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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 17, 2020

ACELRX PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-35068**	**41-2193603**
(State of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

351 Galveston Drive
Redwood City, CA 94063
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(650) 216-3500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, $0.001 par value	ACRX	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 1.01 Entry into a Material Definitive Agreement

On July 17, 2020, AcelRx Pharmaceuticals, Inc. (the "Company") entered into a distribution agreement (the "Distribution Agreement") with Zimmer Biomet Dental ("ZB Dental"), pursuant to which ZB Dental obtained the exclusive right to promote, market, sell, and arrange to distribute DSUVIA® (sufentanil sublingual tablet 30 mcg) in the United States to clinicians, dentists, surgeons and other licensed health care practitioners that perform dental (including specialty dental), oral-maxillofacial, cranio-maxillofacial or oral surgery procedures ("Professionals") and their respective institutions and facilities that are permitted to use DSUVIA.

ZB Dental's distribution rights are non-exclusive for crossover ambulatory surgery centers and certain government customers, and do not extend to ambulatory care centers outside the class of trade or into hospitals. ZB Dental will conduct any distribution activities in a manner consistent with DSUVIA's FDA-approved indication and REMS program, and within the parameters established in the Distribution Agreement. ZB Dental has the right to sublicense its distribution rights to its qualified marketing partners but may not otherwise sublicense its distribution rights to any third party without the Company's prior written consent.

Pursuant to the Distribution Agreement, ZB Dental will purchase DSUVIA from the Company at an agreed price ("Purchase Price") through December 31, 2023, subject to adjustment. The Company has the right to adjust the Purchase Price beginning in 2024, subject to certain limitations.

Beginning in 2022, the parties will establish annual minimums for purchase orders to be submitted by ZB Dental. If the parties cannot reach agreement on such annual minimums, then ZB Dental's distribution rights will automatically become non-exclusive and either party will have the right to terminate the Distribution Agreement upon 180 days' prior written notice. Once annual minimums are established, ZB Dental's distribution rights will become non-exclusive at the Company's option in the event that ZB Dental fails to meet such annual minimums; provided, however, that ZB Dental will, under certain circumstances, have the right to retain exclusivity by paying the Company a specified exclusivity fee to cure the shortfall.

The Distribution Agreement has an initial term that ends on December 31, 2022, which term will automatically renew for consecutive two year terms until the agreement is terminated pursuant to its terms.

The Distribution Agreement also provides ZB Dental with a right of first negotiation and a right of first refusal to distribute DZUVEO to Professionals in the European Union ("EU Rights"), subject to certain limitations.

The foregoing description of the Distribution Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Distribution Agreement, which will be filed with the Company's Quarterly Report on Form 10-Q for the quarter ending September 30, 2020.

DSUVIA is expected to be available for order by certified dental and oral surgeons exclusively through ZB Dental in the United States, pending satisfaction of applicable licensing requirements.

On July 23, 2020, the Company issued a press release announcing the execution of the Distribution Agreement, a copy of which is filed as Exhibit 99.1 hereto and incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition

On July 23, 2020, the Company updated the Corporate Presentation on its website at www.acelrx.com in the Presentations subsection of the Investors tab. The updates included, among other things, that the Company expects to report total revenues of $2.9 million, of which approximately $2.6 million relates to the recognition of revenue related to the Company's Zalviso® agreement with Grünenthal that was previously deferred, and operating expense (SG&A and R&D) of $8.5 million (including $1.2 million of non-cash stock-based compensation) for the second quarter of 2020, and had $43.7 million in cash, cash equivalents and short-term investments as of June 30, 2020 (the "Earnings Estimate"). A copy of the Earnings Estimate is filed as Exhibit 99.2 hereto and incorporated herein by reference.

The Company has not yet completed its financial close process for the quarter ended June 30, 2020 and these estimates for total revenues and cash, cash equivalents and short-term investments are based on preliminary estimates of the Company's financial results that it expects to report for the applicable periods. These estimates are subject to change upon completion of the Company's financial closing procedures. The Company's independent registered public accounting firm, OUM & Co. LLP, has not audited, reviewed, or compiled these estimates and, accordingly, does not express an opinion on, or provided any other form of assurance with respect to, these preliminary estimates. These estimates are not a comprehensive statement of the Company's financial results for the quarter ended June 30, 2020 and its actual results may differ materially from these estimates as a result of the completion of the Company's financial closing procedures, final adjustments and other developments arising between now and the time that our financial results for this period are finalized.

