical studies and other required tests for expansion of the indications for our Products and approval of our product candidates provide data to warrant progression of clinical trials, potential regulatory approval or further development of any of our Products or product candidates;

•our ability to develop, acquire and advance product candidates into, and successfully complete, clinical studies, and our ability to submit for and obtain regulatory approval for product candidates in our anticipated timing, or at all;

•our ability to meet the postmarketing study requirements within the mandated timelines of the U.S. Food and Drug Administration ("FDA")and to obtain favorable results and comply with standard postmarketing requirements, including U.S. federal advertising and promotion laws, federal and state anti-fraud and abuse laws, healthcare information privacy

and security laws, safety information, safety surveillance and disclosure of payments or other transfers of value to healthcare professionals and entities for Products or any of our product candidates;

•our ability to successfully develop and achieve regulatory approval for any product candidates utilizing our proprietary Biochronomer® drug delivery technology (“Biochronomer Technology”);

•our ability to establish key collaborations and vendor relationships for our Products and our product candidates;

•our ability to successfully develop and commercialize any technology that we may in-license or products we may acquire;

•our reliance on third-party contract manufacturers to supply our Products and product candidates, if approved;

•unanticipated delays due to manufacturing difficulties, supply constraints or changes in the regulatory environment, including as a result of geopolitical uncertainty;

•our ability to successfully operate in non-U.S. jurisdictions in which we may choose to do business, including compliance with applicable regulatory requirements and laws;

•uncertainties associated with obtaining and enforcing patents and trade secrets to protect our Products, our product candidates, our Biochronomer Technology and our other technology;

•our ability to successfully defend ourselves against unforeseen third-party infringement claims and other litigation involving our Products and product candidates;

•our estimates regarding our capital requirements;

•the impact of our restructuring activities, including the reduced headcount and external spend;

•the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements;

•our ability to obtain additional financing and raise capital as necessary to fund operations or pursue business opportunities; and

•those risks listed under the section entitled "risk Factors" in Part I, Item 1A of the 2023 Annual Report.

Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or to our future financial performance. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements were based on information, plans and estimates as of the date of this Quarterly Report on Form 10-Q, and except as required by law, we assume no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes. These risk factors may be updated by our future filings under the Securities Exchange Act of 1934, as amended (“Exchange Act”). You should carefully review all information therein.

Overview

We are 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.

Acute Care Product Portfolio

Our Acute Care Product Portfolio consists of ZYNRELEF, which is approved in the U.S. for the management of postoperative pain and APONVIE, which is approved in the U.S. for the prevention of postoperative nausea and vomiting.

ZYNRELEF

ZYNRELEF was initially approved by the FDA in May 2021, and we commenced commercial sales in the U.S. in July 2021. In each of December 2021 and January 2024, the FDA approved an expansion of ZYNRELEF's indication. ZYNRELEF is approved for small-to-medium open abdominal, lower extremity total joint arthroplasty, soft tissue and orthopedic surgical procedures including foot and ankle, and other procedures in which direct exposure to articular cartilage is avoided.

ZYNRELEF is a dual-acting local anesthetic that delivers a fixed-dose combination of the local anesthetic bupivacaine and a low dose of the nonsteroidal anti-inflammatory drug meloxicam. ZYNRELEF is the first and only modified-release local anesthetic to be classified by the FDA as an extended-release product because ZYNRELEF demonstrated 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.

In January 2024, we entered into a five-year distributor partnership with CrossLink Life Sciences, LLC (“Crosslink”) to expand the sales network supporting ZYNRELEF. Crosslink will be the lead partner in the U.S. to expand ZYNRELEF promotion for orthopedic indications. The partnership will launch in several phases, initially at a regional level, followed by an expanded national rollout. In total, we anticipate that approximately 650 representatives will be added to Heron’s sales network over 2024.

In March 2022, the Centers for Medicare and Medicaid Services (“CMS”) approved a 3-year transitional pass-through status of ZYNRELEF, which became effective on April 1, 2022, for separate reimbursement outside of the surgical bundle payment in the Hospital Outpatient Department (“HOPD”) setting of care. In addition, in December 2022, H.R. 2617, the omnibus spending bill was approved by Congress that includes a provision requiring CMS to pay for certain non-opioids outside the existing bundled payment for surgeries for the period January 1, 2025 through December 31, 2027.

APONVIE

APONVIE was approved by the FDA in September 2022 and became commercially available in the U.S. in March 2023. APONVIE is indicated for the prevention of postoperative nausea and vomiting (“PONV”) in adults. CMS granted pass-through payment status for APONVIE, effective April 1, 2023.

APONVIE is the first and only intravenous formulation of a substance P/neurokinin-1 (“NK1”) receptor antagonist indicated for PONV. Delivered via a single 30-second intravenous (“IV”) injection, APONVIE has demonstrated rapid achievement of therapeutic drug levels ideally suited for the surgical setting.

Oncology Care Product Portfolio

Our Oncology Care Product portfolio consists of SUSTOL and CINVANTI, which are both approved in the U.S. for the prevention of chemotherapy-induced nausea and vomiting.

SUSTOL

SUSTOL was approved by the FDA in August 2016, and we commenced commercial sales in the U.S. in October 2016.

SUSTOL is indicated in combination with other antiemetics in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of moderately emetogenic chemotherapy (MEC) or anthracycline and cyclophosphamide (AC) combination chemotherapy regimens. SUSTOL is an extended-release, injectable 5-hydroxytryptamine type 3 ("5-HT3") receptor antagonist that utilizes our Biochronomer Technology to maintain therapeutic levels of granisetron for ≥5 days. The SUSTOL global Phase 3 development program was comprised of two, large, guideline-based clinical studies that evaluated SUSTOL's efficacy and safety in more than 2,000 patients with cancer. SUSTOL's efficacy in preventing nausea and vomiting was evaluated in both the acute phase (0–24 hours following chemotherapy) and the delayed phase (24–120 hours following chemotherapy).

SUSTOL is the first extended-release 5-HT3 receptor antagonist approved for the prevention of acute and delayed nausea and vomiting associated with both MEC and AC combination chemotherapy regimens. A standard of care in the treatment of breast cancer and other cancer types, AC regimens are among the most commonly prescribed HEC regimens, as defined by both the National Comprehensive Cancer Network ("NCCN") and the American Society of Clinical Oncology ("ASCO").

In February 2017, the NCCN included SUSTOL as a part of its NCCN Clinical Practice Guidelines in Oncology for Antiemesis Version 1.2017. The NCCN has given SUSTOL a Category 1 recommendation, the highest-level category of evidence and consensus, for use in the prevention of acute and delayed nausea and vomiting in patients receiving HEC or MEC regimens. The guidelines now identify SUSTOL as a "preferred" agent for preventing nausea and vomiting following MEC. Further, the guidelines highlight the unique, extended-release formulation of SUSTOL.

In January 2018, a product-specific billing code, or permanent J-code ("J-code"), for SUSTOL became available. The new J-code was assigned by CMS and has helped simplify the billing and reimbursement process for prescribers of SUSTOL.

CINVANTI

CINVANTI was approved by the FDA in November 2017, and we commenced commercial sales in the U.S. in January 2018. In each of February 2019 and October 2019, the FDA approved an expansion of CINVANTI of its administration and indication, respectively.

CINVANTI, in combination with other antiemetic agents, is indicated in adults for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of highly emetogenic cancer chemotherapy (HEC) including high-dose cisplatin as a single-dose regimen, delayed nausea and vomiting associated with initial and repeat courses of moderately emetogenic cancer chemotherapy (MEC) as a single-dose regimen, and nausea and vomiting associated with initial and repeat courses of MEC as a 3-day regimen.

CINVANTI is an IV formulation of aprepitant, a substance NK1 receptor antagonist. CINVANTI is the first IV formulation to directly deliver aprepitant, the active ingredient in EMEND® capsules. Aprepitant (including its prodrug, fosaprepitant) is a single-agent NK1 receptor antagonist to significantly reduce nausea and vomiting in both the acute phase (0–24 hours after chemotherapy) and the delayed phase (24–120 hours after chemotherapy). CINVANTI is the first IV formulation of an NK1 receptor antagonist indicated for the prevention of acute and delayed nausea and vomiting associated with HEC and nausea and vomiting associated with MEC that is free of synthetic surfactants, including polysorbate 80.

NK1 receptor antagonists are typically used in combination with 5-HT3 receptor antagonists. The only other injectable NK1 receptor antagonist currently approved in the U.S. for both acute and delayed chemotherapy induced nausea and vomiting ("CINV"), EMEND® IV (fosaprepitant), contains polysorbate 80, a synthetic surfactant, which has been linked to hypersensitivity reactions, including anaphylaxis, and infusion site reactions. The CINVANTI formulation does not contain polysorbate 80 or any other synthetic surfactant. Our CINVANTI data has demonstrated the bioequivalence of CINVANTI to EMEND IV, supporting its efficacy for the prevention of both acute and delayed nausea and vomiting associated with HEC and nausea and vomiting associated with MEC. Results also showed CINVANTI was better tolerated in healthy volunteers than EMEND IV, with significantly fewer adverse events reported with CINVANTI.

