Heron Therapeutics

Q1 2025 Earnings Call

May 6, 2025

Forward-looking Statements and Non-GAAP Disclosures

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

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

Executive Summary

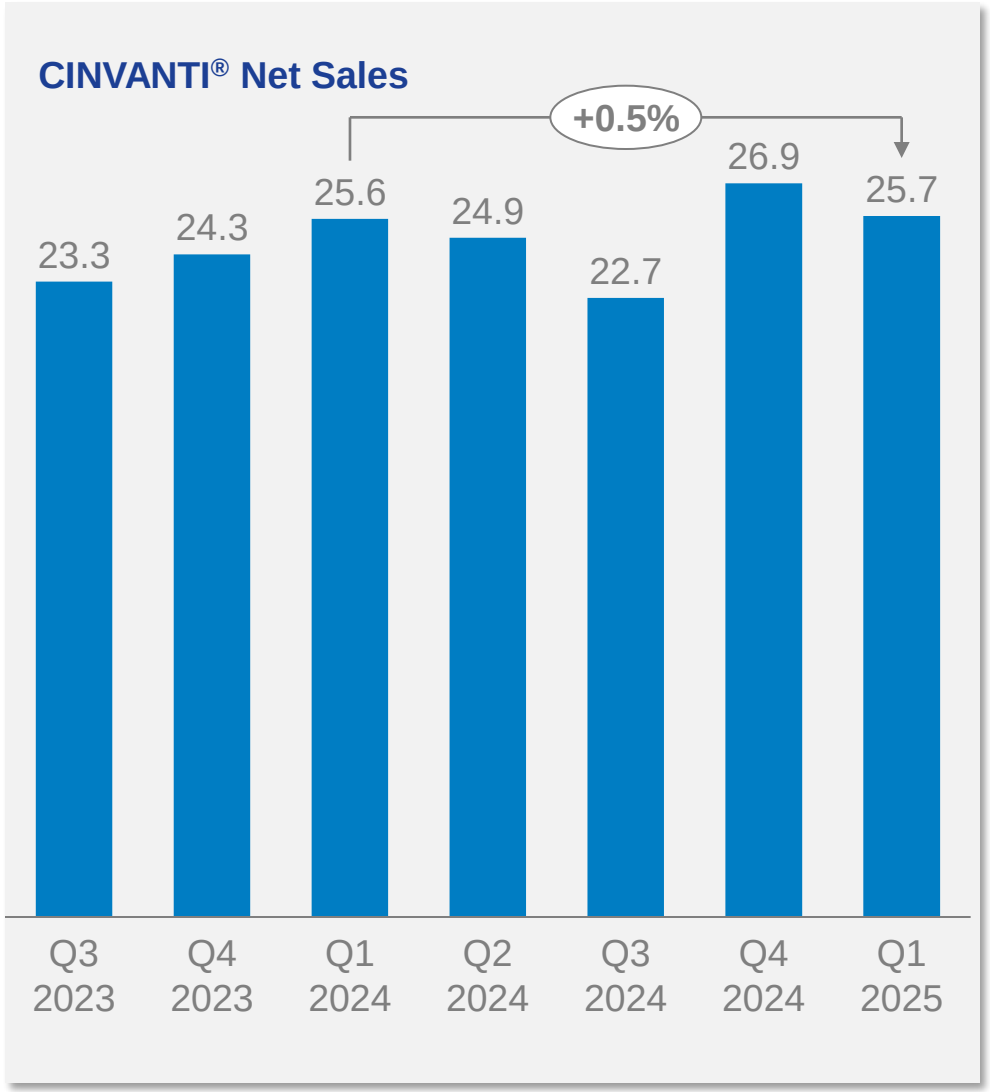
Q1 2025 Achievements and Key Updates

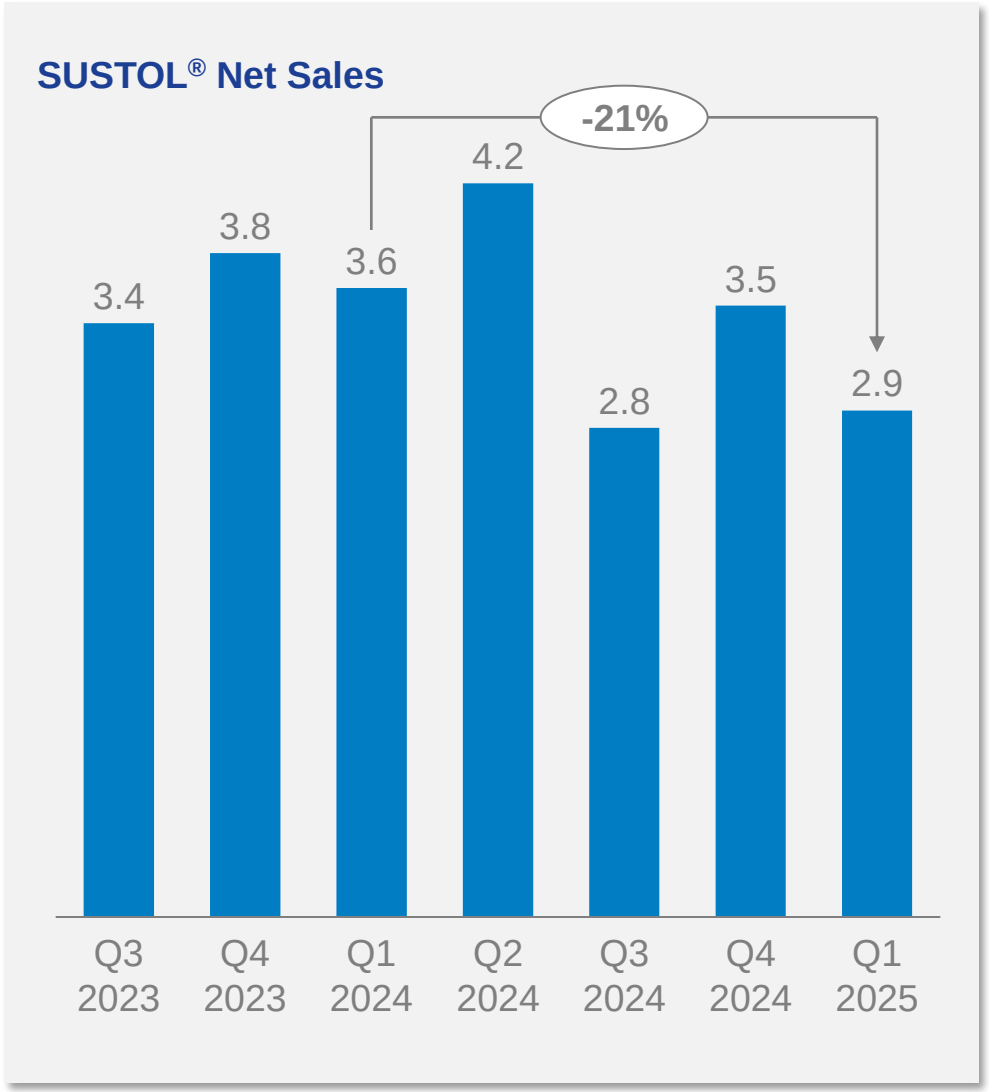
1. Generated Q1 2025 Net Revenue of $38.9 million
2. Achieved Q1 2025 Net Income of $2.6 million
3. Delivered record Q1 2025 Adjusted EBITDA of $6.2 million
4. Reached settlement with Mylan Pharmaceuticals, Inc., regarding the parties' CINVANTI® and APONVIE® patent litigations, including an agreed market entry date of June 1, 2032
5. Appointment of Mark Hensley as Chief Operating Officer