Item 8.01 Other Events

Securities Purchase Agreement

On July 22, 2020, the Company entered into a securities purchase agreement (the "Purchase Agreement") with funds affiliated with two leading life sciences investors —Armistice Capital and Rock Springs Capital (the "Purchasers"), relating to the issuance and sale (the "Offering") of 9,433,962 shares of its common stock, par value $0.001 per share ("Common Stock").

The offering price for the securities is $1.06 per share. The aggregate gross proceeds to the Company from this offering are expected to be approximately $10 million. No underwriter or placement agent participated in the offering.

The offering is being made pursuant to an effective registration statement on Form S-3 (Registration Statement No. 333-239156), as previously filed with the Securities and Exchange Commission (the "SEC"), and a related prospectus.

The Purchase Agreement contains customary representations, warranties and agreements by the Company, customary conditions to closing, indemnification obligations of the Company and the Purchasers. The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of the Purchase Agreement and as of a specific date, were solely for the benefit of the parties to the Purchase Agreement, and may be subject to limitations agreed upon by the contracting parties.

The Purchase Agreement is filed as Exhibit 10.1 and the description of the terms of the Purchase Agreement is qualified in its entirety by reference to such exhibit. A copy of the opinion of Cooley LLP relating to the legality of the issuance and sale of the shares of Common Stock is attached as Exhibit 5.1 hereto.

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description
5.1	Opinion of Cooley LLP
10.1	Purchase Agreement between the Company and the Purchasers, dated July 22, 2020
23.1	Consent of Cooley LLP (contained in Exhibit 5.1)
99.1	Press Release dated July 23, 2020
99.2	Earnings Estimate

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 hereunto duly authorized.

Date: July 23, 2020

ACELRX PHARMACEUTICALS, INC.

By: /s/ Raffi Asadorian
Raffi Asadorian
Chief Financial Officer

Exhibit 5.1

Cooley

Robert W. Phillips
+1 415 693 2020
rphillips@cooley.com

July 23, 2020

AcelRx Pharmaceuticals, Inc.
351 Galveston Drive
Redwood City, CA 94063

Ladies and Gentlemen:

We have represented AcelRx Pharmaceuticals, Inc., a Delaware Corporation (the "***Company***"), in connection with the offering and sale of up to 9,433,962 shares (the "***Shares***") of the Company's common stock, par value $0.001 per share (the "***Common Stock***") pursuant to the Registration Statement on Form S-3 (File No. 333-239156) (the "***Registration Statement***") filed with the Securities and Exchange Commission (the "***Commission***") under the Securities Act of 1933, as amended (the "***Act***"), the prospectus included within the Registration Statement (the "***Base Prospectus***") and the prospectus supplement dated July 22, 2020, and filed with the Commission pursuant to Rule 424(b) under the Act (together with the Base Prospectus, the "***Prospectus***").

In connection with this opinion, we have examined and relied upon the Registration Statement and the Prospectus, the Company's Amended and Restated Certificate of Incorporation, as amended, and Amended and Restated Bylaws, as amended, each as currently in effect, and such other documents, records, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as copies, the accuracy, completeness and authenticity of certificates of public officials, and the due authorization, execution and delivery of all documents by all persons other than the Company where authorization, execution and delivery are prerequisites to the effectiveness thereof. As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not independently verified such matters.

Our opinion is expressed only with respect to the General Corporation Law of the State of Delaware. We express no opinion to the extent that any other laws are applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold and issued in accordance with the Registration Statement and the Prospectus, will be validly issued, fully paid, and nonassessable.

Our opinion is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated. Our opinion is based on these laws as in effect on the date hereof, and we disclaim any obligation to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein.

We consent to the reference to our firm under the caption “Legal Matters” in the Prospectus and to the filing of this opinion as an exhibit to the Company’s Current Report on Form 8-K filed with the Commission for incorporation by reference into the Registration Statement.

Sincerely,

Cooley LLP

By: /s/ Robert W. Phillips
Robert W. Phillips

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "**Agreement**") is made as of the 22nd day of July, 2020, by and among AcelRx Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), and the investors set forth on the signature pages hereto (the "**Investors**").

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale of Securities.