In January 2019, a J-code for CINVANTI became available. The new J-code was assigned by CMS and has helped simplify the billing and reimbursement process for prescribers of CINVANTI.

Biochronomer Technology

Our proprietary Biochronomer Technology is designed to deliver therapeutic levels of a wide range of otherwise short-acting pharmacological agents over a period from days to weeks with a single administration. Our Biochronomer Technology consists of polymers that have been the subject of comprehensive animal and human toxicology studies that have shown evidence of the safety of the polymer. When administered, the polymers undergo controlled hydrolysis, resulting in a controlled, sustained release of the pharmacological agent encapsulated within the Biochronomer-based composition. Furthermore, our Biochronomer Technology is designed to permit more than one pharmacological agent to be incorporated, such that multimodal therapy can be delivered with a single administration.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We evaluate our estimates on an ongoing basis, including those related to revenue recognition, investments, inventory and the related reserves, accrued research and development expenses, income taxes and stock-based compensation. We base our estimates on historical experience and on assumptions that we believe to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Our critical accounting estimates include: revenue recognition, investments, inventory and the related reserves, accrued research and development expenses, income taxes, and stock-based compensation. There have been no material changes to our critical accounting estimates disclosures included in our 2023 Annual Report.

Recent Accounting Pronouncements

See Note 3 to the condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q.

Results of Operations for the Three Months Ended March 31, 2024 and 2023

Net Product Sales

For the three months ended March 31, 2024 and March 31, 2023, net product sales were $34.7 million and $29.6 million, respectively.

Net Product Sales – Acute Care

For the three months ended March 31, 2024 and March 31, 2023, net product sales of ZYNRELEF were $5.0 million and $3.5 million, respectively. For the three months ended March 31, 2024 and March 31, 2023, net product sales of APONVIE were $0.5 million and $0.3 million, respectively. The increase in net product sales for both ZYNRELEF and APONVIE is attributed to an increase in the units sold in 2024 as compared to 2023.

Net Product Sales – Oncology Care

For the three months ended March 31, 2024 and March 31, 2023, net product sales of CINVANTI were $25.6 million and $22.8 million, respectively. For the three months ended March 31, 2024 and March 31, 2023, net product sales of SUSTOL were $3.6 million and $3.0 million, respectively. The increase in net product sales for both CINVANTI and SUSTOL is attributed to an increase in the units sold in 2024 as compared to 2023.

Cost of Product Sales

For the three months ended March 31, 2024 and March 31, 2023, cost of product sales was $8.4 million and $16.9 million, respectively. Cost of product sales primarily included raw materials, labor and overhead related to the manufacturing of our Products, as well as shipping and distribution costs. For the three months ended March 31, 2023, cost of product sales also included charges of $5.3 million, resulting primarily from the write-off of short-dated ZYNRELEF inventory. There were no charges related to the write-off of inventory during the three months ended March 31, 2024. The remaining decrease in cost of product sales is attributed to a decrease in cost per units for CINVANTI and ZYNRELEF, as large-scale manufacturing was validated and approved in late 2022.

Research and Development Expense

Research and development expense consisted of the following (in thousands):

	Three Months Ended March 31,	
	2024	2023
ZYNRELEF-related costs	$ 636	$ 2,156
CINVANTI-related costs	471	824
APONVIE-related costs	202	693
SUSTOL-related costs	90	281
Personnel costs and other expenses	2,508	3,147
Stock-based compensation expense	701	1,736
Total research and development expense	$ 4,608	$ 8,837

For the three months ended March 31, 2024 and March 31, 2023, research and development expense was $4.6 million and $8.8 million, respectively. The decrease in research and development expense was primarily due to our decreased headcount and related costs as a result of the restructuring implemented in 2023, as well as a decrease in non-cash, stock-based compensation expense. The decrease is also due to decreases in costs related to ZYNRELEF and CINVANTI, as large-scale manufacturing was approved in 2022 and APONVIE as a result of the product becoming commercially available in March 2023.

General and Administrative Expense

For the three months ended March 31, 2024 and March 31, 2023, general and administrative expense was $15.0 million and $15.8 million, respectively. The decrease was primarily due to our decreased headcount and related costs as a result of the restructuring implemented in 2023.

Sales and Marketing Expense

For the three months ended March 31, 2024 and March 31, 2023, sales and marketing expense was $11.4 million and $21.2 million, respectively. The decrease was primarily due to our decreased headcount and related costs as a result of the restructuring implemented in 2023.

Other Income, Net

For the three months ended March 31, 2024 and March 31, 2023, other income, net was $1.6 million and $0.3 million, respectively. The increase is primarily attributed to a one time settlement gain contingency related to a legal dispute, during the three months ended March 31, 2024.

Restructuring Plans

See Note 8 to the condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q for discussion of the June 2023 Reorganization.

Liquidity and Capital Resources

The Company's short-term and long-term liquidity requirements primarily arise from funding (i) sales and marketing expenses, (ii) general and administrative expenses including salaries, bonuses and commissions, (iii) working capital requirements, and (iv) research and development expenses, and (v) payments related to our outstanding convertible notes. As of March 31, 2024, we had cash, cash equivalents and short-term investments of $71.5 million. Based on our current operating plan and projections, management believes that the Company's cash, cash equivalents and short-term investments will be sufficient to meet the Company's anticipated cash requirements for a period of at least the next twelve months from the date this Quarterly Report on Form 10-Q is filed with the SEC. Our future cash requirements and the adequacy of our available funds will depend on many factors, primarily including our ability to generate revenue and the scope and costs of our commercial and research and development activities.

Our net loss for the three months ended March 31, 2024 and March 31, 2023 was $3.2 million, or $0.02 per share, and $32.8 million, or $0.27 per share, respectively.

Our net cash used in operating activities for the three months ended March 31, 2024 and March 31, 2023 was $9.5 million, compared to $24.9 million. The decrease in net cash used in operating activities was primarily due to a decrease in net loss as a result of decreases in operating spend, partially offset by changes in working capital, specifically accounts receivable due to timing of collections, inventory as a result of write-offs incurred during Q1 2023 which did not reoccur during Q1 2024, accounts payable due to timing of payments and accrued payroll and employee liabilities due to reduced headcount.

Our net cash provided by investing activities for the three months ended March 31, 2024 and March 31, 2023 was $1.3 million, compared to $36.8 million. The decrease in cash provided by investing activities was primarily due to net maturities of short-term investments of $37.1 million for the three months ended March 31, 2023 compared to $1.3 million for the three months ended March 31, 2024.

Our net cash provided by financing activities for the three months ended March 31, 2024 was $0.01 million, compared to net cash used in financing activities of $0.2 million for the same period in 2023.

Historically, we have financed our operations, including technology and product research and development, primarily through sales of our common stock, product sales and debt financings.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports, filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including, without limitation, controls and procedures designed to ensure that information required to be disclosed in such reports is accumulated and communicated to our management, including our principal executive officer, principal financial officer, and principal accounting officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our principal executive officer, principal financial officer and principal accounting officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our principal executive officer, principal financial officer, and principal accounting officer concluded that our disclosure controls and procedures were effective as of such time.

There were no changes in our internal control over financial reporting that occurred during the quarter covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Except as discussed below, there are no material changes from the legal proceedings previously disclosed in our most recently filed Annual Report on Form 10-K for the year ended December 31, 2023.

On August 4, 2023, the Company received a Notice Letter from Mylan Pharmaceuticals Inc. ("Mylan") advising that Mylan had submitted an ANDA to the FDA seeking approval to manufacture, use or sell a generic version of CINVANTI ("Mylan's ANDA for a generic version of CINVANTI") in the U.S. prior to the expiration of U.S. Patent Nos.: 9,561,229, 9,808,465, 9,974,742, 9,974,793, 9,974,794, 10,500,208, 10,624,850, 10,953,018, and 11,173,118 (the "CINVANTI Patents"), which are listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (the "Orange Book"). The Notice Letter alleges that the CINVANTI Patents are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of the generic product described in Mylan's ANDA for a generic version of CINVANTI. On September 15, 2023, the Company filed a complaint for patent infringement of the CINVANTI Patents against Mylan in the U.S. District Court for the District of Delaware in response to the filing of Mylan's ANDA for a generic version of CINVANTI. The complaint seeks, among other relief, equitable relief enjoining Mylan from infringing the CINVANTI Patents. The parties are currently conducting fact discovery. A five-day bench trial is scheduled for May 19, 2025. The Company intends to vigorously enforce its intellectual property rights relating to CINVANTI. As a result of filing our complaint for patent infringement, the FDA may not approve Mylan's ANDA for a generic version of CINVANTI until the earlier of February 4, 2026 or resolution of the litigation.

