

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **March 31, 2026**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-39852

Scilex Holding Company

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

960 San Antonio Road

Palo Alto, CA

(Address of Principal Executive Offices)

92-1062542

(I.R.S. Employer
Identification No.)

94303

(Zip Code)

(650) 516-4310

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of exchange on which registered |
|---|----------------------|--------------------------------------|
| Common Stock, par value \$0.0001 per share | SCLX | The Nasdaq Stock Market LLC |
| Warrants to purchase one share of common stock, each at an exercise price of \$402.50 per share | SCLXW | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

| | | | |
|-------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |
| Emerging growth company | <input checked="" type="checkbox"/> | | |

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of May 15, 2026, the registrant had 8,491,267 shares of common stock, par value \$0.0001 per share, outstanding.

SCILEX HOLDING COMPANY

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SCILEX HOLDING COMPANY

In this Quarterly Report on Form 10-Q, unless the context requires otherwise, references to the “Company”, “Scilex”, “we”, “us”, “our”, and similar terms refer to Scilex Holding Company, a Delaware corporation formerly known as Vickers Vantage Corp. I (“Vickers”), and its consolidated subsidiaries. References to “Legacy Scilex” refer to the private Delaware corporation that is now our wholly owned subsidiary and named Scilex, Inc. (formerly known as “Scilex Holding Company”).

On November 10, 2022, we consummated a business combination pursuant to the Agreement and Plan of Merger, dated as of March 17, 2022 (as amended, the “Merger Agreement”), by and among Vickers, Vantage Merger Sub Inc. (“Merger Sub”), a wholly owned subsidiary of Vickers, and Legacy Scilex. Pursuant to the terms of the Merger Agreement, the business combination (herein referred to as the “Scilex Business Combination” or “reverse recapitalization” for accounting purposes) between Vickers and Legacy Scilex was effected through the merger of Merger Sub with and into Legacy Scilex with Legacy Scilex surviving as Vickers’s wholly owned subsidiary. In connection with the Scilex Business Combination, Vickers changed its name from Vickers Vantage Corp. I to Scilex Holding Company.

Unless otherwise noted or the context requires otherwise, references to our “Common Stock” refer to our common stock, par value \$0.0001 per share.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q may constitute “forward-looking statements” for purposes of federal securities laws. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements appear in a number of places in this Quarterly Report on Form 10-Q including, without limitation, in the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations.*” In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as “plan,” “believe,” “expect,” “anticipate,” “contemplate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “continue,” “could,” “may,” “might,” “possible,” “potential,” “predict,” “should,” “will,” “would” and other similar words and expressions (including the negative of any of the foregoing), but the absence of these words does not mean that a statement is not forward-looking.

These forward-looking statements are based on information available as of the date of this Quarterly Report on Form 10-Q and our management’s current expectations, forecasts and assumptions, and involve a number of judgments, known and unknown risks and uncertainties and other factors, many of which are outside the control of the Company and our directors, officers and affiliates. There can be no assurance that future developments will be those that have been anticipated. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date.

These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in “*Risk Factors*” in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on April 10, 2026 (the “Annual Report on Form 10-K”), as updated by the risk factors described under the heading “*Risk Factors*” in Part II - Item 1A of this Quarterly Report on Form 10-Q.

Forward-looking statements in this Quarterly Report on Form 10-Q may include, but are not limited to, statements about:

- Our ability to maintain the listing of our Common Stock on the Nasdaq Capital Market;
- Our public securities’ liquidity and trading;
- Our ability to raise financing in the future;
- Our expected use of proceeds from future issuances of equity or convertible debt securities;
- Our future financial performance, including our revenue, costs of revenue and operating expenses;
- Our future use of equity or debt financings to execute our business strategy;
- Our ability to use cash on hand to meet current and future financial obligations, including funding our operations, debt service requirements and capital expenditures;
- The outcome of any legal proceedings that may be instituted against us;
- Our ability to attract and retain qualified directors, officers, employees and key personnel;
- Our ability to compete effectively in a highly competitive market;
- Competition from larger biotechnology companies that have greater resources, technology, relationships and/or expertise;
- The ability to protect and enhance our corporate reputation and brand;