Product Performance

Oncology Care Franchise Net Sales

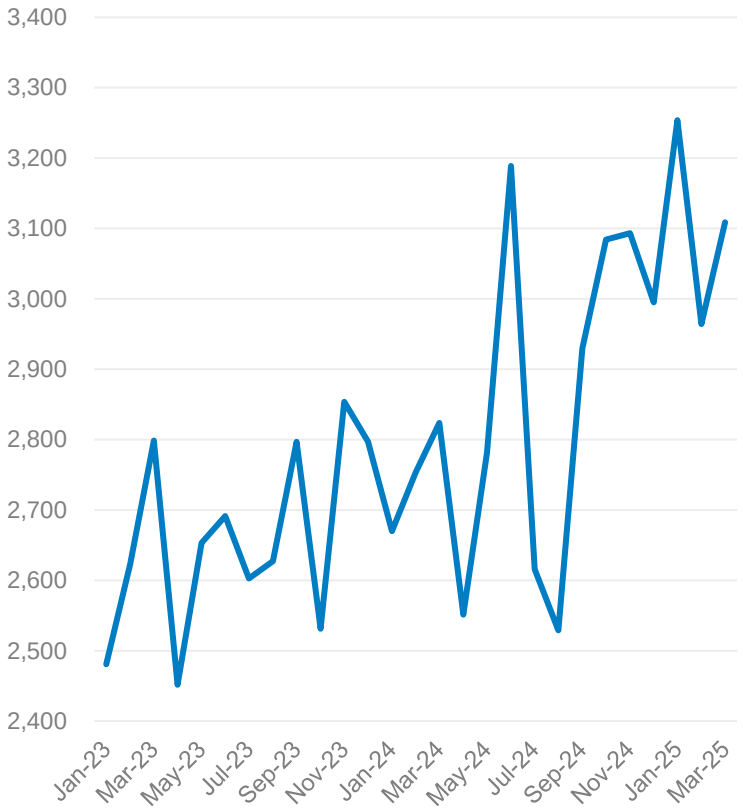
3 months ended March 31, 2025: $28.6 million





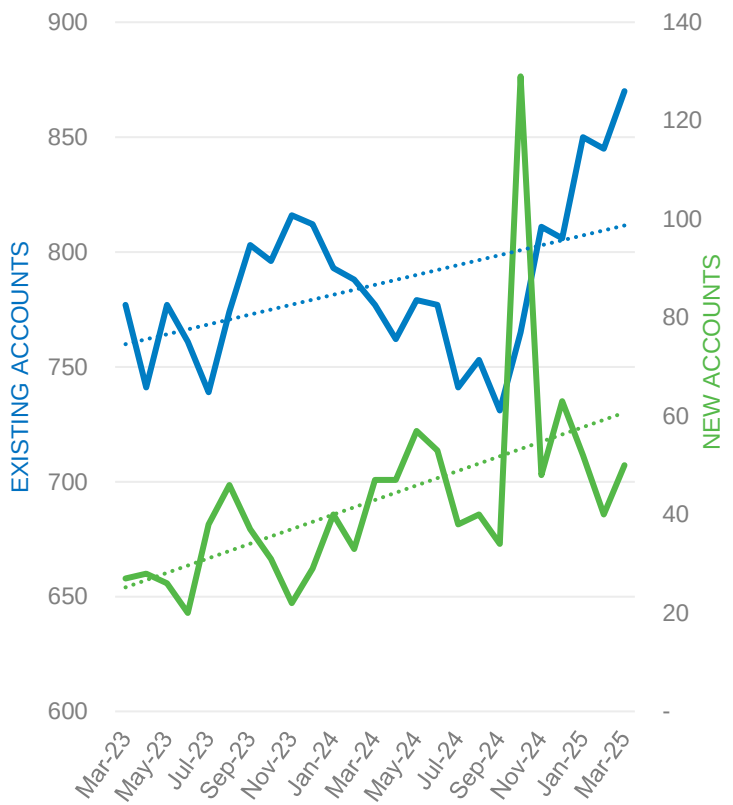
CINVANTI Performance Metrics and Growth Drivers

