Forward-Looking Statements

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 of this presentation, and involve substantial risks and uncertainties that could cause our clinical development programs, future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, those associated with: the full-year 2019 net product sales guidance for the CINV franchise; whether the FDA approves the NDA for HTX-011; the timing of the FDA's review process for HTX-011; the timing of the commercial launch of HTX-011; the timing of the CHMP’s review process for HTX-011; whether the European Commission authorizes the MAA for HTX-011; the potential market opportunity for CINVANTI, SUSTOL and HTX-011; the timing and results of the studies in the HTX-011 and HTX-034 development programs; 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 other risks and uncertainties identified in the Company’s filings with the Securities and Exchange Commission. Forward-looking statements reflect our analysis only on their stated date, and we take no obligation to update or revise these statements except as may be required by law.
Heron Pipeline

We are currently developing and commercializing pharmaceutical products for patients suffering from cancer or postoperative pain:

<table>
<thead>
<tr>
<th>CINV*</th>
<th>SUSTOL®</th>
<th>US FDA Approved for CINV Prevention*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(granisetron) extended-release injection</td>
<td>Fast Track and Breakthrough Therapy designations granted</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CINVANTI®</th>
<th>US FDA Approved for CINV Prevention*</th>
</tr>
</thead>
<tbody>
<tr>
<td>(aprepitant) injectable emulsion</td>
<td>NDA received Priority Review; CRL received 30 Apr 2019</td>
</tr>
</tbody>
</table>

- The CRL identified issues relating to CMC and non-clinical
- No issues related to clinical efficacy or safety were noted.

- Revised NDA submitted 26 Sep 2019 addressing CRL
- New PDUFA date: 26 March 2020
- EU MAA filing by Centralised Procedure in March 2019

<table>
<thead>
<tr>
<th>HTX-011</th>
<th>Under Investigation for Postoperative Pain via Local Application</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Produces complete elimination of pain for 7 days in validated pig model of postoperative pain</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HTX-034</th>
<th>Under Investigation for Postoperative Pain via Local Application</th>
</tr>
</thead>
</table>

*CINV: Chemotherapy-induced nausea and vomiting. SUSTOL® (granisetron) extended-release injection 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 anthracyline and cyclophosphamide (AC) combination chemotherapy regimens. CINVANTI® (aprepitant) injectable emulsion, 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 and nausea and vomiting associated with initial and repeat courses of moderately emetogenic cancer chemotherapy (MEC). CINVANTI has not been studied for treatment of established nausea and vomiting.

HTX-011 and HTX-034 are an investigational new drugs and are not approved by the FDA or other regulatory authority.
EPOCH 1: Bunionectomy Results (Study 301)

EPOCH 1 Follow-on: Opioid Elimination Study in Bunionectomy
EPOCH 1 Bunionectomy: HTX-011 Provided Superior Pain Reduction Through 72-hours

* Using Numeric Rating Scale (NRS) with window worst observation carried forward (wWOCF)

HTX-011 is an investigational new drug and not approved by the FDA
EPOCH 1 Follow-on: HTX-011 + OTC Acetaminophen and Ibuprofen Kept Pain in the Mild Range Through 72 Hours

* Using Numeric Rating Scale (NRS) with window worst observation carried forward (wWOCF)

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA
HTX-011 Significantly Reduced Total Opioid Consumption

EPOCH 1 (Bunionectomy)

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Mean MME ± SE</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saline Placebo</td>
<td>30.1 ± 1.6</td>
<td>100</td>
</tr>
<tr>
<td>Bupivacaine HCl 50 mg</td>
<td>25.1 ± 1.5</td>
<td>155</td>
</tr>
<tr>
<td>HTX-011 60 mg</td>
<td>18.8 ± 1.4</td>
<td>157</td>
</tr>
</tbody>
</table>

1. Based on morphine milligram equivalents

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA.
HTX-011 Significantly Increased Proportion of Opioid-Free Patients

EPOCH 1 (Bunionectomy)

- Saline Placebo (N=100): 2.0% opioid-free
- Bupivacaine HCI 50 mg (N=155): 11.0% opioid-free
- HTX-011 60 mg (N=157): 28.7% opioid-free