- The impact of future regulatory, judicial and legislative changes in our industry;
- Anticipated regulatory and legal developments in the United States and foreign countries in which we may seek regulatory approval for our product candidates in the future;
- Our ability to obtain and maintain regulatory approval of any of our products and product candidates;
- Our ability to research, discover and develop additional product candidates;
- Our ability to grow and manage growth profitably;
- Our ability to obtain and maintain intellectual property protection and avoid infringing on the rights of others;
- Our ability to execute our business plans and strategy;
- Our ability to prevent, respond to, and recover from a cybersecurity incident;
- The effect of any geopolitical conflicts or new or increased international tariffs, including mitigation efforts and economic effects, on our business operations, including but not limited to our clinical studies and clinical trials;
- The effect of global economic and political developments;
- Regulatory developments related to crypto assets and crypto asset markets;
- A determination that we are an investment company under the Investment Company Act of 1940 (the “1940 Act”);
- Our ability to successfully adopt and execute on our new cryptocurrency treasury strategy;
- Any changes in the accounting treatment of cryptocurrency holdings;
- General volatility in the cryptocurrency market; and
- Other factors detailed under the section titled “Risk Factors” in the Annual Report on Form 10-K, as updated by the risk factors described in the section of this Quarterly Report on Form 10-Q titled “Risk Factors.”

Should one or more of these risks or uncertainties materialize or should any of the assumptions made by our management prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. There may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. We do not undertake any obligation to update, add or to otherwise correct any forward-looking statements contained herein to reflect events or circumstances after the date they were made, whether as a result of new information, future events, inaccuracies that become apparent after the date hereof or otherwise, except as may be required under applicable securities laws.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

SCILEX HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except for par value and share amounts)
(Unaudited)

| | March 31, 2026 | December 31, 2025 |
|--|-------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,351 | \$ 4,955 |
| Marketable securities | 10 | 6,026 |
| Accounts receivable, net | 10,647 | 15,244 |
| Note receivable, net | 19,200 | — |
| Inventory | 4,532 | 4,789 |
| Prepaid expenses and other current assets | 4,230 | 7,344 |
| Total current assets | 41,970 | 38,358 |
| Property and equipment, net | 13,379 | 13,599 |
| Operating lease right-of-use asset | 14,175 | 14,818 |
| Intangibles, net | 59,807 | 59,088 |
| Investments | 4,831 | 1,000 |
| Equity method investment, at fair value | 79,098 | 159,403 |
| Digital assets | 65,345 | 64,711 |
| Goodwill | 13,481 | 13,481 |
| Other long-term assets | 1,549 | 523 |
| Total assets | \$ 293,635 | \$ 364,981 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$ 101,578 | \$ 86,266 |
| Accrued payroll | 3,901 | 3,270 |
| Accrued rebates and fees | 247,514 | 231,756 |
| Accrued expenses | 60,037 | 66,414 |
| Current portion of deferred consideration | 398 | 407 |
| Debt, current | 80,783 | 83,262 |
| Promissory notes | 2,767 | 3,517 |
| Purchased revenue liability, current | 2,796 | 3,764 |
| Current portion of operating lease liabilities | 1,723 | 1,733 |
| Other current liabilities | 255 | 3,263 |
| Total current liabilities | 501,752 | 483,652 |
| Long-term portion of deferred consideration | 1,945 | 2,041 |
| Debt, net of issuance costs | — | 22,480 |
| Purchased revenue liability, net of current portion | 5,604 | 4,636 |
| Derivative liabilities | 25,541 | 50,599 |
| Operating lease liabilities, net of current portion | 12,686 | 13,151 |
| Other long-term liabilities | 177 | 174 |
| Total liabilities | 547,705 | 576,733 |
| Commitments and contingencies (See Note 13) | | |
| Stockholders' deficit: | | |
| Preferred stock, \$0.0001 par value, 45,000,000 shares authorized | | |
| Series A, 29,057,097 shares issued and outstanding as of each of March 31, 2026 and December 31, 2025 | — | — |
| Series 1 | — | 1 |
| Common stock, \$0.0001 par value, 740,000,000 shares authorized; 8,491,267 shares issued and 7,033,004 shares outstanding as of March 31, 2026 and December 31, 2025 | 1 | 1 |
| Additional paid-in capital | 799,301 | 796,721 |
| Accumulated other comprehensive income | (6,550) | (5,803) |
| Accumulated deficit | (965,056) | (921,786) |
| Treasury stock, at cost; 1,458,263 shares as of March 31, 2026 and December 31, 2025 | (76,915) | (76,915) |
| Total stockholders' deficit | (249,219) | (207,781) |
| Noncontrolling interests | (4,851) | (3,971) |
| Total Scilex Holding Company stockholders' deficit | (254,070) | (211,752) |
| Total liabilities and stockholders' deficit | \$ 293,635 | \$ 364,981 |

See accompanying notes to unaudited condensed consolidated financial statements.