On December16, 2023, the Company received a Notice Letter from Mylan advising that Mylan had submitted an ANDA to the FDA seeking approval to manufacture, use or sell a generic version of APONVIE in the U.S. ("Mylan's ANDA for a generic version of APONVIE") prior to the expiration of the APONVIE patents, which are listed in the Orange Book. The Notice Letter alleges that the APONVIE Patents are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of the generic product described in Mylan's ANDA for a generic version of APONVIE. On January 11, 2024, the Company filed a complaint for patent infringement of the APONVIE Patents against Mylan in the U.S. District Court for the District of Delaware in response to Mylan filing an ANDA for a generic version of APONVIE. The complaint seeks, among other relief, equitable relief enjoining Mylan from infringing the APONVIE Patents. On January 26, 2024, the Court consolidated this litigation concerning Mylan's ANDA for a generic version of APONVIE with the previously-filed litigation concerning Mylan's ANDA for a generic version of CINVANTI. Accordingly, a five-day bench trial is scheduled for May 19, 2025. The Company intends to vigorously enforce its intellectual property rights relating to APONVIE. As a result of filing our complaint for patent infringement, the FDA may not approve Mylan's ANDA for a generic version of APONVIE until the earlier of June 16, 2026 or resolution of the litigation.

On December 12, 2023, the Company received a Notice Letter from Slayback Pharma LLC ("Slayback") advising that Slayback had submitted an NDA under Section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act to the FDA seeking approval to manufacture, use or sell a generic version of CINVANTI in the U.S. ("Slayback's NDA") prior to the expiration of the CINVANTI patents, which are listed in the Orange Book. The Notice Letter alleges that the CINVANTI Patents are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of the generic product described in Slayback's NDA. On January 24, 2024, the Company filed a complaint for patent infringement of the CINVANTI Patents against Slayback and a related entity in the U.S. District Court for the District of New Jersey in response to Slayback's NDA filing. The complaint seeks, among other relief, equitable relief enjoining Slayback from infringing those patents. The parties are currently providing their pleadings for the case. The Company intends to vigorously enforce its intellectual property rights relating to CINVANTI. As a result of filing our complaint for patent infringement, the FDA may not approve Slayback's NDA until the earlier of June 12, 2026 or resolution of the litigation.

ITEM 1A. RISK FACTORS

Our business is subject to various risks, including those described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes from the risk factors disclosed in Item 1A of our Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(c) None.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Certificate of Incorporation, as amended through July 29, 2009 (incorporated by reference to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as Exhibit 3.1, filed on August 9, 2009)
3.2	Certificate of Amendment of Certificate of Incorporation (incorporated by reference to our Current Report on Form 8-K, as Exhibit 3.1, filed on June 30, 2011)
3.3	Certificate of Amendment to the Certificate of Incorporation (incorporated by reference to our Current Report on Form 8-K, as Exhibit 3.1, filed on January 13, 2014
3.4	Certificate of Amendment to the Certificate of Incorporation (incorporated by reference to our Company's Post-Effective Amendment to its Registration Statement on Form 8-A/A, filed on July 6, 2017)
3.5	Certificate of Amendment of Certificate of Incorporation (incorporated by reference to our Annual Report on Form 10-K for the year ended December 31, 2018, as exhibit 3.6, filed on February 22, 2019)
3.6	Certificate of Amendment to the Certificate of Incorporation (incorporated by reference to our Current Report on Form 8-K, as exhibit 3.1, filed on June 12, 2023)
3.7	Amended and Restated Bylaws (incorporated by reference to our Current Report on Form 8-K, as Exhibit 3.1, filed on February 8, 2019)
10.1+*	Co-Promotion Agreement, dated as of January 5, 2024, by and between the Company and Crosslink Network, LLC
31.1+	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1++	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Extension Definition
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document included as Exhibit 101)

+ Filed herewith
++ Furnished herewith
* Certain information has been omitted from the exhibit pursuant to Item 601 of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Heron Therapeutics, Inc.

Date: May 7, 2024

/s/ Craig Collard
Craig Collard
Chief Executive Officer
(As Principal Executive Officer)

/s/ Ira Duarte
Ira Duarte
Executive Vice President, Chief Financial Officer
(As Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

CERTAIN INFORMATION HAS BEEN OMITTED IN ACCORDANCE WITH ITEM 601(B)(10) OF REGULATION S-K BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE OF INFORMATION THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. OMISSIONS ARE MARKED [***].

CO-PROMOTION AGREEMENT

THIS CO-PROMOTION AGREEMENT (the "Agreement") is dated this 5th day of January, 2024, but effective as of January 1, 2024 (the "Effective "Date") by and between **Heron Therapeutics, Inc.**, a Delaware corporation (hereinafter called "Heron") and **Crosslink Network, LLC**, a Georgia limited liability company (hereinafter called "Co-Promoter") (Heron and Co-Promoter sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties").

WITNESSETH:

WHEREAS, the Parties hereto desire to enter into this Agreement upon the terms hereinafter set forth so as to promote the sale of ZYNRELEF® (bupivacaine and meloxicam) extended-release solution (the "Product") for all of the Product's current and future FDA approved indications involving surgical procedures performed within the Territory (as hereinafter defined). For purposes hereof, the term "Product" includes all subsequent FDA approved enhancements or improvements made by Heron to the Product including without limitation enhancements and improvements to the method of dosing or delivery of the Product (e.g., Heron's proposed pre-filled syringe delivery mechanism).

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1.APPOINTMENT OF CO-PROMOTER

For the Term (as hereinafter defined) of this Agreement, Heron appoints Co-Promoter as its exclusive co-promoter (with the exception of sales personnel directly employed by Heron and with respect to geographic regions where Co-Promoter has not granted rights or intends to grant rights prior to the first anniversary of this Agreement to any of its affiliated Sub-Promoters referenced in Section 2.02 below) for the sale of the Product within the United States (the "Territory") for all of the Product's current and future FDA approved indications and Co-Promoter hereby accepts this appointment, all subject to the terms and conditions of this Agreement.

2.CO-PROMOTER'S RESPONSIBILITIES

2.01 Co-Promoter agrees to act, through itself and its Sub-Promoters (as defined in Section 2.02 below), as the exclusive promoter of the Product within the Territory; to diligently pursue a sales program to promote and sell the Product; and to develop and increase the demand for the Product. Co-Promoter also agrees to (a) meet with Heron to jointly prepare a quarterly business and promotion plan at least **[***]** prior to start of each calendar quarter period commencing on April 1, 2024, (b) provide periodic information

updates on market conditions and trends relating to the Product and forecasts on potential business opportunities, (c) participate with Heron in trade shows in the Territory, and (d) provide for transmission of sales bulletins, advertising literature and other information (as provided by Heron) to actual or potential customers of Heron. Such responsibilities shall be accomplished through prompt and efficient customer and potential customer services, the provision of adequate and timely sales effort, and the maintenance of a close working relationship with Heron's management.

2.02 Co-Promoter shall be permitted to engage the services of independent contractors ("Sub-Promoters") to promote the sale of the Product with respect to portions of the Territory, but only after each such Sub-Promoter has been presented to Heron for review and approval, which approval shall not be unreasonably withheld. In facilitating Heron's review of any potential Sub-Promoter, Co-Promoter shall provide Heron with the proposed form of contract between Co-Promoter and Sub-Promoter containing, among other things, all material economic terms between Co-Promoter and the potential Sub-Promoter. Unless Co-Promoter and Heron agree otherwise in writing, Co-Promoter shall remain exclusively responsible for the servicing of all Sub-Promoter accounts and for all of the actions of each such Sub-Promoter; provided, however, notwithstanding any provision in this Agreement to the contrary, Co-Promoter may cure any potential breach of this Agreement resulting directly from the actions of a Sub-Promoter by either terminating its agreement with such Sub-Promoter within **[***]** of receiving notice of such breach from Heron or taking such other action with such Sub-Promoter as is acceptable to Heron to avoid breach or termination of this Agreement. Co-Promoter shall remain exclusively responsible for compensating any such Sub-Promoter. Although Heron shall have to right at any time during the Term to engage non-employed personnel to promote the Products with respect to geographic regions within the Territory that are not covered by Co-Promoter and/or any of its Sub-Promoters, Heron shall only be permitted to do so within **[***]** following the Effective Date in the manner provided in Section 1 above, and with respect to any such engagement desired by Heron following the first anniversary of the Effective Date, only after Heron has provided at least **[***]** advance written notice to Co-Promoter of the territory to be covered by such engagement to ensure that such engagement does not conflict with any pre-existing agreements between Co-Promoter and/or any of its Sub-Promoters or interfere with any then ongoing discussions between Co-Promoter and any prospective Sub-Promoter(s) relating to the grant of rights to promote the Products with respect to any portion of such territory to be covered by such engagement.

2.03 Co-Promoter shall be responsible for all aspects of the management of any sales representatives retained by Co-Promoter, including, without limitation, all matters relating to the recruiting, hiring, supervising, training (except as otherwise provided herein), equipping/outfitting (including vehicle leasing, laptops, sample bags and similar equipment), reimbursement for expenses and compensating (including compensation, incentives, benefits, supplies, discretionary spending funds, equipment, travel, food and lodging) such sales representatives. All employees and agents of Co-Promoter are its sole employees and agents and nothing contained herein shall be construed to make them the employees or agents of Heron. Notwithstanding the designation of "Co-Promoter", it is understood that Co-Promoter is an independent

contractor and not an employee or agent of Heron and that nothing herein contained shall be deemed to constitute the Parties as partners or joint venturers and that there are no rights conferred upon Co-Promoter by this Agreement to contract for, or on behalf of, or otherwise obligate Heron, in any manner.