CINVANTI – AVERAGE DAILY UNITS



CINVANTI continues to grow volume, even as the aprepitant market becomes more competitive

CINVANTI – ORDERING ACCOUNTS



CINVANTI volume growth is driven by an increasing number of new accounts ordering each month, which may lessen the impact of competitive activity in larger accounts

Key CINVANTI Growth Drivers

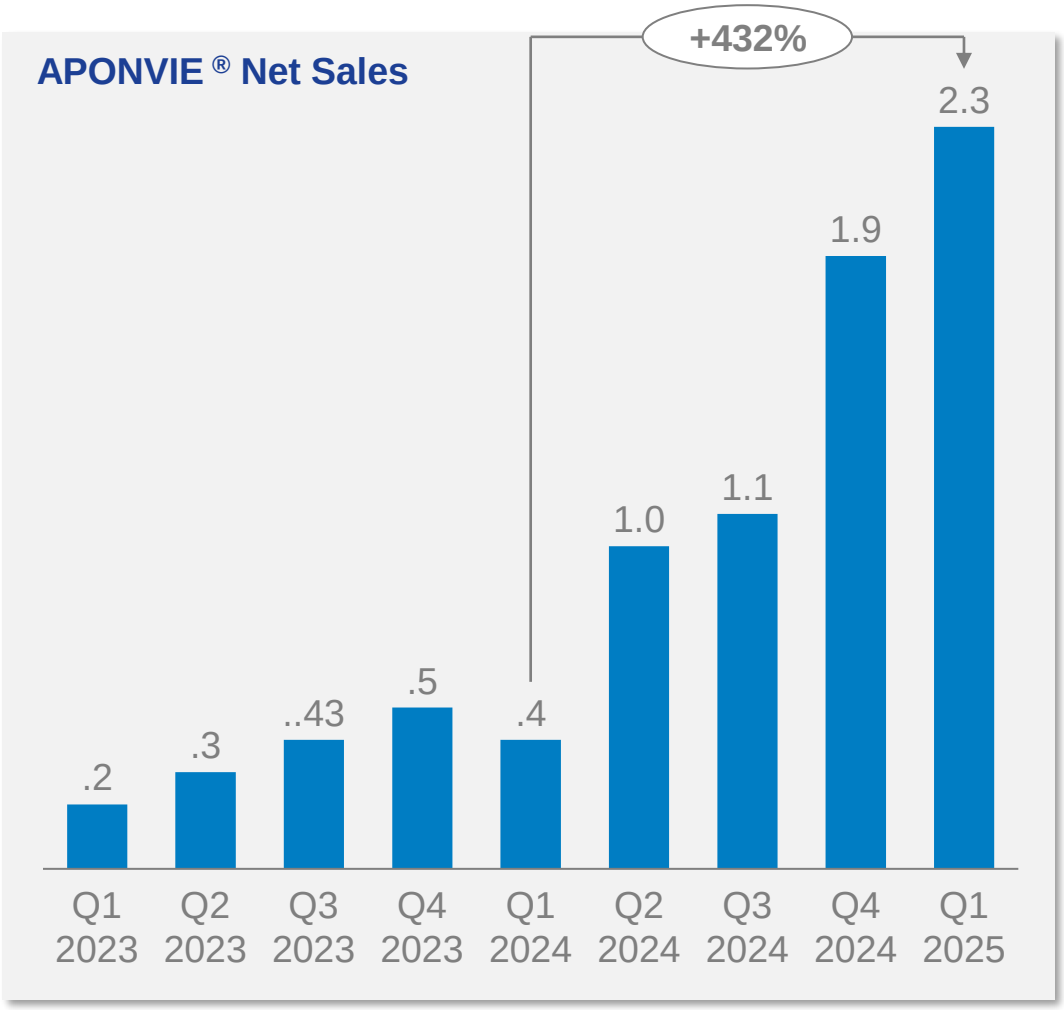
- **Endorsed in NCCN Guidelines**
- **MOA-Driven Efficacy:**