EPOCH 1 Follow-on

- HTX-011 ≤ 60 mg + OTC (N=31): 77.4% opioid-free

Opioid-free Through 72 Hours

- p < 0.0001
- p = 0.0001

HTX-011 is an investigational new drug and not approved by the FDA

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

100% remained opioid free through Day 28
EPOCH 2: Herniorrhaphy Results (Study 302)

EPOCH 2 Follow-on: Opioid Elimination Study in Herniorrhaphy
EPOCH 2 Herniorrhaphy: HTX-011 Provided Superior Pain Reduction Through 72-hours

Mean Pain Intensity Score (SE)

Severe pain (≥ 7)

Saline Placebo (N=82)

Bupivacaine HCl 75 mg (N=172)

HTX-011 300 mg (N=164)

HTX-011 is an investigational new drug and not approved by the FDA

Source: Figure 14.2.7

AUC\textsubscript{0-24}:
- HTX-011 vs P: p < 0.0001
- HTX-011 vs B: p < 0.0001

AUC\textsubscript{24-72}:
- HTX-011 vs P: p = 0.0264
- HTX-011 vs B: p = 0.0007

AUC\textsubscript{0-72}:
- HTX-011 vs P: p = 0.0004
- HTX-011 vs B: p < 0.0001
EPOCH 2 Follow-on: HTX-011 + OTC Acetaminophen and Ibuprofen Kept Pain in the Mild Range Through 72 Hours

Mean Pain Intensity Score (SE)

<table>
<thead>
<tr>
<th>Time (hour)</th>
<th>Mild pain (0-4)</th>
<th>Severe pain (≥ 7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>72</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

HTX-011 300 mg (N=164)

Saline Placebo (N=82)

Bupivacaine HCl 75 mg (N=172)

EPOCH 2 Follow-on: HTX-011 300 mg + OTC (N=33)

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

Source: Figure 14.2.7

HTX-011 is an investigational new drug and not approved by the FDA
HTX-011 Significantly Reduced Total Opioid Consumption

EPOCH 2 (Herniorrhaphy)

- **Saline Placebo**: N=82, Mean MME ± SE = 17.5
- **Bupivacaine HCl 75 mg**: N=172, Mean MME ± SE = 14.5
- **HTX-011 300 mg**: N=164, Mean MME ± SE = 10.9

Comparisons:
- Saline Placebo vs. Bupivacaine HCl 75 mg: p < 0.0001
- Saline Placebo vs. HTX-011 300 mg: p = 0.0240
- Bupivacaine HCl 75 mg vs. HTX-011 300 mg: p < 0.0001

EPOCH 2 Follow-on

- **HTX-011 300 mg + OTC**: N=33, Mean MME ± SE = 0.6

**Note:**
- OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA.
HTX-011 Significantly Increased Proportion of Opioid-Free Patients

EPOCH 2 (Herniorrhapsy)

- Saline Placebo: 22.0% (N=82)
- Bupivacaine HCl 75 mg: 40.1% (N=172)
- HTX-011 300 mg: 51.2% (N=164)

EPOCH 2 Follow-on

- HTX-011 300 mg + OTC: 90.9% (N=33)

Opioid-free through 72 Hours

p = 0.0486

p < 0.0001

93% remained opioid free through Day 28

OTC = Over the counter analgesic regimen of ibuprofen 600 mg q6h alternating 3 hours later with acetaminophen 1000 mg q6h

HTX-011 is an investigational new drug and not approved by the FDA
HOPE-1: Real World Evidence of Opioid-Free Recovery Post Inguinal Herniorrhaphy with HTX-011 + OTC Analgesics
HOPE-1: Near Total Opioid-Free Recovery with HTX-011 + OTC

- Complete Opioid-Free Recovery: 95%
- Received an Opioid Predischarge: 5%
- Received an Opioid Prescription: 9% (10 pills)
- Took an Opioid Post Discharge: 3% (all patients had received predischarge opioid)
- Call Backs if Discharged Without an Opioid Prescription: 0%
- Satisfied, Very Satisfied, Extremely Satisfied With Medication: 93%