1.1 Sale and Issuance. Subject to the terms and conditions of this Agreement, each Investor, severally and not jointly, agrees to purchase at the Closing and the Company agrees to sell and issue to such Investor at the Closing the number of shares of the Company's common stock, $0.001 par value (the "**Common Stock**"), set forth on such Investor's signature page hereof at a purchase price of $1.06 per share (the "**Securities**").

1.2 Closing. The purchase and sale of the Securities shall take place at the offices of Cooley LLP located at 3175 Hanover Street, Palo Alto, California 94304 at 10:00 A.M. Pacific Time, on July 24, 2020, or at such other time and place as the Company and the Investors may mutually agree upon in writing (which time and place are designated as the "**Closing**"). At the Closing, the Company shall cause its transfer agent to deliver to each Investor, via electronic book-entry, the Securities that such Investor is purchasing against payment of the purchase price therefor by wire transfer of immediately available funds to an account specified by the Company in writing to the Investors.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to each Investor that:

2.1 The Company meets the requirements for use of Form S-3 under the Securities Act of 1933, as amended (the "**Securities Act**"), and has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement on such form (Registration File No. 333-239156), which became effective on July 8, 2020, for the registration under the Securities Act of the Securities. Such registration statement meets the requirements set forth in Rule 415(a)(1)(x) under the Securities Act and complies with said rule. The Company will file with the Commission pursuant to Rule 424(b) under the Securities Act, and the rules and regulations (the "**Rules and Regulations**") of the Commission promulgated thereunder, a prospectus supplement to be filed with the Commission on July 23, 2020. Such registration statement, including the exhibits thereto, as amended at the date of this Agreement, is hereinafter called the "**Registration Statement**"; such prospectus in the form filed with the Commission on June 12, 2020, is hereinafter called the "**Base Prospectus**"; and the form of prospectus supplement, in the form in which it will be filed with the Commission pursuant to Rule 424(b) (including the Base Prospectus as so supplemented) on July 23, 2020 is hereinafter called the "**Prospectus Supplement**." Any reference herein to the Registration Statement, the Base Prospectus or the Prospectus Supplement shall be deemed to refer to and include the documents incorporated by reference therein (the "**Incorporated Documents**") pursuant to Item 12 of Form S-3 which were filed under the Securities Exchange Act of 1934, as amended, including the rules and regulations of the Commission promulgated thereunder (the "**Exchange Act**") , on or before the date of this Agreement, or the issue date of the Base Prospectus or the Prospectus Supplement, as the case may be; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, the Base Prospectus or the Prospectus Supplement shall be deemed to refer to and include the filing of any document under the Exchange Act after the date of this Agreement, or the issue date of the Base Prospectus or the Prospectus Supplement, as the case may be, deemed to be incorporated therein by reference. All references in this Agreement to financial statements and schedules and other information which is "contained," "included," "described," "set forth" or "stated" in the Registration Statement, the Base Prospectus or the Prospectus Supplement (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement, the Base Prospectus or the Prospectus Supplement, as the case may be. No stop order suspending the effectiveness of the Registration Statement or the use of the Base Prospectus or the Prospectus Supplement has been issued, and no proceeding for any such purpose is pending or has been initiated or, to the Company's knowledge, is threatened by the Commission.

2.2 The Registration Statement contains all exhibits and schedules as required by the Securities Act and the Rules and Regulations. Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the Securities Act and the Exchange Act and the applicable Rules and Regulations and did not and, as amended or supplemented, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Base Prospectus and the Prospectus Supplement, each as of its respective date, complied in all material respects with the Securities Act and the Exchange Act and the applicable Rules and Regulations. Each of the Base Prospectus and the Prospectus Supplement, as amended or supplemented, did not and will not contain as of the date thereof any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Incorporated Documents, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the applicable Rules and Regulations and none of such Incorporated Documents, when they were filed with the Commission, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Base Prospectus or Prospectus Supplement, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the applicable Rules and Regulations, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the Company makes no representations or warranties as to information, if any, contained in or omitted from the Prospectus Supplement or any amendment thereof or supplement thereto in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Investor specifically for use in the Registration Statement or the Prospectus Supplement. No post-effective amendment to the Registration Statement reflecting any facts or events arising after the date thereof which represent, individually or in the aggregate, a fundamental change in the information set forth therein is required to be filed with the Commission. There are no documents required to be filed with the Commission in connection with the transaction contemplated hereby that have not been filed as required pursuant to the Securities Act and the Rules and Regulations or will not be filed within the requisite time period.