SCILEX HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for net loss per share amounts)
(Unaudited)

| | Three Months Ended March 31, | |
|---|------------------------------|--------------------|
| | 2026 | 2025 |
| Net revenue | \$ 8,613 | \$ 5,004 |
| Net operating costs and expenses: | | |
| Cost of revenue | 4,447 | 1,384 |
| Research and development | 3,210 | 2,456 |
| Selling, general and administrative | 31,033 | 28,060 |
| Intangible amortization | 2,092 | 1,002 |
| Total net operating costs and expenses | <u>40,782</u> | <u>32,902</u> |
| Loss from operations | (32,169) | (27,898) |
| Other (income) expense, net: | | |
| Gain on warrant derivative liabilities | (25,709) | (10,409) |
| Loss on compound derivative of Scilex-St. James Loans | 21,829 | — |
| Change in fair value of debt and liability instruments | 2,797 | 6,114 |
| Other expense, net | 3,779 | 2,481 |
| (Gain) Loss on foreign currency exchange | 279 | (4) |
| Unrealized loss on digital assets, net | 18,064 | — |
| Unrealized loss on equity method investments carried at fair value, net | 31,710 | — |
| Realized (gain) on equity method investments carried at fair value, net | (42,338) | — |
| Realized loss on securities | 3,071 | — |
| Total other (income) expense, net | <u>13,481</u> | <u>(1,818)</u> |
| Loss before income taxes | <u>(45,650)</u> | <u>(26,080)</u> |
| Net loss | <u>(45,650)</u> | <u>(26,080)</u> |
| Net loss attributable to noncontrolling interests | (2,380) | — |
| Net loss attributable to common stockholders | <u>\$ (43,270)</u> | <u>\$ (26,080)</u> |
| Loss per share attributable to common stockholders — basic & diluted | <u>\$ (6.28)</u> | <u>\$ (2.26)</u> |
| Weighted average number of shares during the period — basic & diluted | <u>6,891</u> | <u>11,565</u> |
| Comprehensive loss: | | |
| Net loss attributable to common stockholders | \$ (43,270) | \$ (26,080) |
| Other comprehensive income: | | |
| Foreign currency translation adjustment | (747) | — |
| Total other comprehensive income | <u>(747)</u> | <u>—</u> |
| Comprehensive loss attributable to common stockholders | <u>\$ (44,017)</u> | <u>\$ (26,080)</u> |

See accompanying notes to unaudited condensed consolidated financial statements.

SCILEX HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In thousands)
(Unaudited)

| | Preferred Stock | | Common Stock | | Additional Paid-in Capital | Accumul ated Other Compre hensive Income | Accumulat ed Deficit | Treasury Stock | | Noncont rolling Interest | Stockholde rs' Equity (Deficit) |
|--|-----------------|-------------|--------------|-------------|----------------------------------|---|----------------------------|----------------|--------------------|--------------------------------|--|
| | Shares | Amount | Shares | Amount | | | | Shares | Amount | | |
| Balance, December 31, 2025 | 34,057 | \$ 1 | 8,491 | \$ 1 | \$ 796,721 | \$ (5,803) | \$ (921,786) | 1,458 | \$ (76,915) | \$ (3,971) | \$ (211,752) |
| Acquisition of controlling interest in Vivasor | — | — | — | — | — | — | — | — | — | 1,500 | 1,500 |
| Stock dividend declared in 2024, and canceled in February 2026 | (5,000) | (1) | — | — | 1 | — | — | — | — | — | — |
| Vivasor - secondary purchase | — | — | — | — | (1,050) | — | — | — | — | — | (1,050) |
| Stock-based compensation | — | — | — | — | 3,629 | — | — | — | — | — | 3,629 |
| Other comprehensive income | — | — | — | — | — | (747) | — | — | — | — | (747) |
| Net loss | — | — | — | — | — | — | (43,270) | — | — | (2,380) | (45,650) |
| Balance, March 31, 2026 | <u>29,057</u> | <u>\$ —</u> | <u>8,491</u> | <u>\$ 1</u> | <u>\$ 799,301</u> | <u>\$ (6,550)</u> | <u>\$ (965,056)</u> | <u>1,458</u> | <u>\$ (76,915)</u> | <u>\$ (4,851)</u> | <u>\$ (254,070)</u> |

