Scilex Holding Company Retains Warshaw Burstein, LLP and Christian Attar Law to Investigate Potential Naked Short Selling, Short Positions, Stock Lending Program Activities and Market Manipulation of Its Stock Price

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PALO ALTO, Calif., Oct. 07, 2023 (GLOBE NEWSWIRE) -- Scilex Holding Company (Nasdaq: SCLX, "Scilex" or "Company"), an innovative revenue-generating company focused on acquiring, developing and commercializing non-opioid pain management products for the treatment of acute and chronic pain, retains Warshaw Burstein, LLP and Christian Attar Law to investigate potential naked short selling activities, short positions, lending program activities and constitute market manipulation of its restricted shares of common stock that were part of the previously announced dividend of Scilex common stock (the "Restricted Dividend Shares") then-held by Sorrento Therapeutics, Inc. (OTC: SRNEQ, "Sorrento") that breach the restrictions on transfer which are currently in place through March 31, 2024 on these Restricted Dividend Shares.

As previously announced on October 3, 2023 and October 4, 2023, Scilex currently maintains two programs in place for short sellers and lenders having short positions of the Restricted Dividend Shares. Those two programs allow short sellers (the "Short Seller Proposal") and lenders (the "Lender Proposal") of short positions to opt into settlements of their short positions and related relief by purchasing shares in the open market in order to close or cover the short positions and close out the short lending programs. On October 3, 2023, Scilex notified all record holders of the Short Seller Proposal via email and express mail. This Short Seller Proposal was commenced on October 5, 2023 and continues until October 27, 2023. On October 4, 2023, Scilex notified all lenders of short positions via email and express mail. The Lender should notify the short sellers to follow the same procedures outlined in the Short Seller Proposal. This Lender Proposal shall commence on October 9, 2023 and continue until October 31, 2023.

Scilex believes it has been targeted by stock manipulators to drive the market price of its securities downward. Scilex has decided to investigate any potential wrongdoing and is reserving all the rights to seek any damages from short sellers and lenders of short positions who have engaged in market manipulation schemes and have not fully participated in the two programs for voluntary settlements. Warshaw Burstein, LLP and Christian Attar Law have decades of experience investigating and successfully prosecuting claims of market manipulation against short sellers and lenders of short positions. Recently, on September 29, 2023, Warshaw Burstein and Christian Attar Law prevailed against formidable opposition from major banks and brokerage houses in a decision in the U.S. district court for the southern district of New York holding that broker-dealers could be held primarily liable for failing to fulfill their "Gatekeeping Responsibilities" of monitoring their clients' trading activities. For further details see https://www.wbny.com/Warshaw-Burstein-Prevails-Against-Major-Banks-and-Brokerage-Houses-Opposition

About Warshaw Burstein, LLP

Warshaw Burstein, LLP is a full-service law firm in New York City, that since its formation 97 years ago, has distinguished itself through superior and cost-effective legal service and personalized client care and attention. For more information, please visit www.wbny.com or visit LinkedIn, Facebook and Twitter: @warshawburstein.

About Christian Attar Law

Christian Attar engages in all types of civil litigation, including shareholder and partnership disputes, and stock fraud. The Group operates domestically and internationally, with its corporate headquarters based in Houston, Texas.

To learn more about the company, visit ChristianAttarLaw.com.

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 participated in the type C meeting for purposes of pre-NDA discussion with the FDA and is pending official minutes in writing from the FDA. 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 ZTlido® in October 2018, in-licensed a commercial product Gloperba® in June 2022, and launched its third FDA-approved product Elyxyb™ in April 2023. It is also 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 post-herpetic 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 in-licensed the exclusive rights to commercialize 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 launched Elyxyb™ in April 2023, and is planning to commercialize Gloperba® by 2024, and is well-positioned to market and distribute those products. 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 study, triple-strength formulation of ZTlido®, for the treatment of acute low back pain, with FDA Fast Track status. We received our SP-103 Phase 2 top-line results in August 2023 and the trial achieved its objectives characterizing safety, tolerability and preliminary efficacy of SP-103 in acute low back pain associated with muscle spasms. SP-103 was safe and well-tolerated. Increase of lidocaine load in topical system by three times, compared with approved ZTLido, 5.4% vs. 1.8%, did not result in signs of systemic toxicity or increased application site reactions with daily applications over one month treatment. We will continue to analyze the SP-103 Phase 2 trial data along with a recently completed investigator study of ZTlido in patients with neck pain which also has showed promising top-line efficacy and safety results. Scilex is planning to initiate Phase 2/3 trial in neck pain in 2024.; 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 is expected to initiate Phase 2 trials in 2024.

Scilex Holding Company is headquartered in Palo Alto, California.

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 its 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 retaining Warshaw Burstein, LLP and Christian Attar Law to investigate activities that constitute market manipulation of its stock price, the anticipated timing for completion of the Short Seller Proposal and Lender Proposal and procedures for participating in the Short Seller Proposal and Lender Proposal and executing a release agreement, Scilex's beliefs of the scale of short selling, lending program activities and market manipulation of its stock price, Scilex's belief that it is well positioned to continue its growth over the next several years, Scilex's long-term objectives and commercialization plans, 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 ZTlido®, Gloperba®, 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 associated with the unpredictability of trading markets and whether a market will be established for Scilex's common stock; 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 outcome of the trials for SP-103 or 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 Securities and Exchange Commission. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release, and Scilex undertakes no obligation to update any forward-looking statement in this press release except as may be required by law.

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