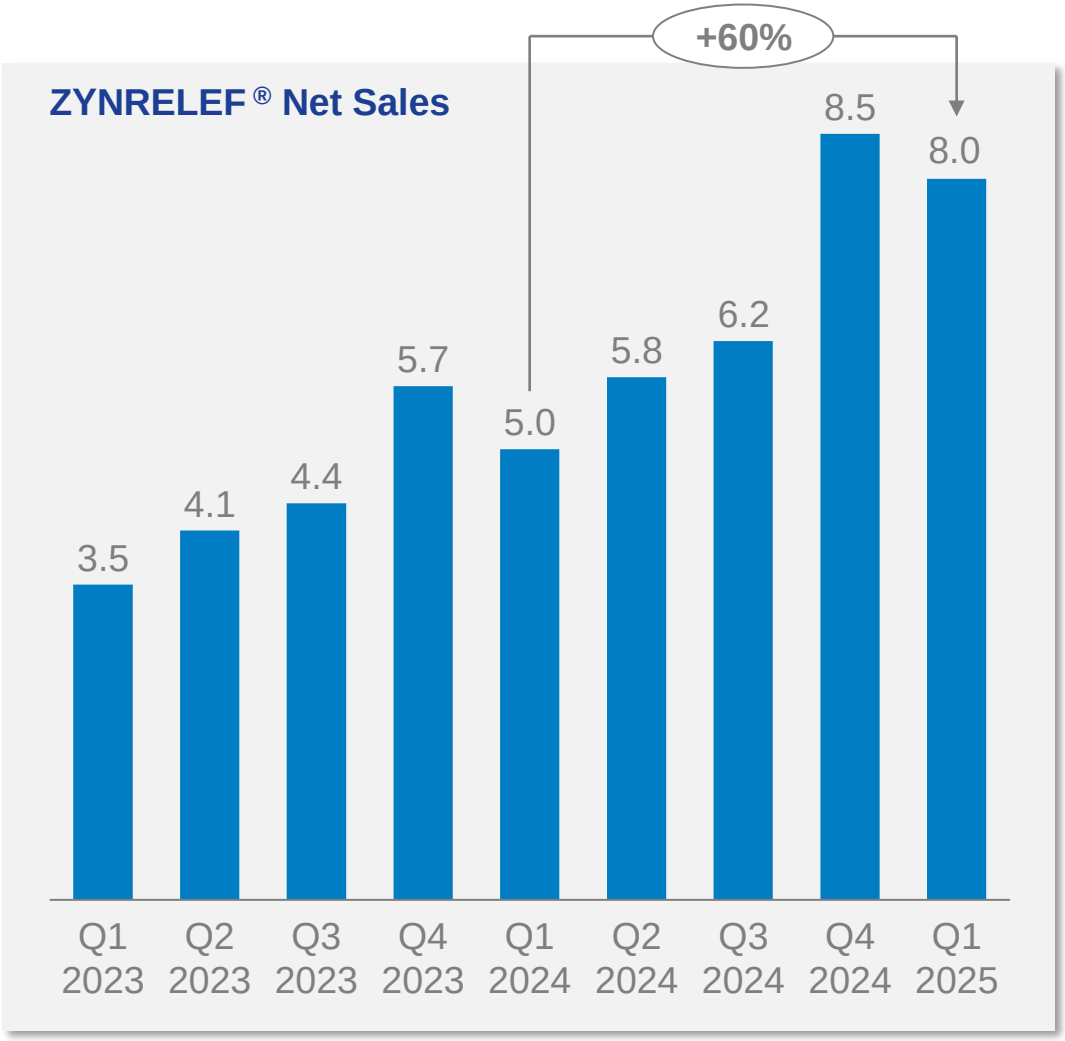
  Broad coverage: Blocks signal transmission at the final common receptor pathway to vomiting
- **Superior Safety Profile:** NK-1 Class
- **RTU & IV Push:** Meet ASHP & ISMP best-practice recommendations
- **Oncology Clinic Through-Put:** Increasing demand on clinics, reduced chair time
- **ASP Maintenance:** Maintain favorable reimbursement
- **DNA/MSL Teams:** Education/awareness