2.04 Co-Promoter will and shall require any Sub-Promoter to maintain complete and accurate records of all activities carried out by Co-Promoter or Sub-Promoter, as the case may be, and each of their respective employees and representatives relating to the performance of Co-Promoter's services hereunder for the duration of Term and for three (3) years thereafter. Heron shall have the right to audit such records upon reasonable notice to Co-Promoter. Co-Promoter shall, and shall cause its employees, agents and representatives and any Sub-Promotors to, comply, in all material respects, with all applicable laws, rules and regulations in connection with the promotion of the Product in the Territory. Without limiting the generality of the foregoing, Co-Promoter shall in the course of its promotion of the Product and performance of its obligations hereunder, (a) limit claims of efficacy and safety for the Product to those which are consistent with Heron's then approved promotional materials for the Product or as otherwise approved by Heron, in each case, consistent with any legal requirements, including FDA approved Product labeling, and (b) not delete or modify claims of efficacy and safety in the promotion of the Product so that they are different in any way from those which are contained in Heron's then approved promotional materials for the Product and the FDA approved Product labeling, or make any changes in promotional materials and literature provided by Heron. In addition, without limiting the generality of the foregoing, Co-Promoter shall, and shall cause its employees, agents and representatives and any Sub-Promoters to, in promoting the Product hereunder, comply in all material respects with (x) the PhRMA Code on Interactions with Healthcare Professionals (the "PhRMA Code"), (y) the American Medical Association Gifts to Physicians From Industry Guidelines and (z) Section 1128B(b) of the Social Security Act.

2.05 Neither Co-Promoter nor any Sub-Promoter or any of their employees, agents or representatives will make any false or misleading representations to customers or others regarding Heron or the Product and will not make any representations, warranties or guarantees with respect to the specifications, features or capabilities of the Product that are not consistent with the applicable current FDA approved labeling, package insert or other documentation accompanying or describing the Product, including Heron's (or any applicable third party's) standard limited warranty and disclaimers, and that has been provided to Co-Promoter by Heron. Co-Promoter shall not enlarge, modify or amend Heron's guarantees, warranties, prices or other conditions of sales, shall have no authority to do so, and shall not hold itself out as having authority to do so. All correspondence and negotiations pertaining to any sale or prospective sale of the Product shall be conducted by Co-Promoter to clearly indicate that the Product is that of Heron.

2.06 Information concerning any complaints, medical inquiries and/or drug information requests from consumers, physicians or other third parties received by Co-Promoter regarding the Product in the Territory shall be forwarded to Heron within twenty-four (24) hours of Co-Promoter's receipt of the request and in accordance with Heron's policies and procedures as in effect and provided to Co-Promoter from time to time and

applicable laws, rules and regulations. As between Heron and Co-Promoter, Heron shall respond to all medical inquiries received from Co-Promoter in the manner Heron deems appropriate. Heron shall have sole responsibility for responding to any medical issues relating to the Product. The necessary contact information and procedures will be provided by Heron.

2.07 Co-Promoter shall promptly notify Heron upon being contacted by the FDA or any other governmental authority applicable to, or having authority over, the Product or services provided hereunder (each, a "Governmental Authority") in the Territory for any regulatory purpose pertaining to this Agreement or to the Product. Co-Promoter shall not respond to the FDA or such other Governmental Authority before consulting with Heron, unless under the circumstances pursuant to which FDA or such other Governmental Authority contacts Co-Promoter, it is not practical or lawful for Co-Promoter to give Heron advance notice, in which event Co-Promoter shall inform Heron of such contact as soon as practical and lawful.

2.08 Co-Promoter shall advise Heron within twenty-four (24) hours of any complaint, adverse reaction, injury or death in the Territory including name, contact information, product and lot number (if available) resulting from the use of any Product of which it becomes aware at **[***]**. Co-Promoter shall within five (5) days thereafter provide Heron with a report stating the full facts known to it and cooperate fully with Heron in its investigation of the facts.

2.09 Co-Promoter (through itself and its Sub-Promoters) shall carry on such activities within the Territory and maintain such offices and other facilities as are reasonably necessary and appropriate for the promotion and sale of the Product in the Territory, including making its representatives, employees, management and other personnel performing services hereunder available during normal business hours.

2.10 Co-Promoter shall exercise commercially reasonable efforts to enable Heron to realize at least **[***]** annual growth in Total Units Sold (as defined in Section 8.03(i) below) during any Measurement Period (as defined in Section 8.03(i) below).

2.11 Co-Promoter shall be responsible for obtaining inquiries and/or requests for orders from customers and potential customers of Heron and turning them into Heron. Inquiries and/or requests for orders will be processed by Heron and filled using Heron's established distribution system.

2.12 Co-Promoter shall indemnify, defend and hold harmless Heron, its directors, officers, employees, and agents, and its and their successors and assigns (collectively the "Heron Indemnitee(s)") from and against all third party claims, losses, costs, expenses and liabilities (including, without limitation, payment of reasonable attorneys' fees and other reasonable expenses of litigation or dispute resolution), and shall pay any damages (including settlement amounts) finally awarded, with respect to claims, suits or proceedings brought by third parties against a Heron Indemnitee, arising out of or relating to (a) a breach by Co-Promoter (or any Co-Promoter Indemnitee as defined in Section 3.03) of this Agreement or applicable law, (b) the negligence, willful

misconduct or fraud of or by Co-Promoter except, in each case to the extent caused by the negligence, willful misconduct or fraud of or by a Heron Indemnitee or (c) damage to property, or injury to, or death of persons, occasioned by, or in connection with, the acts or omissions, of Co-Promoter, or its agents, employees, or Sub-Promoters.

2.13 Co-Promoter shall maintain Commercial General Liability insurance (excluding Products and Completed Operations insurance) in an amount not less than **[***]** per occurrence and **[***]** annual aggregate coverage, Automobile Liability of not less than **[***]** Combined Single Limit, Worker's Compensation insurance as required by applicable statute including Employer's Liability with limits no less than **[***]** by bodily injury by accident/each accident; **[***]** by bodily injury by disease/policy limit; **[***]** by bodily injury by disease/policy/each employee. The Parties acknowledge and agree that neither Party's liability is limited hereunder by the amount of insurance coverage a Party is required to carry.

2.14 Co-Promoter will comply in all material respects with all policies and procedures of Heron as provided by Heron to Co-Promoter in writing from time to time.

2.15 Co-Promoter will be responsible for providing all required information for Heron to completely and accurately prepare all schedules and documentation required under the Physician Payment Sunshine Act ("PPSA"). Any failure to comply with the requirements of the PPSA by Co-Promoter, in which Heron is fined for failure to properly report, will be the responsibility of Co-Promoter and Heron will require full reimbursement for any and all fines and costs.

2.16 Co-Promoter shall, and shall cause its employees, sales representatives and each of the Sub-Promoters and their employees and sales representatives to, participate in, and conduct their operations in accordance with, a training program that (a) is consistent with industry standards and regulatory requirements, (b) includes requirements for initial training and subsequent trainings as reasonably necessary (for example, training on any subsequent product enhancements) and (c) is mutually agreed to by the Parties within **[***]** following the execution of this Agreement.

2.17 Except as otherwise expressly provided in this Agreement, Co-Promoter shall bear all the costs and expenses incurred in performing any and all of its responsibilities in this Article 2; provided, however, promotional materials or reprints of publications with be provided to Co-Promoter at no cost.

2.18 Co-Promoter agrees that (i) within **[***]** from the Effective Date that a minimum of **[***]** sales representatives will be promoting the Product (either directly by Co-Promoter or through any Sub-Promoter) within the Territory and (ii) within **[***]** from the Effective Date and continuing thereafter throughout the Term of this Agreement that a minimum of **[***]** sales representatives will be promoting the Product (either directly by Co-Promoter or through any Sub-Promoter) within the Territory. An active roster of such sales representatives, including, without limitation, current territory responsibility (e.g., territories assigned by geographic region such as zip code or county, or by surgical facility list or by physician list), will be provided to Heron on a quarterly basis and more

frequently upon request by Heron. For purposes of this Agreement, the Parties acknowledge and agree that the term “sales representatives” shall include sales associates, clinical sales specialists, sales representatives, sales managers and any other similarly situated individuals engaged in the promotion of the Product to customers and/or users of the Product.

3.HERON’S RESPONSIBILITIES

3.01 Heron shall provide (solely at Heron’s expense) training to all of Co-Promoter’s (and each Sub-Promoter’s) sales personnel involved in the promotion and sale of the Product during the Term of this Agreement in accordance with the program agreed to by the Parties pursuant to Section 2.16 above. In addition, Heron will furnish to Co-Promoter (and each Sub-Promoter) subject to Section 2.17 above, such other information which Co-Promoter (or any Sub-Promoter) may reasonably need for promotion and sale of the Product. Full completion of the training program agreed to by the Parties pursuant to Section 2.16 above must occur prior to any representative of Co-Promoter, or any Sub-Promoter, engaging in sales related activities for Heron. Heron will not compensate Co-Promoter or any Sub-Promoter for completing the required training. A general description of such training program agreed to by the Parties pursuant to Section 2.16 above is hereinafter set forth in **Exhibit C** attached hereto and may be amended in writing by the Parties as needed to continue to align with the requirements set forth in 2.16(a) and (b) above.