2.3 Neither the Company nor any of its directors and officers has distributed and none of them will distribute, prior to the Closing, any offering material in connection with the offering and sale of the Securities other than the Base Prospectus, the Prospectus Supplement, the Registration Statement, copies of the documents incorporated by reference therein and any other materials permitted by the Securities Act and the Rules and Regulations.

2.4 The Company has been duly organized and is validly existing as a corporation and is in good standing under the laws of the State of Delaware as of the date hereof, and is duly qualified to do business and is in good standing in each other jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify, singularly or in the aggregate, would not have or reasonably be expected to result in a material adverse effect on the business, properties, operations, condition (financial or otherwise) or results of operations of the Company taken as a whole, or in its ability to perform its obligations under this Agreement (a "**Material Adverse Effect**"). All direct and indirect subsidiaries of the Company ("**Subsidiaries**") are duly organized and in good standing under the laws of the place of organization or incorporation, and each Subsidiary is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify would not have a Material Adverse Effect on the assets, business or operations of the Company taken as a whole.

2.5 The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by the Agreement and otherwise to carry out its obligations hereunder. The execution and delivery of the Agreement to which it is a party by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and no further corporate consent or action is required to be obtained by the Company, its Board of Directors or its stockholders in connection therewith. The Agreement has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the legally valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

2.6 The Securities have been duly authorized for issuance and sale pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement, will be validly issued, fully paid and non-assessable, and free and clear of all liens, and will not be issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company.

2.7 The Company and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement), or other similar anti-takeover provision pursuant to the Amended and Restated Certificate of Incorporation, the Amended and Restated Bylaws or the laws of its state of incorporation that is or could become applicable to the Investors as a result of the Investors and the Company fulfilling their obligations or exercising their rights pursuant to the Agreement and the transactions contemplated hereby, including without limitation, as a result of the Company's issuance of the Securities and the Investors' ownership of the Securities. All such anti-takeover provisions in effect as of the date hereof are summarized generally in the Base Prospectus under the caption, "Description of Capital Stock – Anti-Takeover Effects of Provisions of our Charter and Bylaws and Delaware Law."

2.8 All issued and outstanding securities of the Company issued prior to the transactions contemplated by this Agreement have been duly authorized and validly issued and are fully paid and non-assessable; the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company.

2.9 The Common Stock is registered pursuant to Section 12(b) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock pursuant to the Exchange Act nor has the Company received any notification that the Commission is currently contemplating terminating such registration. The Company is currently in compliance with all applicable listing and maintenance requirements of The Nasdaq Stock Market ("**Nasdaq**") and, except as disclosed in its filings with the Commission, the Company has not, in the 12 months preceding the date hereof, received notice from Nasdaq to the effect that the Company is not in compliance with such listing or maintenance requirements.

3. Representations and Warranties of the Investor. Each Investor hereby represents and warrants to the Company that the Investor has full right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement. This Agreement constitutes a valid and binding obligation of the Investor enforceable against the Investor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4. Miscellaneous.

4.1 Integration. After this transaction, the Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities such that the rules of Nasdaq would require stockholder approval of this transaction prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

4.2 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

4.3 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York without giving effect to conflicts of laws principles that would result in the application of the laws of another jurisdiction.

4.4 Execution. This Agreement may be executed in two (2) or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature on this Agreement or any instrument pursuant to Section 4.8 hereof is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a legally valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

4.5 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

4.6 Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or upon deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address indicated for such party on the signature page hereof, or at such other address as such party may designate by ten (10) days' advance written notice to the other parties.

4.7 Finder's Fee. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with this transaction. Each Investor agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which such Investor or any of its officers, partners, employees, or representatives is responsible. The Company agrees to indemnify and hold harmless each Investor from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

4.8 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and each Investor.

4.9 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

4.10 Entire Agreement. This Agreement and the other documents referred to herein constitute the entire agreement among the parties and no party shall be liable or bound to any other party in any manner by any warranties, representations, or covenants except as specifically set forth herein or therein.