HERON THERAPEUTICS

Acute Care Franchise Net Sales

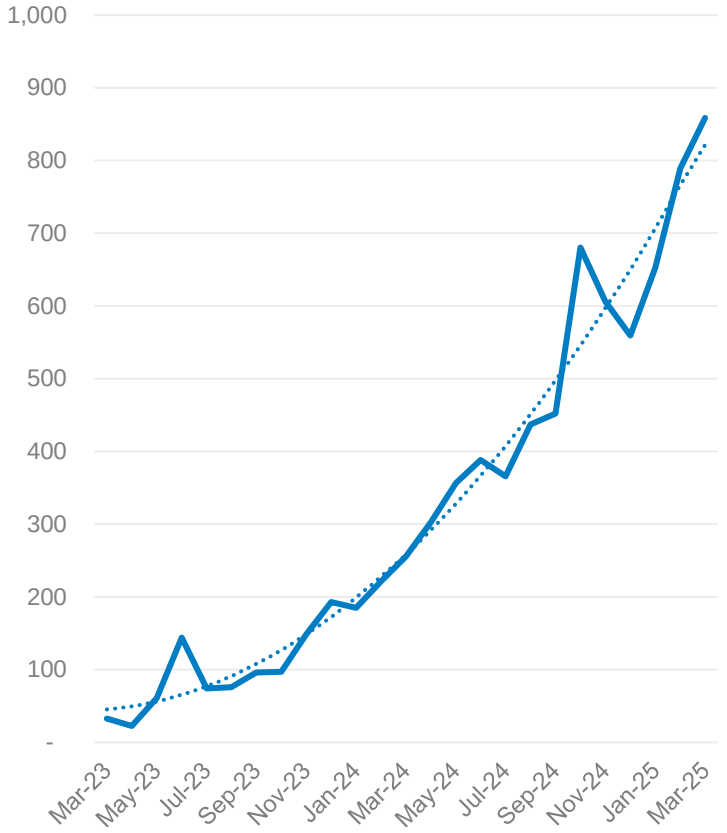
3 months ended March 31, 2025: $10.3 million





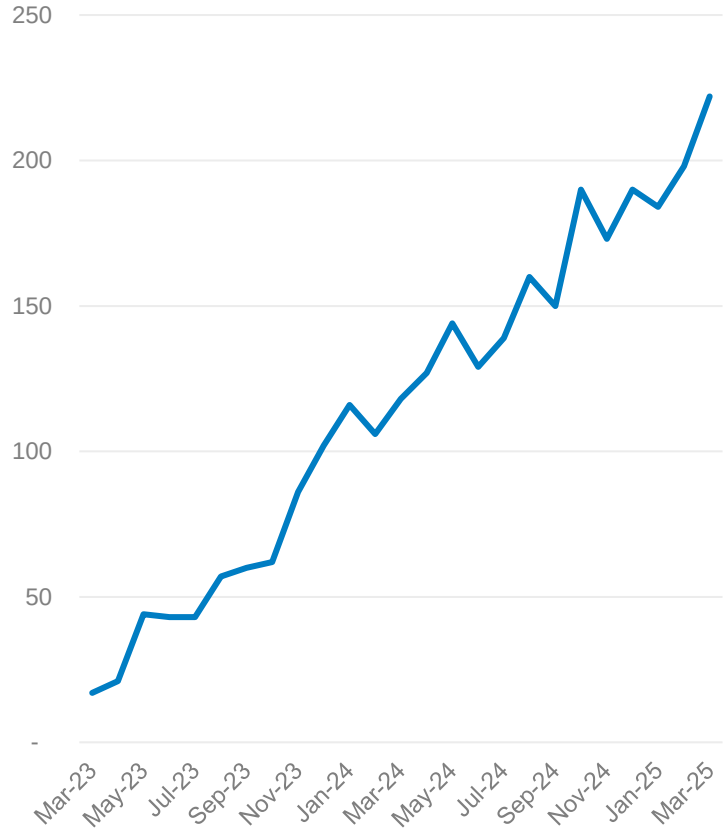
APONVIE Performance Metrics and Growth Drivers