3.02 Nothing contained herein shall be deemed to prevent Heron from employing or utilizing, at its own expense, its own personnel for the purpose of advertising and promoting the sale of Product in the Territory.

3.03 Heron shall indemnify, defend and hold harmless Co-Promoter and each Sub-Promoter, and each of their respective owners, directors, managers, officers, employees, agents and successors and assigns (collectively, the “Co-Promoter Indemnitee(s)”) from and against all third party claims, losses, costs, and liabilities (including, without limitation, payment of reasonable attorneys' fees and other reasonable expenses of litigation), and shall pay any damages (including settlement amounts) finally awarded, with respect to claims, suits or proceedings brought by third parties against a Co-Promoter Indemnitee, arising out of or relating to (a) a material breach by Heron or its employees, agents or representatives of its obligations under this Agreement, (b) the negligence or willful misconduct of Heron, except, in each case, to the extent caused by the negligence or willful misconduct of a Co-Promoter Indemnitee, (c) personal injury or death resulting from the use of the Product, (d) defects alleged by third parties in the design, manufacture or composition of the Product, (e) breaches of warranty alleged by third parties with respect to the Product (except with respect to any warranties made by Co-Promoter or its Sub-Promoters in violation of this Agreement), (f) infringement alleged by third parties of patents, copyrights, trademarks, or other intellectual property rights through the use of the Product (except to the extent arising from Co-Promoter's use of materials not approved by Heron) or (g) recalls of the Product.

3.04 During the Term of this Agreement, Heron shall carry and continue in force a policy of product liability insurance for the Product promoted hereunder by Co-Promoter (including, without limitation, its Sub-Promoters) with limits of not less than **[***]** per occurrence and **[***]** aggregate. Such policy shall include Co-Promoter (including, without limitation, its Sub-Promoters) as an additional insured, and Heron shall provide Co-Promoter with proof of insurance, in the form of a certificate of insurance, within **[***]** of the Effective Date of this Agreement. Heron shall provide Co-Promoter with notice of any cancellation of such policy of insurance. The Parties acknowledge and agree that neither Party's liability is limited hereunder by the amount of insurance coverage a Party is required to carry.

4.COMPENSATION

4.01 Heron shall pay to Co-Promoter as its entire compensation (other than **[***]**) the compensation set forth and described in **Exhibit A** and **Exhibit B** attached hereto.

4.02 With respect to the base compensation to be paid by Heron to Co-Promoter as described in **Exhibit A** attached hereto, Heron shall provide Co-Promoter with 867 data reflecting sales of all units of the Product in the Territory with respect to each calendar month during the Term of this Agreement on or before the first day of the calendar month that is two calendar months later (for example, for the calendar month of July, Heron would provide such data and the ACH transfer referenced below on or before September 1 of the same year), which data shall include a break-down of all sales of units of both the 200mg and 400mg configurations of the Product by surgical facility and which data shall be accompanied by a contemporaneous ACH transfer to the checking account provided by Co-Promoter to Heron of the base compensation payment applicable for such calendar month as calculated pursuant to **Exhibit A**. In the event a dispute arises between the Parties regarding any amount owed by Heron to Co-Promoter pursuant to Section 4.01, Co-Promoter shall have the right, once every **[***]** and within **[***]** following any termination of this Agreement, and upon advance written notice to Heron, to inspect and audit Heron's accounting, financial and other records relating to the sale of the Products for use within the Territory in order to verify the proper calculation of the base compensation payable to Co-Promoter pursuant to **Exhibit A**; provided, however, that any such inspection and audit shall (a) take place at a mutually agreeable time and place, (b) not unreasonably interfere with Heron's normal business operations, (c) be subject in all respects to the confidentiality and non-use provisions set forth in Article 6 of this Agreement and (d) be at Co-Promoter's sole cost and expense; provided, however, that if any such audit or inspection reveals that Heron has underpaid Co-Promoter by **[***]** or more, then Heron shall bear Co-Promoter's reasonable costs of such audit and inspection (excluding overhead costs).

4.03 All taxes, including, without limitation, income tax, self-employment tax, gross receipts tax and foreign withholding tax, shall be the sole responsibility of Co-Promoter.

4.04[Intentionally Omitted.]

4.05 Co-Promoter shall maintain complete and accurate books and records of all services performed in a professional manner and as required by applicable laws, rules or regulations so as to permit Heron to review such records in accordance with this Section without disclosing to Heron any third party confidential or proprietary information. During the Term (as defined below) of this Agreement and for three (3) years following its expiration or earlier termination, Heron shall have the right, at its own expense, to audit such books and records, as well as Co-Promoter's facilities, during normal business hours for the purpose of verifying Co-Promoter's compliance with this Agreement (including compliance with all applicable regulations). Upon request by Heron, Co-Promoter will provide Heron a copy of all such records to Heron. After expiration of the three (3) year retention period, Co-Promoter will either transfer such records to Heron or destroy such records as determined by Heron in its sole discretion. Co-Promoter may retain one (1) copy of such records in a secure location solely for archival purposes.

5.SELLING TERMS

5.01 Subject to the provisions of this Agreement, the Product promoted by Co-Promoter shall be sold or offered for sale only at prices and upon the terms fixed by Heron. All orders and contracts for the purchase of the Product shall be processed by Heron through its established distribution systems. For the avoidance of doubt, Heron shall book all sales of the Product in the Territory and shall be responsible for the pricing of the Product (including the timing of pricing changes) and any discounting shall be at Heron's sole discretion. Nothing in this Section 5.01 shall be construed to limit Heron's ability to set prices for the Product or engage in such pricing strategies as it considers appropriate under the circumstances. Heron shall timely advise Co-Promoter of any Product price changes.

5.02 All orders and contracts for the purchase of the Product will be made through Heron authorized wholesalers and specialty distributors. Heron reserves the right to refuse any business originated by Co-Promoter or its Sub-Promoters in the Territory for any reason which in the judgment of Heron is sufficient grounds for refusal, and Co-Promoter and its Sub-Promoters, as applicable, shall not be entitled to any compensation thereon.

5.03 Co-Promoter shall not acquire Product from Heron. Title to the Product sold by Co-Promoter hereunder shall pass from Heron to the customer (through Heron's authorized wholesalers and specialty distributors, to the extent applicable) and shall not pass to Co-Promoter.

6.CONFIDENTIALITY AND NONCOMPETITION COVENANT

6.01 Heron may, and the Parties expect that it will, provide Proprietary Information (as defined below) to Co-Promoter. Co-Promoter agrees, and will require each of its Sub-Promoters to agree in writing, that it, or such Sub-Promoter, as the case may be, will hold confidential and will not disclose, make known, divulge or communicate Proprietary Information to third parties and will not use Proprietary Information, except in furtherance of and pursuant to this Agreement. The term "Proprietary Information",

as that term is used herein, shall mean all drawings, designs, specifications, technical and manufacturing data, know-how, trade secrets, quality and performance standards, business and financial information (such as, but not limited to, customer lists, pricing strategies of Heron, whether conveyed verbally or in writing, business forecasts, businesses and contractual relationships), any information specifically designated as confidential by Heron at the time of disclosure, or which Co-Promoter knows or should reasonably understand to be proprietary information of Heron, notes, analyses, summaries and other materials prepared by Co-Promoter or any of its Sub-Promoters and their respective personnel, that contain, are based on or derived from, or otherwise reflect, to any degree, any of the foregoing Proprietary Information. Proprietary Information does not include, and the restrictions related thereto shall not apply to, information in the public domain prior to the date of disclosure, as evidenced by competent contemporaneous records. Within ten (10) business days after termination of this Agreement, Co-Promoter shall surrender to Heron or destroy, at Heron's direction, all Proprietary Information of Heron in the possession of Co-Promoter and its Sub-Promoters.