N=93 in initial pilot program

HTX-011 is an investigational new drug and not approved by the FDA.
Phase 2b
Total Knee Arthroplasty (TKA) (Study 209)

Study 209 Follow-on: HTX-011 + MMA in TKA*
(Study 306)

*The multimodal analgesic (MMA) regimen used in this study was identical to the PILLAR Study of liposomal bupivacaine
Study 209 TKA: Results Hierarchy

HTX-011 via instillation achieved primary and key secondary endpoints for reduction in pain intensity scores

- **AUC\(_{0-48}\)** HTX-011 400 mg + Ropivacaine vs. Placebo
  - \(p < 0.001\)

- **AUC\(_{0-48}\)** HTX-011 400 mg vs. Placebo
  - \(p = 0.002\)

- **AUC\(_{0-72}\)** HTX-011 400 mg+ Ropivacaine vs. Placebo
  - \(p < 0.001\)

- **AUC\(_{0-72}\)** HTX-011 400 mg vs. Placebo
  - \(p = 0.004\)

HTX-011 is an investigational new drug and not approved by the FDA
Study 209 TKA: HTX-011 Significantly Superior to Both Placebo and Bupivacaine Through 72 Hours Without Adjusting for Opioid Use

Notes:
Pain intensity collected using Numeric Rating Scale (NRS)
LOCF for missing data and no adjustment for use of opioid rescue medication

HTX-011 is an investigational new drug and not approved by the FDA
Study 209 Follow-on: HTX-011 + Generic Analgesics* Kept Pain in the Mild Range Through 72 Hours With 68% Less Opioid Than Bupivacaine

* Patients received oral acetaminophen 975 to 1000 mg every 8 hours (maximum 3000 mg/d) and oral celecoxib 200 mg every 12 hours until discharge. Mont doi: 10.1016/j.arth.2017.07.024

HTX-011 is an investigational new drug and not approved by the FDA
### Cross-Study Comparison of Day 1 in Study 306 and Exparel PILLAR Study (Dysart 2019)

<table>
<thead>
<tr>
<th>Cross-Study Comparison of 0 – 24 Hour Results in TKA Using Pillar-Based MMA and the Same Analysis(^1)</th>
<th>Study 306 HTX-011 (N=51)</th>
<th>PILLAR Study</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUC0-24 VAS Pain(^2)</strong></td>
<td>59.5</td>
<td>Exparel + Bupivacaine(^1) (N = 70)</td>
</tr>
<tr>
<td><strong>Opioid-Free</strong></td>
<td>21.6%</td>
<td>17.1%</td>
</tr>
<tr>
<td><strong>Mean Opioid Consumption MME (SD)</strong></td>
<td>10.6 (9.2)</td>
<td>45.5 (35.01)</td>
</tr>
<tr>
<td><strong>Log-transformed Geometric Mean Opioid Consumption MME</strong></td>
<td>0.54</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Discharge Ready in 12 hours Based MPADSS &gt; 9</strong></td>
<td>60.8%</td>
<td>42.9%</td>
</tr>
</tbody>
</table>

2. Assumes LOCF as publication does not describe any correction for opioid use.

**Disclaimer**
- This is a cross-study comparison of Study 306 to the PILLAR Study of Exparel plus bupivacaine; these comparisons do not imply a clinical benefit of HTX-011 over Exparel.
## Cross-Study Comparison of 48 Hour Results From Study 306 (Preliminary Results) and Exparel Pillar Study (Mont 2017)