APONVIE - AVERAGE DAILY UNITS



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

APONVIE - ORDERING ACCOUNTS



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

Key APONVIE Growth Drivers

- **MOA-Driven Efficacy:**

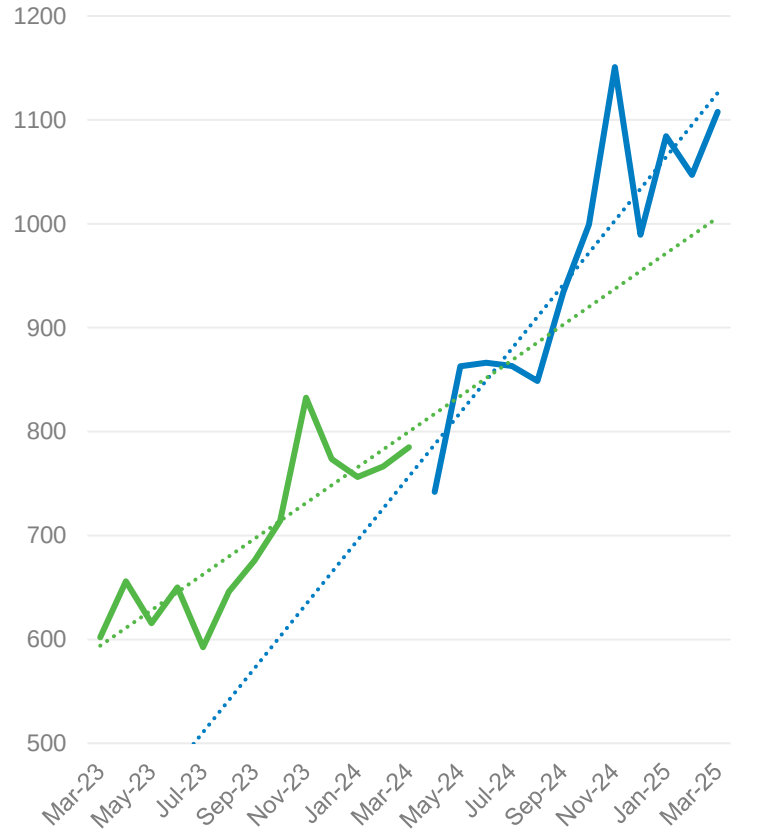
  Broad coverage: Blocks signal transmission at the final common receptor pathway to vomiting

  Fast onset: ≥97% receptor occupancy in the brain achieved within 5 minutes of injection

- **#1 Ranked Most Efficacious Anti-Emetic:** Demonstrated by multiple high-powered meta-analyses
- **Safety Profile:** Safe implementation in multi-modal prophylaxis
- **ERAS Protocols/Shift toward Outpatient Procedures:** PONV prophylaxis is critical
- **Patient Satisfaction/Reimbursement:** PONV ranked #1 patient concern
- **2025 Consensus PONV Guidelines**