| | Preferred Stock | | Common Stock | | Additional Paid-in Capital | Accumulat ed Other Compre hensive Income | Accumulat ed Deficit | Treasury Stock | | Stockholders' Equity (Deficit) |
|--|-----------------|-------------|--------------|-------------|----------------------------------|--|----------------------------|----------------|--------------------|--------------------------------------|
| | Shares | Amount | Shares | Amount | | | | Shares | Amount | |
| Balance, December 31, 2024 | 34,057 | \$ 1 | 6,952 | \$ 1 | \$ 454,614 | \$ 6,317 | \$ (563,052) | 1,716 | \$ (90,522) | \$ (192,641) |
| Treasury Stock transferred to Tranche B Investors for Tranche B Notes deferral | — | — | — | — | (5,353) | — | — | (143) | 7,535 | 2,182 |
| Treasury Stock paid for Gloperba Ex-US License | — | — | — | — | (808) | — | — | (22) | 1,174 | 366 |
| Treasury Stock transferred to Oramed for the Oramed Note maturity extension | — | — | — | — | (3,523) | — | — | (93) | 4,898 | 1,375 |
| Stock-based compensation | — | — | — | — | 3,314 | — | — | — | — | 3,314 |
| Net loss | — | — | — | — | — | — | (26,080) | — | — | (26,080) |
| Balance, March 31, 2025 | <u>34,057</u> | <u>\$ 1</u> | <u>6,952</u> | <u>\$ 1</u> | <u>\$ 448,244</u> | <u>\$ 6,317</u> | <u>\$ (589,132)</u> | <u>1,458</u> | <u>\$ (76,915)</u> | <u>\$ (211,484)</u> |

See accompanying notes to unaudited condensed consolidated financial statements.