4.11 Indemnification. Subject to the provisions of this Section 4.11, the Company will indemnify and hold each Investor and its directors, officers, shareholders, members, partners, employees and agents (and any other persons with a functionally equivalent role of a person holding such titles notwithstanding a lack of such title or any other title), each person who controls such Investor (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other persons with a functionally equivalent role of a person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "**Investor Party**") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Investor Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or (b) any action instituted against an Investor, or any of them or their respective affiliates, by any stockholder of the Company who is not an affiliate of such Investor or any governmental or regulatory agency, with respect to any of the transactions contemplated by this Agreement (unless such action is based upon a material breach of such Investor's representations, warranties or covenants in this Agreement or any material violations by the Investor of state or federal securities laws or any conduct by such Investor which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Investor Party in respect of which indemnity may be sought pursuant to this Agreement, such Investor Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Investor Party. Any Investor Party shall have the right to engage separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Investor Party except to the extent that (i) the engagement thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict on any material issue between the position of the Company and the position of such Investor Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Investor Party under this Agreement (i) for any settlement by a Investor Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed or (ii) to the extent, but only to the extent, that a loss, claim, damage or liability is attributable to any Investor Party's breach of any of the representations, warranties, covenants or agreements made by such Investor Party in this Agreement. To the extent that an Investor Party wishes to seek indemnification under this Section 4.11, such Investor Party must provide the Company with written notice asserting a claim under this Section 4.11, with such notice to be provided within one year from the Closing. If an Investor Party fails to provide such written notice within this one-year period, the Investor Party shall no longer be entitled to indemnification by the Company hereunder.

4.12 Expenses. Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of the Securities to the Investors.

4.13 Construction. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise the Agreement and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Agreement or any amendments hereto.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Securities Purchase Agreement as of the day and year first above written.

ACELRX PHARMACEUTICALS, INC.

By: /s/ Vincent J. Angotti
Name: Vincent J. Angotti
Title: Chief Executive Officer
Address: 351 Galveston Drive
Redwood City, CA 94063

[Company Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Securities Purchase Agreement as of the day and year first above written.

Name of Investor:

Rock Springs Capital Master Fund LP

Four Pines Master Fund LP

Signature of Authorized Signatory of Investor: /s/ Mark Bussard

Name of Authorized Signatory: Mark Bussard

Title of Authorized Signatory: Member

Email Address of Authorized Signatory: ***

Address for Notice of Investor:

Rock Springs Capital Management LP

650 South Exeter Street Suite 1070

Attn: General Counsel

Baltimore, MD 21210

Telephone: 410-220-0130

With a copy to (which shall not constitute notice):

n/a

Address for delivery of the Securities via electronic book entry for Investor (if not same as address for notice):

same as above

Number of Securities to Be Purchased:

Rock Springs Capital Master Fund LP: 3,666,038

Four Pines Master Fund LP: 107,547

Total Purchase Price:

Rock Springs Capital Master Fund LP: $3,886,000.28

Four Pines Master Fund LP: $113,999.82

[Investor Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Securities Purchase Agreement as of the day and year first above written.

Name of Investor: Armistice Capital Master Fund Ltd.

Signature of Authorized Signatory of Investor: /s/ Steven Boyd

Name of Authorized Signatory: Steven Boyd

Title of Authorized Signatory: CIO of Armistice Capital, LLC, the Investment Manager

Email Address of Authorized Signatory: ***

Address for Notice of Investor: c/o Armistice Capital, LLC, 510 Madison Avenue, 7th Floor, New York, NY 10022

Telephone: 212-231-4930

With a copy to (which shall not constitute notice):

Address for delivery of the Securities via electronic book entry for Investor (if not same as address for notice):

Number of Securities to Be Purchased: 5,660,377

Total Purchase Price: $5,999,999.62

[Investor Signature Page to Securities Purchase Agreement]

AcelRx Announces Exclusive Distribution and Promotion Partnership for DSUVIA®

AcelRx expands DSUVIA commercial opportunity with an established, leading partner to advance surgical care

(REDWOOD CITY, Calif.) July 23, 2020—AcelRx Pharmaceuticals, Inc. (Nasdaq: ACRX), a specialty pharmaceutical company, today announced an agreement to market DSUVIA®, a sublingual opioid tablet in a single-dose applicator, within the dental and oral surgery markets in the United States exclusively through Zimmer Biomet's Dental division. The agreement expands the U.S. availability of the non-invasive, sublingual analgesic for use by dental healthcare professionals in medically supervised settings who currently use injectable opioids for surgical analgesia.

DSUVIA is indicated for use in adults in certified medically supervised healthcare settings for the management of acute pain severe enough to require an opioid analgesic, and for which alternative treatments are inadequate. DSUVIA manages acute pain during procedures with its unique pharmacokinetic profile, which avoids the high peak plasma levels and short duration of action observed with bolus IV administration. The single dosage-strength tablet administered sublingually mitigates potential clinical issues such as dosage miscalculations or IV administration challenges.

"We are proud to be partnering with Zimmer Biomet to provide DSUVIA as an option for acute pain management in adults during oral surgeries," said Vince Angotti, CEO of AcelRx Pharmaceuticals. "This strategic alliance with an established and reputable partner with a strong, solution-based sales network enables AcelRx to support dental professionals and their care of patients during the millions of oral surgeries in the United States each year. This partnership, together with other ongoing business development activities and the recent military Milestone C approval, are evidence of the continued execution on our strategy to build long-term value."

DSUVIA is expected to be available for order by certified dental and oral surgeons exclusively through Zimmer Biomet in the United States after satisfaction of applicable licensing requirements.

About DSUVIA (sufentanil sublingual tablet), 30 mcg
DSUVIA®, known as DZUVEO™ in Europe, approved by the FDA in November 2018, is indicated for use in adults in certified medically supervised healthcare settings, such as hospitals, surgical centers, and emergency departments, for the management of acute pain severe enough to require an opioid analgesic, and for which alternative treatments are inadequate. DSUVIA was designed to provide rapid analgesia via a non-invasive route and to eliminate dosing errors associated with intravenous (IV) administration. DSUVIA is a single-strength solid dosage form administered sublingually via a single-dose applicator (SDA) by healthcare professionals. Sufentanil is an opioid analgesic previously only marketed for IV and epidural anesthesia and analgesia. The sufentanil pharmacokinetic profile when delivered sublingually avoids the high peak plasma levels and short duration of action observed with IV administration. The European Commission approved DZUVEO for marketing in Europe in June 2018 and the Company is currently in discussions with potential European marketing partners. For more information, please visit www.DSUVIA.com.

LIMITATIONS OF USE
Not for home use or for use in children. Discontinue treatment with DSUVIA before patients leave the certified medically supervised healthcare setting. Not for use for more than 72 hours.

The use of DSUVIA beyond 72 hours has not been studied. Only to be administered by a healthcare provider. Because of the risks of addiction, abuse, and misuse with opioids, even at recommended doses, reserve DSUVIA for use in patients for whom alternative treatment options [e.g., non-opioid analgesics or opioid combination products]: have not been tolerated, or are not expected to be tolerated; have not provided adequate analgesia, or are not expected to provide adequate analgesia.

The Full Prescribing Information for DSUVIA contains the following Boxed Warning:

WARNING: ACCIDENTAL EXPOSURE AND DSUVIA REMS PROGRAM; LIFE-THREATENING RESPIRATORY DEPRESSION; ADDICTION, ABUSE, AND MISUSE; CYTOCHROME P450 3A4 INTERACTION; and RISKS FROM CONCOMITANT USE WITH BENZODIAZEPINES OR OTHER CNS DEPRESSANTS

Accidental Exposure and DSUVIA Risk Evaluation and Mitigation Strategy (REMS) Program: Accidental exposure to or ingestion of DSUVIA, especially in children, can result in respiratory depression and death. Because of the potential for life-threatening respiratory depression due to accidental exposure, DSUVIA is only available through a restricted program called the DSUVIA REMS Program. DSUVIA must only be dispensed to patients in a certified medically supervised healthcare setting. Discontinue use of DSUVIA prior to discharge or transfer from the certified medically supervised healthcare setting.

Life-Threatening Respiratory Depression: Serious, life-threatening, or fatal respiratory depression may occur with use of DSUVIA. Monitor for respiratory depression, especially during initiation of DSUVIA.

Addiction, Abuse, and Misuse: DSUVIA exposes patients and other users to the risks of opioid addiction, abuse, and misuse, which can lead to overdose and death. Assess each patient's risk prior to prescribing DSUVIA, and monitor all patients regularly for the development of these behaviors or conditions.