<table>
<thead>
<tr>
<th>Comparison of 48 Hr Results in TKA Using Pillar-Based MMA and the Same Analysis¹</th>
<th>Study 306 HTX-011 (N=51)</th>
<th>PILLAR Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean AUC12-48 VAS Pain</td>
<td>143.2</td>
<td>Exparel + Bupivacaine¹ (N = 70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bupivacaine¹ (N = 69)</td>
</tr>
<tr>
<td>Opioid-Free</td>
<td>11.8%</td>
<td>Exparel + Bupivacaine¹ (N = 70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bupivacaine¹ (N = 69)</td>
</tr>
<tr>
<td>Mean Opioid Consumption (MME)</td>
<td>19.6 (Median=16.7)</td>
<td>Not Shown</td>
</tr>
<tr>
<td>Log-transformed Geometric Mean Opioid Consumption MME</td>
<td>3.0</td>
<td>Exparel + Bupivacaine¹ (N = 70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bupivacaine¹ (N = 69)</td>
</tr>
<tr>
<td>≤ 20 MME @ 48 hr</td>
<td>56.9%</td>
<td>Exparel + Bupivacaine¹ (N = 70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bupivacaine¹ (N = 69)</td>
</tr>
<tr>
<td>&gt; 20 and ≤ 220 MME @ 48hr</td>
<td>43.1%</td>
<td>Exparel + Bupivacaine¹ (N = 70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bupivacaine¹ (N = 69)</td>
</tr>
<tr>
<td>&gt; 220 MME @ 48 hr</td>
<td>0</td>
<td>Exparel + Bupivacaine¹ (N = 70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bupivacaine¹ (N = 69)</td>
</tr>
<tr>
<td>DID NOT Receive a Discharge Prescription for Opioids</td>
<td>74.5%</td>
<td>Exparel + Bupivacaine¹ (N = 70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bupivacaine¹ (N = 69)</td>
</tr>
</tbody>
</table>


### Disclaimer
- This is a cross-study comparison of Study 306 to the PILLAR Study of Exparel plus bupivacaine; these comparisons do not imply a clinical benefit of HTX-011 over Exparel

HTX-011 is an investigational new drug and not approved by the FDA
Safety Summary

HTX-011 was generally well tolerated across all Phase 2 and Phase 3 studies with no clinically meaningful differences from placebo and bupivacaine in:

- Overall adverse events
- The incidence of serious adverse events
- Premature discontinuations due to adverse events
- Potential local anesthetic systemic toxicity (LAST) adverse events
- Potential wound healing related adverse events
- No deaths on HTX-011 (one on bupivacaine)
The Commercialization of HTX-011

Advancing Pain Management

HTX-011 is an investigational new drug and not approved by the FDA
Established Platform With Experienced Teams in Place

We are prepared for the launch of HTX-011. Our critical teams are already in place, with extensive experience in successful hospital launches.

- Strong KOL relationships
- Successful hospital and pain management launch experience
- IDN/hospital/ASC expertise and relationships
- Reimbursement infrastructure in place
- GPO contracts in place*
- Full Line Wholesaler agreements and 3PL in place*
- Safety monitoring structure in place
- Proven compliant execution
- Robust systems in place and pressure tested for blockbuster launch
CINVANTI – Hospital Share/Units

<table>
<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>Hospital Share</th>
<th>Hospital Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Q1</td>
<td>567</td>
<td>6,685</td>
</tr>
<tr>
<td>2018</td>
<td>Q2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>Q3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>Q4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Q1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Q2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Q3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The image contains a bar chart showing the hospital share and units over time.
CINVANTI – 340B Hospital Market Share

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Non-340B</th>
<th>340B</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-Q1</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>2018-Q2</td>
<td>7%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>2018-Q3</td>
<td>25%</td>
<td>4%</td>
<td>29%</td>
</tr>
<tr>
<td>2018-Q4</td>
<td>37%</td>
<td>11%</td>
<td>48%</td>
</tr>
<tr>
<td>2019-Q1</td>
<td>42%</td>
<td>18%</td>
<td>60%</td>
</tr>
<tr>
<td>2019-Q2</td>
<td>43%</td>
<td>31%</td>
<td>74%</td>
</tr>
<tr>
<td>2019-Q3</td>
<td>45%</td>
<td>39%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Note: The chart shows the market share of CINVANTI in the 340B Hospital market from Q1 2018 to Q3 2019, with a focus on the Non-340B and 340B segments.
## Hospital Launch Analysis