SCILEX HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | Three Months Ended March 31, | |
|---|------------------------------|-----------------|
| | 2026 | 2025 |
| Operating activities | | |
| Net loss including noncontrolling interest | \$ | (26,080) |
| Adjustments to reconcile net loss to net cash proceeds from operating activities: | | |
| Depreciation and amortization | 2,869 | 1,003 |
| Amortization of debt issuance costs and debt discount | 1,028 | — |
| Non-cash operating lease cost | 643 | 176 |
| Non-cash interest expense for deferred consideration | 324 | — |
| Stock-based compensation | 3,629 | 3,314 |
| Gain on derivative liability | (25,709) | (10,409) |
| Loss on compound derivative of Scilex-St. James Loans | 21,829 | — |
| Financing costs and allocated expense for financial instruments at fair value | — | 4,057 |
| In-process research and development expense | — | 566 |
| Realized loss on securities | 3,071 | — |
| Change in fair value of debt and liability instruments | 2,797 | 6,114 |
| Unrealized loss on digital assets | 18,064 | — |
| Unrealized loss on EMI | 31,710 | — |
| Realized (gain) loss on EMI | (42,338) | — |
| Allowances for expected credit losses | 800 | — |
| Non-cash revenue | (1,131) | — |
| Gain from property in kind dividend | (525) | — |
| Other | 1,614 | 38 |
| Changes in operating assets and liabilities: | | |
| Accounts receivables, net | 4,597 | 15,823 |
| Inventory | 257 | (584) |
| Prepaid expenses and other | 614 | 129 |
| Other long-term assets | (605) | — |
| Accounts payable | 15,812 | 5,128 |
| Accrued payroll | 631 | 149 |
| Accrued expenses | (7,805) | 841 |
| Accrued rebates and fees | 15,758 | 5,912 |
| Other liabilities | (3,394) | (170) |
| Other long-term liabilities | 3 | — |
| Net cash (used for) proceeds from operating activities | (1,107) | 6,007 |
| Investing activities | | |
| Cash paid for in-process research and development, net | — | (200) |
| Purchase of patent | (2,900) | — |
| Acquisition consideration paid in cash for Romeg intangible asset acquisition | (150) | (150) |
| Payment made for PA OPS investment | (200) | — |
| Purchases of Bitcoin | (18,698) | — |
| Repayments on promissory note | (750) | — |
| Purchase of preferred shares of Vivasor | (299) | — |
| Issuance of convertible note receivable for Qscan | (20,000) | — |
| Sale of Datavault shares for cash, net | 31,392 | — |
| Payment made for Datavault Licenses | (500) | — |
| Sale of Marketable Securities | 2,945 | — |
| Purchase of convertible promissory note from Denali | — | (45) |
| Net cash used for investing activities | (9,160) | (395) |
| Financing activities | | |
| Repayment of Tranche B Note | (6,319) | — |
| Payments on purchased revenue liability | (794) | — |
| Payments for Vivasor debt | (745) | — |
| Acquisition of controlling interest in Vivasor | 1,500 | — |
| Repayment of Tranche B Notes principal and interest | — | (1,596) |
| Payments on purchased revenue liability | — | (797) |
| Transaction costs paid in connection with share repurchase | — | (396) |
| Excise tax paid in connection with share repurchase | — | (200) |
| Proceeds from issuance of St James Loan, net of issuance costs | 15,502 | — |
| Transaction costs paid related to Semnur Business Combination | — | (95) |
| Net cash provided by (used for) financing activities | 9,144 | (3,084) |
| Effect of exchange rate changes on cash | (481) | — |
| Net change in cash and cash equivalents | (1,604) | 2,528 |
| Cash and cash equivalents at beginning of period | 4,955 | 3,272 |
| Cash and cash equivalents at end of period | \$ 3,351 | \$ 5,800 |
| Non-cash investing and financing activities | | |
| Settlement of St James Loans for Datavault shares | \$ 59,366 | \$ — |
| Purchase of preferred shares | \$ 750 | \$ — |
| Prepayment related to Q Scan investment | \$ 2,500 | \$ — |
| Stock dividend declared in 2024, and canceled in February 2026 | \$ 1 | \$ — |

See accompanying notes to unaudited condensed consolidated financial statements.

SCILEX HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Operations and Basis of Presentation

Organization and Principal Activities

Scilex Holding Company (“Scilex” and together with its consolidated subsidiaries, the “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. The Company was originally formed in 2019 and currently has eight subsidiaries, of which the following five are wholly owned: Scilex Inc. (“Legacy Scilex”), Scilex Pharmaceuticals Inc. (“Scilex Pharma”), SCLX DRE Holdings LLC, SCLX Stock Acquisition JV LLC (“SCLX JV”) and Scilex BVI Limited (“Scilex BVI”); and the following three subsidiaries are controlled by Scilex: Scilex Bio, Inc. (“Scilex Bio”), Semnur Pharmaceuticals, Inc. (“Semnur”) and Vivasor Holding Company (“Vivasor”). The business combination with Vivasor closed in December 2025. The business combination with Vickers (the “Scilex Business Combination”) closed in November 2022.

The Company launched its first commercial product in October 2018, ZTlido (lidocaine topical system) 1.8% (“ZTlido”), a prescription lidocaine topical system that is designed with novel technology to address the limitations of current prescription lidocaine therapies by providing significantly improved adhesion and continuous pain relief throughout the 12-hour administration period. In June 2022, the Company in-licensed the exclusive right to commercialize GLOPERBA (colchicine USP) oral solution (“GLOPERBA”), a U.S. Food and Drug Administration (“FDA”)-approved prophylactic treatment for painful gout flares in adults, in the United States (“U.S.”). In February 2023, the Company acquired the rights related to ELYXYB (celecoxib oral solution) (“ELYXYB”) and the commercialization thereof in the U.S. and Canada. ELYXYB is a 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. The Company launched ELYXYB in the U.S. in April 2023 and commercialized GLOPERBA in the U.S. in June 2024. In January 2025, the Company received approval from Health Canada’s Pharmaceutical Drugs Directorate, