



Scilex Holding Company and CH Trading Group Announce Territory Distribution Agreement to Expand Commercialization of ZTlido® for the Middle East and North Africa (MENA) With \$105 Million Minimum Multi-Year Purchase Commitment

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- CH Trading Group will serve as exclusive territories distributor in the Middle East and North Africa countries with US \$105 million minimum purchase commitment.
- CH Trading Group to immediately start the process to expand commercialization of ZTlido® in Middle East and North Africa markets and has the opportunity to distribute across the broader Islamic world and further expand the relationship for other products in Scilex's non-opioid pain portfolio.

PALO ALTO, CA – March 8, 2023 /Newswire/ — Scilex Holding Company (Nasdaq: SCLX, "Scilex"), a majority-owned subsidiary of Sorrento Therapeutics, Inc. (OTC: SRNEQ), an innovative revenue-generating company focused on acquiring, developing and commercializing non-opioid pain management products for the treatment of acute and chronic pain, announced territory distribution agreement for ZTlido® in the Middle East and North Africa with \$105 million minimum purchase commitment over 5 years. CH Trading Group will serve as exclusive territories distributor and will provide open access across the Middle East and North Africa markets and the broader Islamic world. Scilex has the opportunity to expand across other products in their non-opioid pain management portfolio.

"Based on market demand for Scilex's innovative non-opioid pain management products, we believe there is a significant commercial opportunity across the Middle East and North Africa markets", said Sayad Zeyan, CEO of CH Trading Group. "We are excited to be in a position with our partners to expand access to ZTlido patches and in the future other important pain solutions with Scilex."

According to the most recent analysis by Precedence Research March 2022 Pain Management Therapeutics Market Size, the pain management market size is estimated to reach US\$101.27 billion by 2029 and growing at a CAGR of 4.3% from 2022 to 2030.¹

ZTlido® is a lidocaine topical system approved for the relief of neuropathic pain associated with PHN. ZTlido® was strategically designed to address the limitations of current prescription lidocaine patches by providing significantly improved adhesion and continuous pain relief throughout the 12-hour administration period.

"We are pleased to further our partnership with the CH Group which represents another critical milestone towards bringing our innovative Circle H International halal certified non-opioid pain management medicines to ex-US markets," said Jaisim Shah, Chief Executive Officer and President of Scilex.

About Scilex Holding Company

Scilex Holding Company is an innovative revenue-generating company focused on acquiring, developing, and commercializing non-opioid pain management products for the treatment of acute and chronic pain. Scilex is uncompromising in its focus to become the global pain management leader committed to social, environmental, economic, and ethical principles to responsibly develop pharmaceutical products to maximize quality of life. Results from the Phase III Pivotal Trial C.L.E.A.R Program for SEMDEXA™, its novel, non-opioid product for the treatment of lumbosacral radicular pain (sciatica), were announced in March 2022. Scilex has applied for breakthrough therapy designation and expects to seek priority review for SEMDEXA™ for the treatment of sciatica. Scilex targets indications with high unmet needs and large market opportunities with non-opioid therapies for the treatment of patients with moderate to severe pain. Scilex launched its first commercial product in October 2018, in-licensed a commercial product in June 2022, and is developing its late-stage pipeline, which includes a pivotal Phase 3 candidate and one Phase 2 and one Phase 1 candidate. Its commercial product, ZTlido® (lidocaine topical system) 1.8%, or ZTlido®, is a prescription lidocaine topical product approved by the U.S. Food and Drug Administration for the relief of pain associated with postherpetic neuralgia, which is a form of post-shingles nerve pain. Scilex in-licensed the exclusive right to commercialize Gloperba® (colchicine USP) oral solution, an FDA-approved prophylactic treatment for painful gout flares in adults, in the U.S. Scilex is planning to commercialize Gloperba® in 2023 and is well-positioned to market and distribute the product. Scilex also in-licensed exclusive rights to ELYXYB™ (celecoxib oral solution) in the U.S. and Canada, the only FDA-approved ready-to-use oral solution for the acute treatment of migraine, with or without aura, in adults. Scilex's three product candidates are SP-102 (injectable dexamethasone sodium phosphate viscous gel product containing 10 mg dexamethasone), or SEMDEXA™, a Phase 3, novel, viscous gel formulation of a widely used corticosteroid for epidural injections to treat lumbosacral radicular pain, or sciatica, with FDA Fast Track status; SP-103 (lidocaine topical system) 5.4%, a Phase 2, triple-strength formulation of ZTlido®, for the treatment of low back pain, with FDA Fast Track status; and SP-104, 4.5 mg Delayed Burst Release Low Dose Naltrexone Hydrochloride (DBR-LDN) Capsule, for the treatment of chronic pain, fibromyalgia that has completed multiple Phase 1 trial programs and expected to initiate Phase 2 trials this year. For further information regarding the SP-102 Phase 3 efficacy trial, see NCT identifier NCT03372161 – [Corticosteroid Lumbar Epidural Analgesia for Radiculopathy – Full Text View – ClinicalTrials.gov](#).