HTX-011 and CINVANTI Have Very Similar Profiles

<table>
<thead>
<tr>
<th></th>
<th>CINVANTI</th>
<th>HTX-011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Category</td>
<td>NK1 - CINV</td>
<td>Local Anesthetics</td>
</tr>
<tr>
<td>Annual Units</td>
<td>800,000 NK1 units in hospital</td>
<td>14M*</td>
</tr>
<tr>
<td>Brand Leader - Unit Share</td>
<td>EMEND IV 100%</td>
<td>EXPAREL 7% 1.021M** units</td>
</tr>
<tr>
<td>Generics - Unit Share</td>
<td>No 0%</td>
<td>YES 93%</td>
</tr>
<tr>
<td>New P&amp;T Review</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Superior clinical data</td>
<td>Yes – PS-80 free</td>
<td>Yes – beat SOC</td>
</tr>
<tr>
<td>Ease of Use</td>
<td>High – IV push, infusion</td>
<td>High - installation</td>
</tr>
<tr>
<td>Vial size / SKUs</td>
<td>130mg</td>
<td>Multiple</td>
</tr>
<tr>
<td>Price Strategy vs. Brand</td>
<td>20% discount</td>
<td>Discount to brand likely</td>
</tr>
<tr>
<td>340b Pricing Offer</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Brand 340b Pricing</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3-year pass-through</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Lexus Aggressive Procedures Q3 17-Q3 18
**SHA Pac units Q3 17 –Q3 18
The Market is Large and Waiting for an Effective Non-opioid Solution

Theoretical and Target Market

~29M Annual US Surgical Procedures
Requiring Postoperative Pain Management

Initial Targets
Higher volume procedures across 4 major specialties
• ~5.9M Orthopedic
• ~4.2M General Surgery
• ~2.6M OB/GYN
• ~0.8M Plastic Surgery

Secondary Targets
Other procedures requiring postoperative pain management but not amongst initial targets for one or more of these reasons:
• Non-core specialties
• Relatively lower pain scores
• Lower volume per procedure

~13.5M procedures
~15.5M procedures

Local Anesthetic Route of Delivery

The largest opportunity to drive value and create change

* Local Anesthetics are used in ~70% of procedures

NB: Nerve Block
HTX-011 is Focused on the Largest Market Opportunity – Local Application

**Local Anesthetic Route of Delivery**
- All Local, 85%
- NB, 15%

**Local Anesthetic Volume Share**
- Bupivacaine: 53%
- Lidocaine: 14%
- Exparel: 10%
- Others: 15%
- Ropivacaine NB: 4%
- Bupivacaine NB: 4%
HTX-011 Demonstrated Significant Pain Reduction in Nerve Block
HTX-011 Instillation has Also Demonstrated Superiority to Bupivacaine NB
and Similar Pain Reduction to HTX-011 Nerve Block

Study 211: Compared to Placebo, Pain Reduction with HTX-011 Instillation Approximately
Triple that of Bupivacaine Nerve Block

Study 211: Phase 2b Breast Augmentation
Mammoplasty

Reference: Table 14.2.4.1
Program: J:\htx011\211\csr\prog\posthoc_f_14.2.10_auc_r_24h_htx400_wwocf_pctchg.sas.sas
14NOV2019
HTX-011 Demonstrated Significant Reduction in Opioid Use with both Nerve Block and Instillation

Study 211: Compared to Placebo, HTX-011 Instillation has Demonstrated Significantly Greater Opioid Reduction Compared to Bupivacaine NB

Opioid consumption is presented in mean milligrams of morphine equivalents.
Cross-Study Comparison of TKA Study 306 to Published Adductor Canal Nerve Block Study
HTX-011 + MMA Produced Comparable or Better Pain Scores Than Nerve Block

HTX-011 + MMA with APAP and Celecoxib in Study 306

Single-Shot Adductor Canal Block (SACB) & Continuous Adductor Canal Block (CACB) with MMA

Nerve Block Conclusions

- HTX-011 works in nerve block
- HTX-011 by instillation works just as well and appears to be as good or better than bupivacaine nerve block, even with continuous infusion

Patients received either a single administration or continuous infusion of bupivacaine plus IV diclofenac or APAP as MAA
Physicians indicated a raw preference share of 56% for HTX-011 across the covered procedures.