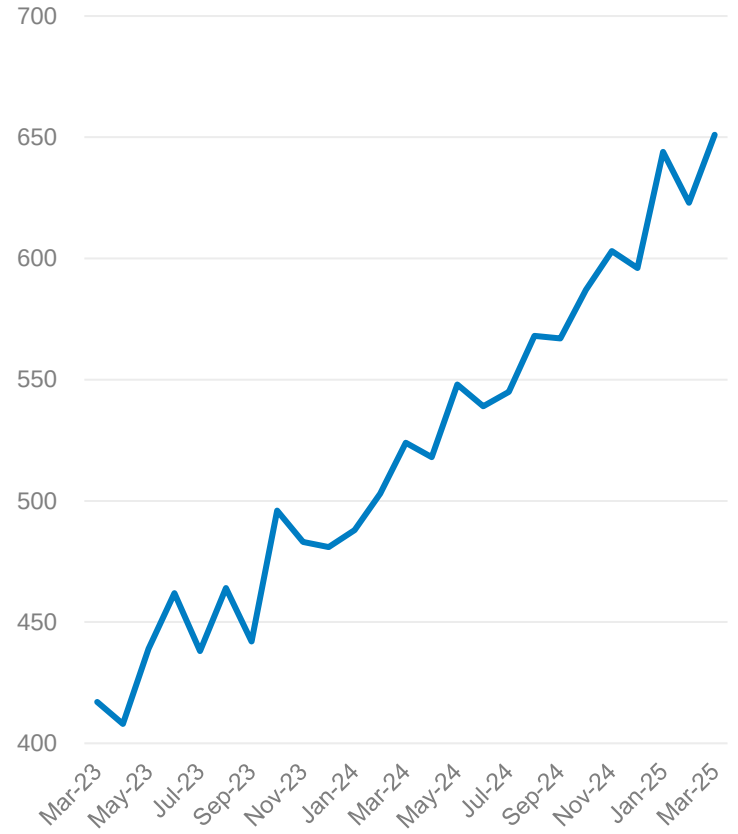
ZYNRELEF Performance Metrics and Growth Drivers

ZYNRELEF - AVERAGE DAILY UNITS



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

ZYNRELEF - ORDERING ACCOUNTS



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

Key ZYNRELEF Growth Drivers

- **Expanded Label:** # of indicated procedures/formulary additions
- **Crosslink Partnership:** Awareness/OR education/maintenance
- **Vial Access Needle:** Efficiency, RTU, superior aseptic process
- **Awareness:** Literature, congresses, conferences, CrossLink
- **ERAS Protocols/Shift toward Outpatient Procedures:** Pain control = decrease ORAEs, decrease time to first PT, decrease LOS
- **Patient Satisfaction/Reimbursement:** NOPAIN Act, NOPAIN for Veterans, commercial initiatives

Finance

Select Financial Results

(Unaudited)

In $K	QTD Q1 2025	QTD Q1 2024
Net Product Sales	$ 38,903	$ 34,670
Cost of Product Sales	8,457	8,444
Gross profit	30,446	26,226
Operating Expenses:		
Research and development	2,279	4,608
General and administrative	12,702	14,974
Sales and marketing	12,311	11,442
Total operating expense	27,292	31,024
Income (loss) from operations	$ 3,154	$ (4,798)
Cash and short-term investments	$ 50,679	$ 59,283

Adjusted EBITDA

U.S. GAAP to Non-GAAP Reconciliation
(unaudited)

In $K	QTD Q1 2025	QTD Q1 2024
Net Income (loss)	$ 2,635	$ (3,160)
Other expense (income), net	519	(1,638)
Depreciation	551	689
Stock-based compensation	2,511	3,375
Adjusted EBITDA	$ 6,216	$ (734)

Revised 2025 Guidance

Product Revenues, Net	$153.0 – $163.0 million
Adjusted EBITDA^	$4.0 - $12.0 million
^ Excludes Stock-Based Compensation, Depreciation and Amortization	

Questions