6.02 Co-Promoter covenants and agrees, and will require each of its Sub-Promoters to covenant and agree in writing, that, during the Term of this Agreement and for **[***]** following expiration or termination of this Agreement (or in the case of a Sub-Promoter, during the term of Sub-Promoter's agreement with Co-Promoter and for **[***]** following expiration or termination of such agreement with Co-Promoter), Co-Promoter or each such Sub-Promoter, as the case may be, will not, within the Territory (or in the case of a Sub-Promoter, within the territory assigned to such Sub-Promoter pursuant to its agreement with Co-Promoter), without the express written consent of Heron: (a) promote, sell or distribute any Competing Product (as defined below) of any other person, corporation or other entity which is in competition with the Product it is representing hereunder or (b) act as a promoter, distributor or agent for any other person, corporation, or other entity with respect to any Competing Product which is in competition with the Product it is representing hereunder. Co-Promoter acknowledges and agrees that the provisions of this Section 6.02 are a key inducement for Heron to enter into this Agreement, and any breach of such provisions by Co-Promoter or any Sub-Promoter would constitute a material breach of this Agreement; provided, however, as stated in Section 2.02 above, Co-Promoter may cure any potential material breach of this Section 6.02 resulting directly from the actions of a Sub-Promoter by either terminating its agreement with such Sub-Promoter within thirty (30) days of receiving notice of such breach from Heron or taking such other action with such Sub-Promoter as is acceptable to Heron to avoid breach or termination of this Agreement; and provided, further, however, any breach of this Section 6.02 relating to the actions of a Sub-Promoter during the twelve (12) month period following the termination of such Sub-Promoter's agreement with Co-Promoter shall not be deemed a breach of this Agreement if Co-Promoter is complying with its obligations under Section 6.04 below. In addition and notwithstanding any provision in this Agreement to the contrary, in no event shall Co-Promoter be deemed in material breach of this Section 6.02 if Co-Promoter is required pursuant to its relationship with **[***]** to begin selling any Competing Product in the Territory; however, in such event, each of Co-Promoter and Heron shall have the right to elect to terminate this Agreement pursuant to the provisions

of Section 8.02(g) below (in the case of termination by Co-Promoter) or Section 8.02(h) below (in the case of termination by Heron). In addition and notwithstanding any provision in this Agreement to the contrary, in no event shall a Sub-Promoter be deemed in material breach of this Section 6.02 if Sub-Promoter is required pursuant to its Primary Relationship Partner (as defined below) to begin selling any Competing Product within the territory assigned to Sub-Promoter under its agreement with Co-Promoter and Co-Promoter has promptly taken action to terminate such agreement following its receipt of written notice that Sub-Promoter is selling (or will be selling) a Competing Product on behalf of its Primary Relationship Partner. For purposes of this Agreement, the term "Competing Product" means an FDA-approved non-opioid pharmaceutical anesthetic indicated for the same, or substantially the same, uses as the Product. For purposes hereof, the term "Primary Relationship Partner" of a Sub-Promoter means the orthopaedic manufacturer/supplier from which such Sub-Promoter derives at least **[***]**of its overall business revenue. Finally, and notwithstanding any provision in this Agreement to the contrary, Heron shall have no right to enforce the foregoing restrictive covenants in this Section 6.02 against Co-Promoter, or require Co-Promoter to enforce the same against any Sub-Promoter, with respect to the **[***]** period following termination of this Agreement unless Co-Promoter has received **[***]**.

6.03 Co-Promoter agrees that any breach of this Article 6 by Co-Promoter or its Sub-Promoters may cause irreparable harm to Heron and that damages would be difficult to calculate and, therefore, specifically agrees that the provisions of this Article 6 may be enforced by injunctive relief and that Heron may seek the same in any court of competent jurisdiction; provided, however, nothing herein shall be construed as prohibiting Heron from also pursuing any other remedies available at law or in equity, including the recovery of damages.

6.04 Co-Promoter agrees that at its sole expense, to use its commercially reasonable efforts to enforce the above-referenced restrictive covenant provisions of its agreements with its Sub-Promoters.

6.05 Co-Promoter hereby acknowledges that it is aware, and agrees that it will advise its Sub-Promoters and Affiliates (as defined below), that Heron is a publicly-traded company and that the United States securities laws prohibit any person who is in possession of material, nonpublic information concerning the matters which are the subject of this Agreement from purchasing or selling securities of Heron or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Co-Promoter further agrees that it will not, and it will cause its Sub-Promoters and Affiliates to not, use any Confidential Information received pursuant to this Agreement in violation of any applicable United States securities laws.

7.TRADEMARKS

7.01 Heron hereby grants to Co-Promoter and each of its Sub-Promoters, a non-exclusive right and nontransferable right and license, without the right to grant sublicenses to any party, to use the trademarks and trade names of Heron (the "Trademarks") during the

Term of this Agreement in connection with the promotion and advertising of the Product and the solicitation of orders for the Product in the Territory, provided that (a) Co-Promoter submits to Heron for its prior written approval examples of any and all materials, promotional literature, advertising and technical narrative in which any Trademark is used, and (b) the Trademarks shall be used by Co-Promoter in accordance with Heron's standards, specifications and instructions. Co-Promoter shall acquire no right, title or interest in or to the Trademarks other than the foregoing limited license, and Co-Promoter shall not use any Trademarks, or words, phrases or symbols confusingly similar to any Trademarks, as part of Co-Promoter's corporate or trade name or permit any third party to do so without the prior written consent of Heron. Co-Promoter agrees that all of its uses of the Trademarks shall inure to the benefit of Heron.

7.02 Co-Promoter shall promptly notify Heron of any use by any third party of the Trademarks or any use by such third parties of similar marks which may constitute an infringement or passing off of the Trademarks. Heron reserves the right, in its sole discretion, to institute any proceedings against such third party infringers and Co-Promoter shall refrain from doing so. Co-Promoter agrees to cooperate fully with Heron in any action taken by Heron against such third parties, provided that all expenses of such action shall be borne by Heron and all damages which may be awarded or agreed upon in settlement of such action shall accrue to Heron.

7.03 Upon the termination or expiration of this Agreement, Co-Promoter shall cease and desist, and cause each of its Sub-Promoters to cease and desist, from the use of the Trademarks in any manner, including but not limited to any use in connection with Co-Promoter's corporate or trade name. In addition, Co-Promoter hereby empowers Heron and agrees to assist Heron, if requested, to cancel, revoke or withdraw any governmental registration or authorization permitting Co-Promoter to use the Trademarks.

8.TERM AND TERMINATION

8.01 The term of this Agreement shall be for an initial period commencing January 1, 2024 and ending December 31, 2028 (the "Initial Period"), and shall automatically renew for successive periods of one (1) year each, unless terminated by either Party pursuant to this Agreement (each additional one (1) year renewal term hereinafter referred to as a "Renewal Period"). Either Party may terminate this Agreement at the expiration of the Initial Period or any Renewal Period, without cause, by giving at least **[***]** prior written notice of such termination to the other Party. Termination pursuant to this Section 8.01 shall be effective on the date of expiration of the Initial Period or Renewal Period, as the case may be. For purposes of this Agreement, "Term" shall mean the Initial Period together with the Renewal Period(s) (if applicable).

8.02 This Agreement may be terminated at any time during the Term as follows (the effective date of any such termination referred to herein as the "Termination Date"):

(a)by either Party, in the event of a material breach of this Agreement by the other Party, which breach (if capable of being cured) is not cured within

[***] following the breaching Party's receipt of written notice of such breach by the non-breaching Party;

(b)by either Party effective immediately upon written notice if any representation or warranty made herein by the other Party proves to be materially false and/or misleading when made;

(c)by either Party effective immediately if toxicity or safety findings or side effects of the Product actually causes the discontinuation of the commercialization of the Product;

(d)by either Party effective immediately upon written notice if the Product is withdrawn from the market for any reason (other than due to any act or omission of the terminating Party or any of its subsidiaries, or any of their respective employees, agents or representatives);

(e)by either Party effective immediately upon written notice in the event (i) a court of competent jurisdiction enters a decree or order of relief appointing a receiver, liquidator, assignee, trustee or similar official of the other Party or any substantial part of its assets and such decree or order is consented to by the other Party or continues unstayed and in effect for a period of **[***]**, (ii) the other Party files a voluntary petition or acquiesces in or fails to contest an involuntary petition under any bankruptcy, insolvency or similar law, (iii) an insolvency petition is filed against the other Party under any bankruptcy, insolvency or similar law which is not dismissed within **[***]**, or (iv) the other Party makes a general assignment for the benefit of its creditors;

(f)by either Party, in the event of a Change of Control of Heron, where "Change of Control" as used in this Agreement means (i) a Change in Control as defined in the Plan (as such term is defined in **Exhibit B**) or (ii) a transaction or series of transactions in which Heron or an Affiliate (as such term in defined in the Plan) of Heron either sells outright its entire right, title and interest in the Product to any third party that is not an Affiliate of Heron or exclusively licenses substantially all of the intellectual property rights associated with the Product to any third party that is not an Affiliate of Heron; provided, however, that any such termination right under this Section 8.02(f) shall be waived if not exercised within **[***]** after consummation of the Change of Control;

(g)by Co-Promoter, on **[***]** notice to Heron if Co-Promoter receives notice from **[***]** that Co-Promoter will be required to sell on behalf of **[***]** a Competing Product in the Territory;

(h)by Heron, immediately on written notice to Co-Promoter, should Co-Promoter commence selling on behalf of **[***]** any Competing Product in the Territory; or

(i)upon the mutual written agreement of the Parties.