Cytochrome P450 3A4 Interaction: The concomitant use of DSUVIA with all cytochrome P450 3A4 inhibitors may result in an increase in sufentanil plasma concentrations, which could increase or prolong adverse drug reactions and may cause potentially fatal respiratory depression. In addition, discontinuation of a concomitantly used cytochrome P450 3A4 inducer may result in an increase in sufentanil plasma concentration. Monitor patients receiving DSUVIA and any CYP3A4 inhibitor or inducer.

Risks From Concomitant Use With Benzodiazepines Or Other CNS Depressants: Concomitant use of opioids with benzodiazepines or other central nervous system (CNS) depressants, including alcohol, may result in profound sedation, respiratory depression, coma, and death. Reserve concomitant prescribing for use in patients for whom alternative treatment options are inadequate. Limit dosages and durations to the minimum required. Follow patients for signs and symptoms of respiratory depression and sedation.

IMPORTANT SAFETY INFORMATION
DSUVIA is contraindicated in patients with significant respiratory depression; acute or severe bronchial asthma in an unmonitored setting or in the absence of resuscitative equipment; known or suspected gastrointestinal obstruction, including paralytic ileus; and known hypersensitivity to sufentanil or components of DSUVIA.

DSUVIA contains sufentanil, a Schedule II controlled substance. As an opioid, DSUVIA exposes users to the risks of addiction, abuse, and misuse. Potential serious adverse events caused by opioids include addiction, abuse, and misuse, life-threatening respiratory depression, neonatal withdrawal syndrome, risks of concomitant use or discontinuation of cytochrome P450 3A4 inhibitors and inducers, risks from concomitant use with benzodiazepines or other CNS depressants, risk of life threatening respiratory depression in patients with chronic pulmonary disease or in elderly, cachectic, or debilitated patients, adrenal insufficiency, severe hypotension, risks of use in patients with increased intracranial pressure or impaired consciousness, gastrointestinal disorders and seizure disorders. DSUVIA should be used with caution in patients with severe liver or kidney impairment.

This is not a complete list of risks associated with DSUVIA. For additional Important Safety Information please see full Prescribing Information at www.DSUVIA.com.

About AcelRx Pharmaceuticals, Inc.
AcelRx Pharmaceuticals, Inc. is a specialty pharmaceutical company focused on the development and commercialization of innovative therapies for use in medically supervised settings. AcelRx's proprietary, non-invasive sublingual formulation technology delivers sufentanil with consistent pharmacokinetic profiles. AcelRx has one approved product in the U.S., DSUVIA® (sufentanil sublingual tablet, 30 mcg), known as DZUVEO™ in Europe, indicated for the management of acute pain severe enough to require an opioid analgesic for adult patients in certified medically supervised healthcare settings, and one product candidate, Zalviso® (sufentanil sublingual tablet system, SST system, 15 mcg), an investigational product in the U.S., is being developed as an innovatively designed patient-controlled analgesia (PCA) system for reduction of moderate-to-severe acute pain in medically supervised settings. DZUVEO and Zalviso are both approved products in Europe.

For additional information about AcelRx, please visit www.acelrx.com.

Forward-Looking Statements

This press release contains forward-looking statements, including, but not limited to, statements related to the commercial opportunity of AcelRx's agreement with Zimmer Biomet and the anticipated timing of the availability of DSUVIA to certified dental and oral surgeons. These and any other forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking terminology such as "believes," "expects," "anticipates," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," or the negative of these words or other comparable terminology. The discussion of financial trends, strategy, plans or intentions may also include forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied by such statements, including the risk that AcelRx may not experience the expected benefits from the commercial opportunity and Zimmer Biomet may be unable to acquire the necessary licenses. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, those described in AcelRx's annual, quarterly and current reports (i.e., Form 10-K, Form 10-Q and Form 8-K) as filed or furnished with the Securities and Exchange Commission (SEC). You are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date such statements were first made. AcelRx's SEC reports are available at www.acelrx.com under the "Investors" tab. Except to the extent required by law, AcelRx undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

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Preliminary Q2 financial information

$2.9M
Q2 '20 revenues*

$8.5M
Q2 '20 operating expense**

$43.7M
June 30, 2020 cash

** Incl. $2.6M deferred revenue recognized related to Zalviso*

*** Combined R&D and SG&A; including $1.2M non-cash stock-based comp*

AcelRx Pharmaceuticals, Inc.