- Raw preference share for HTX-011 from physicians: 56%
- The top procedures where physicians expected to use HTX-011 were knee arthroplasty and hernia repair.
- Several procedures saw higher raw preference shares than prior market research, notably knee & hip arthroplasty, C-section, laparoscopic hysterectomy and spine procedures.
HTX-011 Enjoyed a Physician Preference Share of 44%

Adjusted Physician Preference Share Distribution

- **HTX-011** Enjoyed a Physician Preference Share of 44%
- **Exparel**
- **Bupivacaine HCl**
- **Other "caines"**

- **Current Therapy (Actual)**
  - **HTX-011**: 44%
  - **Exparel**: 64%
  - **Bupivacaine HCl**: 14%
  - **Other "caines"**: 25%

- **Future Therapy (Applying HTX-011 preference share)**
  - **HTX-011**: 44%
  - **Exparel**: 6%
  - **Bupivacaine HCl**: 36%
  - **Other "caines"**: 14%

- **HTX-011** is likely to initially convert share from Exparel, as well as the rest of the local anesthetics (bupivacaine & other “caines”)
- There is an additional opportunity to convert physicians not using local anesthetics; physicians indicated a willingness to use HTX-011 in ~30% of procedures where they are currently not using local anesthetics

Current therapy based on Claims data from 2017 for Exparel, other agents are based on 2018 Physician Survey

Data from analysis of physician static survey & conjoint - Sample includes n = 330 physicians
High Procedure Volume in Target Markets Provides a Robust ROW Market Opportunity

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Surgical Procedures</th>
<th>Total Procedures Requiring Postop Pain Management</th>
<th>Initial Target Procedures</th>
<th>Remaining Secondary, Lower Volume &amp; Procedures Currently Not Using Local Anesthetics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>22,545,000</td>
<td>6,838,000</td>
<td>3,649,000</td>
<td>3,189,000</td>
</tr>
<tr>
<td>France</td>
<td>14,545,000</td>
<td>4,357,000</td>
<td>2,292,000</td>
<td>2,065,000</td>
</tr>
<tr>
<td>UK</td>
<td>13,882,000</td>
<td>3,835,000</td>
<td>1,790,000</td>
<td>2,045,000</td>
</tr>
<tr>
<td>Italy</td>
<td>5,637,000</td>
<td>2,530,000</td>
<td>1,919,000</td>
<td>611,000</td>
</tr>
<tr>
<td>Top 4 EU Total</td>
<td>56,609,000</td>
<td>17,560,000</td>
<td>9,650,000</td>
<td>7,910,000</td>
</tr>
<tr>
<td>Canada</td>
<td>3,416,000</td>
<td>1,638,000</td>
<td>1,282,000</td>
<td>356,000</td>
</tr>
<tr>
<td>Japan</td>
<td>25,959,000</td>
<td>6,600,000</td>
<td>2,668,000</td>
<td>3,932,000</td>
</tr>
</tbody>
</table>
Heron is Well Positioned to Execute a Blockbuster Launch for HTX-011

- Proven track record with hospital launch success
- Existing robust platform and structure to support launch
- Significant unmet need and market opportunity
- Highly focused launch strategy to accelerate sales
- Unprecedented value proposition

HTX-011 is an investigational new drug and not approved by the FDA
With CINVANTI Leading the Way, Heron’s CINV Portfolio Continues to Grow With Over $220M Since Inception
CINVANTI Continues To Hold Share With Fosaprepitant Cannibalizing IV EMEND

AFTER 8-WEEKS OF GENERIC FOSAPREPITANT CINVANTI IS STILL THE MARKET LEADER

Source: IMS DDD 11.1.19
Strategy to Preserve CINVANTI Through Generic Arbitrage

- Leverage favorable 340B pass through status, ASP+ 6% through 2020
- IV push sNDA approved further differentiating CINVANTI from Emend and generics
- Practices are staying with CINVANTI due to the improved safety profile they have observed
- CINVANTI has become an established brand across both clinics and hospital capturing 49% of the market in Q3 2019
2019 CINV Franchise Outlook