8.03 In addition to those termination rights set forth in Section 8.02, Heron may terminate this Agreement upon the occurrence of any of the following:

(a)actual or threatened material regulatory or other action by the FDA or any other Governmental Authority relating to the Product;

(b)Heron is enjoined, prohibited or restricted from granting Co-Promoter the rights granted to it by Heron hereunder, in any such case, pursuant to a final, non-appealable award, judgment, decree or other order of any court or other Governmental Authority; provided that such injunction, prohibition or restriction does not result from any action or inaction of or caused by Heron or any of its subsidiaries, or any of their respective employees, agents or representatives;

(c)Co-Promoter is enjoined, prohibited or restricted from promoting the Product in the Territory in accordance with the terms hereof; provided that such injunction, prohibition or restriction does not result from any action or inaction of or caused by Heron or any of its subsidiaries, or any of their respective employees, agents or representatives;

(d)Written notice of voluntary abandonment of the business by Co-Promoter as determined by a totality of the circumstances;

(e)Conviction or a plea of guilty or no contest to a felony charge of violating any law relating to Co-Promoter's business;

(f)Any act of Co-Promoter which materially impairs the goodwill associated with Heron's name, trademark, trade name, service mark, logotype, or other commercial symbol;

(g)Any Change of Control of, or material change in the senior management or ownership of, Co-Promoter, which in the reasonable opinion of Heron materially adversely impacts the performance of Co-Promoter's obligations hereunder;

(h)Failure of Co-Promoter to materially comply with Heron's commercial and compliance policies and procedures, as provided by Heron to Co-Promoter in writing; provided, however, this right of Heron to terminate the Agreement shall only apply if Co-Promoter does not cure such failure within **[***]** following notice thereof from Heron; or

(i)Heron fails to realize at least **[***]** annual growth in Total Units Sold (as defined below) in the Territory during any Measurement Period (as defined below) unless such failure is reasonably attributable to the inability of Heron to provide sufficient quantities of Product to Co-Promoter's customers in the Territory during the applicable Measurement Period, and Heron sends

written notice to Co-Promoter of Heron's decision to terminate this Agreement pursuant to this Section 8.03(i) no later than **[***]** following the end of the applicable Measurement Period. For purposes of this Agreement, the term "Total Units Sold" means the aggregate amount of units of the Product sold for use in the Territory during a Measurement Period, a calendar month, or the Trailing Six Month Period, as such term is defined in **Exhibit A**, as applicable, which amount includes both the 200mg and 400mg configurations of the Product, but for purposes of this calculation the Parties have agreed that the 400mg configuration shall be calculated on an as converted to 200mg basis by doubling the number of 400mg units sold during the applicable Measurement Period. Thus, for example, **[***]**

8.04 Upon termination of this Agreement all promotional material, sales bulletins, advertising literature and other written information relating to the Product in possession of Co-Promoter and any Sub-Promoter shall at such time be returned to Heron.

8.05[***].

8.06 Upon the expiration or termination of this Agreement, each Party shall (a) return to the other Party all Proprietary Information of the other Party that is in its possession; (b) Co-Promoter shall cease the promotion of the Product and return all Promotional Materials to Heron; (c) Heron shall pay to Co-Promoter any amounts earned up through the date of termination or expiration; and (d) the mutual rights and obligations of the Parties hereunder shall forthwith terminate; *provided however*, that the provisions of Sections 2.06, 2.07, 2.08, 2.12, 2.13, 2.15, 3.03, 3.04, Article 6, Section 7.03, and Articles 8, 9, 10 and 11 shall survive any such expiration or termination of this Agreement, and such termination or expiration shall not terminate or otherwise affect any right or obligation accruing hereunder prior to such expiration or termination, or accruing thereafter in respect of any event occurring prior thereto.

9.REPRESENTATIONS AND WARRANTIES; COVENANTS

9.01 Each Party hereby represents and warrants to the other Party as follows:

9.01.1 Such Party has all requisite corporate or company power and authority to enter into this Agreement and to perform the services contemplated hereunder (including, in the case of Co-Promoter, the promotion of the Product hereunder);

9.01.2 All actions on the part of such Party, the board of directors or managers of such Party and the equity holders or members of such Party necessary for (a) the authorization, execution, delivery and performance by such Party of this Agreement, and (b) the consummation of the transactions contemplated hereby, have been duly taken. This Agreement is legally valid and binding on such Party, enforceable against such Party in accordance with its terms (except in all cases as such enforceability may in the future be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar

laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding may be brought);

9.01.3 None of the execution and delivery of this Agreement, the consummation of the transactions provided for herein or contemplated hereby, or the fulfillment by such Party of the terms hereof or thereof, will (with or without notice or passage of time or both): (a) conflict with or result in a breach of any provision of the certificate of incorporation, by-laws, operating agreement or other governing documents of such Party, (b) result in a default, constitute a default under, give rise to any right of termination, cancellation or acceleration, or require any consent or approval (other than approvals that have been obtained) under any of the terms, conditions, or provision of any material note, bond, mortgage, indenture, loan, arrangement, license, agreement, lease or other instrument or obligation to which such Party is a party or by which its assets may be bound, or (c) violate any law or regulation applicable to such Party or any of its assets;

9.01.4 There is no action, suit, proceeding or investigation pending or, to such Party's knowledge, currently threatened, against such Party that questions the validity of this Agreement or the right of such Party to enter into this Agreement, or to consummate the transactions contemplated hereby, nor does such Party have knowledge that there is any basis for the foregoing. Such Party is not a Party or subject to the provisions of any order, writ, injunction, judgment or decree of any Governmental Authority, which would adversely affect its rights or obligations hereunder or the transactions contemplated hereby. All consents, approvals, qualifications, orders or authorizations of, filings with, or notices to any Governmental Authority or any other third party required in connection with (a) such Party's valid execution, delivery or performance of this Agreement and (b) the consummation of any other transaction contemplated on the part of such Party hereby, have been obtained, made or given;

9.01.5 Such Party is not in violation of any law or regulation, which violation could reasonably be expected to affect such Party's performance of its obligations hereunder, and, without limiting the generality of the foregoing, such Party holds each of the licenses, permits, approvals or authorizations necessary with respect to its current business and operations (and its right and obligations contemplated hereby) in compliance with all laws and regulations, except where the absence thereof does not materially impact the ability of such Party to perform its obligations hereunder; and

9.01.6 Such Party has not retained any finder, broker, agent, financial advisor or other intermediary in connection with the transactions contemplated by this Agreement.

9.02 In addition to those representations and warranties of Co-Promoter set forth above, Co-Promoter further represents, warrants and covenants to Heron as follows:

9.02.1 Co-Promoter has, and will at all times during the Term of this Agreement have, in all material respects, the requisite expertise, experience and skill to promote the Product and that it shall cause the services to be performed hereunder by all affiliates, employees and/or agents or Sub-Promoters of Co-Promoter to be performed, in all material respects, in a competent, efficient and professional manner; and

9.02.2 Neither Co-Promoter nor any person employed or retained by Co-Promoter or any Sub-Promoter in connection with any work to be performed for or on behalf of Heron has been debarred under Section 306(a) or (b) of the Food Drug and Cosmetic Act, 21 U.S.C. § 301 et seq. as it may be amended from time to time and no debarred person will in the future be employed by Co-Promoter or any Sub-Promoter in connection with any work to be performed for or on behalf of Heron. If at any time after execution of this Agreement, Co-Promoter becomes aware that Co-Promoter or any person employed by Co-Promoter or any Sub-Promoter in connection with any work to be performed for or on behalf of Heron becomes or is in the process of being debarred, Co-Promoter shall so notify Heron immediately in writing and immediately take steps to prevent such person from performing any of the services contemplated by this Agreement, it being understood that if appropriate and prompt disciplinary action is taken and there is no material adverse effect on Heron or its operations as a result of such person's actions, then Co-Promoter shall be deemed to have cured any potential breach of this Agreement caused by such person's actions.

9.03EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NO PARTY MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES, INCLUDING FITNESS FOR PURPOSE INTENDED OR MERCHANTABILITY, WHETHER EXPRESS OR IMPLIED.

10.<u>DISPUTES</u>

Any dispute, controversy or claim initiated by either Party arising out of, resulting from or relating to this Agreement, or the performance by either Party of its obligations under this Agreement (other than bona fide third party actions or proceedings filed or instituted in an action or proceeding by a third party against a Party), whether before or after termination of this Agreement, shall be finally resolved by binding arbitration. Any such arbitration shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association by a panel of three arbitrators appointed in accordance with such rules with the arbitration taking place in North Carolina. The method and manner of discovery in any such arbitration proceeding shall be governed by the laws of the State of Delaware. The arbitrators shall have the authority to grant injunctions and/or specific performance and to allocate between the Parties the costs of arbitration in such equitable manner as they determine. Judgment upon the award so

rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either Party shall have the right, without waiving any right or remedy available to such Party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such Party, pending the selection of the arbitrators hereunder or pending the arbitrators' determination of any dispute, controversy or claim hereunder.

11.GENERAL PROVISIONS

11.01 No failure or delay of one of the Parties to insist upon strict performance of any of its rights or powers under this Agreement shall operate as a waiver thereof, nor shall any other single or partial exercise of such right or power preclude any other further exercise of any rights or remedies provided by law.

11.02 It is expressly recognized by Heron and Co-Promoter that this Agreement is based upon Heron's reliance on senior management of Co-Promoter and, therefore, Co-Promoter may not assign or transfer this Agreement, or delegate its obligations under this Agreement, without prior written approval of Heron. Any change of control, merger, spin-off or other corporate reorganization of or involving Co-Promoter shall constitute an assignment for purposes of this Section 11.02. Heron may assign its interest in this Agreement to an Affiliate or in connection with a merger or sale of substantially all of its business or that portion of its business pertaining to the subject matter of this Agreement, whether by merger, sale of stock, sale or licensing of assets or otherwise. The term "Affiliate" as used in this Agreement means, with respect to a Party, any other natural person or legal entity, including, without limitation, any business, corporation, company, association, limited liability company, partnership, limited partnership, joint venture, trust or other legal entity (each, a "Person"), that is now, or in the future, directly or indirectly Controlling, Controlled by or under common Control with such Party, where "Control" and derivative terms mean the possession, directly, or indirectly, of the power to direct or cause the direction of the management and policies of a Party or a Person, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing and except as otherwise stated in Section 2.02, Co-Promoter may engage the services of independent contractors to promote the sale of Product with respect to portions of the Territory, but only after each such independent contractor has been presented to Heron for approval, which approval shall not be unreasonably withheld.