Scilex Holding Company is headquartered in Palo Alto, California. For further information please visit www.scilexholding.com.

About CH Trading Group

CH Trading Group LLC ("CH Trading") is part of the CH Group family of companies (www.chgroupus.com). CH Group constitutes a diversified conglomerate targeting eight economic "Sectors": healthcare, pharmaceuticals, food, finance, cosmetics, tourism, fashion, media/entertainment.

Spanning a variety of multi-national products, services and solutions, its world mission involves connecting, developing and promoting, from Local to Global™ and throughout the world, all aspects of a wholesome, healthy and productive lifestyle.

CH Trading focuses on international import/export and trade, prioritizing the countries of the Organization of Islamic Cooperation (OIC), as well as the Middle East and North Africa (MENA) and Gulf Cooperation Council (GCC) Regions. It has responded to worldwide demands for identifying and securing supply chains by introducing innovative products, including from the US, and developing a robust distribution network for goods.

To learn more, visit www.chgroupus.com.

Forward-Looking Statements

This press release and any statements made for and during any presentation or meeting concerning the matters discussed in this press release contain forward-looking statements related to Scilex and their subsidiaries under the safe harbor provisions of Section 21E of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements include statements regarding Scilex's potential plans and timing to launch ELYXYB™, the status of Scilex's negotiations of a distribution agreement with a major third-party logistics provider, ELYXYB™'s potential to further expand Scilex's non-opioid portfolio and increase Scilex's revenue, cash flow and earnings, the potential market size for U.S. oral migraine drugs and for pain management therapeutics, Scilex's long-term objectives and commercialization plans, including the re-launch plans for ELYXYB™, Scilex's potential to attract new capital, future opportunities for Scilex, Scilex's future business strategies, the expected cash resources of Scilex and the expected uses thereof; Scilex's current and prospective product candidates, planned clinical trials and preclinical activities and potential product approvals, as well as the potential for market acceptance of any approved products and the related market opportunity; statements regarding ELYXYB™, SP-102 (SEMDEXA™), SP-103 or SP-104, if approved by the FDA; Scilex's development and commercialization plans; and Scilex's products, technologies and prospects.

Risks and uncertainties that could cause Scilex's actual results to differ materially and adversely from those expressed in our forward-looking statements, include, but are not limited to: risks that Scilex may not achieve the results expected from the commercialization of ELYXYB™; general economic, political and business conditions; risks related to the ongoing COVID-19 pandemic; the risk that the potential product candidates that Scilex develops may not progress through clinical development or receive required regulatory approvals within expected timelines or at all; risks relating to uncertainty regarding the regulatory pathway for Scilex's product candidates; the risk that Scilex will be unable to successfully market or gain market acceptance of its product candidates; the risk that Scilex's product candidates may not be beneficial to patients or successfully commercialized; the risk that Scilex has overestimated the size of the target patient population, their willingness to try new therapies and the willingness of physicians to prescribe these therapies; risks that the results of the Phase 2 trial for SP-103 or Phase 1 trials for SP-104 may not be successful; risks that the prior results of the clinical trials of SP-102 (SEMDEXA™), SP-103 or SP-104 may not be replicated; regulatory and intellectual property risks; and other risks and uncertainties indicated from time to time and other risks set forth in Scilex's filings with the SEC. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and we undertake no obligation to update any forward-looking statement in this press release except as may be required by law.

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Reference

1. Precedence Research March 2022 Pain Management Therapeutics Market Size to Reach US\$ 101.27 BN by 2029. <https://www.precedenceresearch.com/sample/1224>

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SEMDEXA™ (SP-102) is a trademark owned by Semnur Pharmaceuticals, Inc., a wholly-owned subsidiary of Scilex Holding Company. A proprietary name review by the FDA is planned.

ZTlido® is a registered trademark owned by Scilex Pharmaceuticals Inc., a wholly-owned subsidiary of Scilex Holding Company.

Gloperba® is an exclusive, transferable license to use the registered trademark by Scilex Holding Company.

ELYXYB™ is an exclusive, transferable license to use the trademark by Scilex Holding Company.

All other trademarks are the property of their respective owners.

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