**SUSTOL®**: To recover from the protracted palonosetron arbitrage, Heron has implemented an innovative strategy to refresh the ASP
- This will result in greatly reduced sales for approximately 5 quarters, followed by a significant rebound in units and revenue

**CINVANTI®**
- Cinvanti continues to have the best overall profile compared to the other available NK₁ antagonists and is completely differentiated from generic fosaprepitant with the 2-min IV Push administration
- CINVANTI (aprepitant) injectable emulsion received unique J-Code J0185 effective January 1, 2019, so generic pricing does not effect Cinvanti reimbursement
- Generic fosaprepitant IV entered the market in September 2019
  - Due to significant sales in 340b hospitals, IV push label and other factors, we do not expect this arbitrage to have the same magnitude as the Aloxi arbitrage
  - Based on early price reductions within weeks of the first generic entry, the duration of the arbitrage should also be shorter than with Aloxi

**CINV Franchise**
- Updated 2019 guidance: $135M
Financial Summary

Adjusting for net proceeds of $162.2 million from our October 2019 public offering of common stock, as of September 30, 2019, Heron had pro-forma cash, cash equivalents and short-term investments of $418.5 million.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net product sales</td>
<td>$ 42,624</td>
<td>$ 110,885</td>
</tr>
<tr>
<td>Operating expenses&lt;sup&gt;1&lt;/sup&gt;</td>
<td>77,477</td>
<td>262,217</td>
</tr>
<tr>
<td>Other income, net</td>
<td>1,258</td>
<td>4,503</td>
</tr>
<tr>
<td>Net loss&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$(33,595)</td>
<td>$(146,829)</td>
</tr>
<tr>
<td>Net loss per share&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$(0.42)</td>
<td>$(1.85)</td>
</tr>
<tr>
<td>Net cash used in operations</td>
<td>$(25,471)</td>
<td>$(97,603)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Condensed Balance Sheet Data (In thousands)</th>
<th>September 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, cash equivalents and short-term investments (see note above)</td>
<td>$ 256,278</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$ 66,955</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 392,962</td>
</tr>
<tr>
<td>Total stockholders’ equity</td>
<td>$ 285,442</td>
</tr>
</tbody>
</table>

Common shares outstanding at September 30, 2019 totaled 80.0 million. Adjusting for our October 2019 public offering of common stock, as of September 30, 2019, pro forma common shares outstanding totaled 89.9 million.

<sup>1</sup> Includes $9.7 million and $40.3 million of non-cash, stock-based compensation expense for the three and nine months ended September 30, 2019, respectively.

<sup>2</sup> Based on 79.9 million and 79.3 million weighted-average common shares outstanding for the three and nine months ended September 30, 2019, respectively.
# Key Catalysts in Pain Management & CINV Franchises

<table>
<thead>
<tr>
<th>HTX-011 &amp; HTX-034 for Postoperative Pain</th>
<th>CINVANTI® and SUSTOL® for CINV</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CRL received 30 April 2019 identified issues relating to CMC and non-clinical</td>
<td>• Updated 2019 net sales guidance for CINV franchise: $135M</td>
</tr>
<tr>
<td>➢ No issues related to clinical efficacy or safety were noted</td>
<td></td>
</tr>
<tr>
<td>➢ Revised NDA submitted 26 September 2019 addressing all CRL issues – new PDUFA date 26 March 2020</td>
<td></td>
</tr>
<tr>
<td>• HOPE Project launched across the US</td>
<td></td>
</tr>
<tr>
<td>• Publication of Phase 3 and Phase 2b studies</td>
<td></td>
</tr>
<tr>
<td>✓ Phase 3 studies published in peer-reviewed journals</td>
<td></td>
</tr>
<tr>
<td>➢ EPOCH 2: Hernia. doi: 10.1007/s10029-019-02023-6</td>
<td></td>
</tr>
<tr>
<td>• Phase 2 with HTX-034 planned for 1Q2020</td>
<td></td>
</tr>
</tbody>
</table>

HTX-011 & HTX-034 are investigational new drugs and not approved by the FDA