11.03THIS AGREEMENT, INCLUDING **EXHIBITS A, B AND C** ATTACHED HERETO AND INCORPORATED HEREIN AS AN INTEGRAL PART OF THIS AGREEMENT, CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ALL PREVIOUS AGREEMENTS BY AND BETWEEN HERON AND CO-PROMOTER

AS WELL AS ALL PROPOSALS, ORAL OR WRITTEN, AND ALL NEGOTIATIONS, CONVERSATIONS OR DISCUSSIONS HERETOFORE HAD BETWEEN THE PARTIES RELATED TO THIS AGREEMENT. CO-PROMOTER ACKNOWLEDGES THAT IT HAS NOT BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY ANY REPRESENTATIONS OR STATEMENTS, ORAL OR WRITTEN, NOT EXPRESSLY CONTAINED HEREIN.

11.04 No modification of this Agreement shall be binding on either Party unless it is in writing and signed by both Parties. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, it shall be ineffective to the extent of such invalidity, illegality or unenforceability and the remaining provisions of this Agreement shall remain in effect. If the terms and conditions of this Agreement are materially altered as a result of the applicability of this Section 11.04, the Parties shall negotiate such altered terms and conditions so as to achieve the original intent of the Parties to the extent legally permissible.

11.05 No liability shall result from delay in performance or nonperformance caused by extraordinary circumstances beyond the reasonable control of the Party affected, including, but not limited to, acts of God, fire, flood, war, embargo, terrorism, pandemic, any United States government regulation, labor trouble or shortage thereof or inability to obtain material equipment or transport (each, a “Force Majeure Event”). In the event a Party is unable to perform its obligations under this Agreement for more than **[***]** because of any Force Majeure Event, the other Party may terminate this Agreement, in whole but not in part, upon written notice to such Party. In the event Co-Promoter’s performance hereunder is delayed by a Force Majeure Event, Heron’s compensation obligations under this Agreement shall be suspended until Co-Promoter’s performance resumes, except with respect to fees incurred prior to Co-Promoter’s performance being so delayed by the applicable Force Majeure Event.

11.06 All notices and other communications given or made pursuant to this Agreement by a Party shall be in writing and shall be deemed effectively given upon the earlier of actual receipt by the other Party or: (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. Any notice required pursuant to this Agreement shall be in writing and shall be sent to the other Party as follows:

If to Heron: Heron Therapeutics, Inc.
4242 Campus Point Court
Suite 200
San Diego, CA 92121
Attn: Chief Executive Officer
Email: **[***]**

With copies to:
Heron Therapeutics, Inc.
4242 Campus Point Court
Suite 200
San Diego, CA 92121
Attn: Chief Financial Officer
Email: **[***]**

Heron Therapeutics, Inc.
4242 Campus Point Court
Suite 200
San Diego, CA 92121
Attn: Legal Department
Email: **[***]**

If to Co-Promoter: CrossLink Network, LLC
1880 Beaver Ridge Circle
Norcross, GA 30071
Attn: Thomas Fleetwood, CEO
Email: **[***]**

With a copy to:
Richard L. Haury, Jr., Esq.
Sr.VP/General Counsel
CrossLink Life Sciences, LLC
1880 Beaver Ridge Circle
Norcross, GA 30071
Email: **[***]**

or to such other address or person as a Party may hereinafter designate by written notice to the other Party.

11.07 Neither Party may publicly disclose the existence or terms or any other matter of fact regarding this Agreement and any ancillary agreements without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided, however, that either Party may make such a disclosure and provide a copy of this Agreement and any ancillary agreements to the extent required by applicable law or by the requirements of any nationally recognized securities exchange, quotation system or over-the-counter market on which such Party has its securities listed or traded. In the event that such disclosure is required as aforesaid, the disclosing Party shall make reasonable efforts to provide the other Party with notice beforehand and to coordinate with the other Party with respect to the timing of any such disclosure. Notwithstanding the foregoing, either Party may disclose to a third party the existence or terms or any other matter of fact regarding this Agreement and any ancillary agreements and provide a copy of this Agreement and any ancillary agreements without the prior written consent of the other Party: (a) pursuant to, and in accordance with, any existing contractual

obligations with such party; or (ii) if such third party is an investor or a prospective investor, purchaser, partner, lender, or other potential financing source, Sub-Promoter or potential Sub-Promoter (or a representative of any of the foregoing) who is obligated to keep such information confidential.

11.08 Except as set forth in Sections 2.12 and 3.03, the Parties do not intend this Agreement to create any third party beneficiaries.

11.09 Neither Heron nor Co-Promoter (which for the purposes of this Article 11 shall include their respective Affiliates, directors, managers, officers, employees, consultants, equity holders, representatives and agents) shall have any liability to the other for any punitive damages, special, consequential or indirect damages, relating to or arising from the loss of commercial or business opportunity, revenue or profit, in connection with or arising out of this Agreement, even if such damages may have been foreseeable; provided that such limitation shall not apply in the case of (a) fraud, (b) gross negligence or intentional misconduct, (c) any damages (including, without limitation, the types enumerated in this Section 11.09) claimed by or paid to a third party in connection with a third party claim, or (d) breach of Articles 6, 7, or 9.

11.10 Each Party shall act in good faith in its performance of this Agreement and shall: (a) not unreasonably delay or withhold the giving of any consent, decision or approval that is either requested or reasonably required by the other Party in order to perform its responsibilities and/or obligations under this Agreement; and (b) do such other acts and things the other Party may reasonably request for the purpose of carrying out the intent of this Agreement.

11.11 In performing its obligations under this Agreement, Co-Promoter and its Sub-Promoters, Affiliates, employees and agents (a) shall not offer to make, make, promise, authorize or accept any payment or giving anything of value, including but not limited to bribes, either directly or indirectly to any public official, regulatory authority or anyone else for the purpose of influencing, inducing or rewarding any act, omission or decision in order to secure an improper advantage, or obtain or retain business and (b) shall comply with all applicable anti-corruption and anti-bribery laws and regulations; provided, however, in no event shall the foregoing language be interpreted to prohibit any actions undertaken by Co-Promoter and its Sub-Promoters, Affiliates, employees and agents that are in compliance with the PhRMA Code. Co-Promoter and its Sub-Promoters, Affiliates, employees, agents, consultants and permitted subcontractors shall not make any payment or provide any gift to a third party in connection with Co-Promoter's performance of its obligations hereunder except as may be expressly permitted in this Agreement without first identifying the intended third-party recipient to Heron and obtaining Heron's prior written approval. Co-Promoter shall notify Heron immediately upon becoming aware of any breach of obligations under this Section. Co-Promoter (and any individual(s) provided by Co-Promoter to perform Services hereunder, including Sub-Promoters) shall participate in any anti-corruption training reasonably required by Heron.

11.12Equal Opportunity Compliance. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

11.13 This Agreement may be executed in any number of counterparts, in the original or by electronic means (including, without limitation, via DocuSign or by exchange of electronic signature pages, including .PDF), each of which will be deemed an original and all of which taken together will be deemed to constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have hereunto signed this Agreement, effective as of the Effective Date.

HERON THERAPEUTICS, INC.

By: /s/ Craig Collard
Craig Collard, CEO

Date: January 5, 2024

CROSSLINK NETWORK, LLC

By: /s/ Thomas Fleetwood
Thomas Fleetwood, CEO

Date: January 5, 2024

EXHIBIT A

[***]

EXHIBIT B

[***]

EXHIBIT C

[***]

EXHIBIT 31.1

SECTION 302 CERTIFICATION

I, Craig Collard, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Heron Therapeutics, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ Craig Collard
Craig Collard
Chief Executive Officer
(As Principal Executive Officer)

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, Ira Duarte, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of Heron Therapeutics, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2024

/s/ Ira Duarte
Ira Duarte
Executive Vice President, Chief Financial Officer
(As Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned, in their capacity as Principal Executive Officer and Principal Financial Officer, respectively, of Heron Therapeutics, Inc. (the "Registrant"), hereby certifies, for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his or her knowledge that:

- the Quarterly Report of the Registrant on Form 10-Q for the quarter ended March 31, 2024 (the "Report"), which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition of the Registrant at the end of such quarter and the results of operations of the Registrant for such quarter.

Dated: May 7, 2024

/s/ Craig Collard
Craig Collard

Chief Executive Officer
(As Principal Executive Officer)

/s/ Ira Duarte
Ira Duarte
Executive Vice President, Chief Financial Officer
(As Principal Financial Officer and Principal Accounting Officer)

This certification accompanies the Report to which it relates, is not deemed to be filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Heron Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

Note: A signed original of this written statement required by Section 906 has been provided to Heron Therapeutics, Inc. and will be retained by Heron Therapeutics, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.