Scilex Holding Company Announces 5-Year Term of $100 Million Financing with Royalty-Based Payments and Potential Strategic Transactions with Perigrove and its Portfolio Companies

June 11, 2024 11:20 PM EDT

PALO ALTO, Calif., June 11, 2024 (GLOBE NEWSWIRE) -- Scilex Holding Company (Nasdaq: SCLX, "Scilex" or the "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, today announced that it has entered into a commitment letter (the "Commitment Letter") with Perigrove LLC and Graf Holdings (collectively the "Lender") for a $100 million 5-year term financing with royalty-based payments ("Commitment"). The Company intends to use the funds to repay the outstanding amount of its existing senior secured loan provided by Oramed Pharmaceuticals Inc., which is approximately $85 million. The Company intends to use the rest of the funds raised, which is estimated to be $15 million, for general corporate purposes.

In connection with the transaction, upon receipt of the Commitment funds, the Company will issue to the Lender a warrant to purchase up to an aggregate of 32,500,000 shares of the Company's common stock, with an exercise price of $1.20. In the event the Commitment is not funded in accordance with the Commitment Letter, the Deposit will automatically convert to an unsecured loan and the Company will issue an unsecured promissory note (the "Note") to the Lender to evidence such unsecured loan. The Note will have a maturity of 5 years, will be prepayable without premium or penalty, and will bear interest, payable quarterly in arrears, in an amount equal to the Applicable Interest Amount (as defined in the Commitment Letter) for such period, which interest amount is based on the greater of a percentage of net sales on the Company's products or 12% per year (in each case as described in the Commitment Letter).

"This financing commitment in conjunction with certain anticipated strategic transactions with Perigrove's portfolio companies enhances Scilex's already strong commercial position. We believe that our growing commercial products and potential pipeline will help drive revenues to be over $1 billion in the next 4-5 years. We expect that this transaction will eliminate the existing Oramed senior secured debt and improve our cash position where we can utilize the available resources to reinvest in our commercial products. We are grateful for Perigrove's commitment to provide us with the $100 million loan, which gives us more flexibility in our capital position and reduces our dependence on future capital raising activities," said Jaisim Shah, President and Chief Executive Officer of Scilex.

"The Scilex team is driving extraordinary success with ZTlido®", said a representative of Graf Holdings "we are excited to support the Company and management team as they continue growing their commercial products to profitability and bringing more innovative non-opioid pain management medicines to patients," said David Gefner, Chief Executive Officer of Perigrove.

For more information on Scilex Holding Company, refer to www.scilexholding.com

For more information on ZTlido® including Full Prescribing Information, refer to www.ztlido.com.

For more information on ELYXYB®, including Full Prescribing Information, refer to www.elyxyb.com.

For more information on Gloperba®, including Full Prescribing Information, refer to www.gloperba.com.

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About Perigrove

Based in New York City, Perigrove is a family office with a strong focus on healthcare investing. Established in 2017, Perigrove takes a collaborative approach to its portfolio companies, generating actionable, high-impact growth initiatives that drive long-term value. With extensive experience in healthcare investment and c-suite management, Perigrove targets innovative companies that align with their industry knowledge and operational expertise.

By applying our deep industry expertise to a people-first approach, our solutions are tailored to support our healthcare clients' unique needs across market cycles. Our portfolio spans healthcare IT, outsourced healthcare services, specialty pharmacy, and care management.

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 targets indications with high unmet needs and large market opportunities with non-opioid therapies for the treatment of patients with acute and chronic pain and are dedicated to advancing and improving patient outcomes. Scilex's commercial products include: (i) ZTlido® (lidocaine topical system) 1.8%, a prescription lidocaine topical product approved by the U.S. Food and Drug Administration (the "FDA") for the relief of neuropathic pain associated with postherpetic neuralgia, which is a form of post-shingles nerve pain; (ii) ELYXYB®, a potential first-line treatment and the only FDA-approved, ready-to-use oral solution for the acute treatment of migraine, with or without aura, in adults; and (iii) Gloperba®, the first and only liquid oral version of the anti-gout medicine colchicine indicated for the prophylaxis of painful gout flares in adults, expected to launch in the first half of 2024.

In addition, Scilex has three product candidates: (i) SP-102 (10 mg, dexamethasone sodium phosphate viscous gel) ("SEMDEXA™, or "SP-102"), a novel, viscous gel formulation of a widely used corticosteroid for epidural injections to treat lumbosacral radicular pain, or sciatica, for which Scilex has completed a Phase 3 study and has granted Fast Track status from the FDA in 2017; (ii) SP-103 (lidocaine topical system) 5.4%, ("SP-103"), a next-generation, triple-strength formulation of ZTlido, for the treatment of chronic neck pain and for which Scilex has recently completed a Phase 2 trial in low back pain. SP-103 has granted Fast Track status from the FDA in low back pain; and (iii) SP-104 (4.5 mg, low-dose naltrexone hydrochloride

delayed-release capsules) (“SP-104”), a novel low-dose delayed-release naltrexone hydrochloride being developed for the treatment of fibromyalgia, for which Phase 1 trials were completed in the second quarter of 2022.

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 the funding of the remaining commitment amount, the issuance of the unsecured promissory note, the issuance of a senior secured promissory note, the repayment of the Oramed senior secured debt, the intended use of the funds raised from this financing commitment, the expected launch of Gloperba®.

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 COVID-19 (and other similar disruptions); 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 and studies for SP-102, SP-103 or SP-104 may not be successful or reflect positive outcomes; risks that the prior results of the clinical and investigator-initiated 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 described in Scilex’s most recent periodic reports filed with the Securities and Exchange Commission, including Scilex’s Annual Report on Form 10-K for the year ended December 31, 2023 and subsequent Quarterly Reports on Form 10-Q that the Company has filed or may file, including the risk factors set forth in those filings. 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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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 the subject of an exclusive, transferable license to use the registered trademark by Scilex Holding Company.

ELYXYB® is a registered trademark owned by Scilex Holding Company.

All other trademarks are the property of their respective owners.

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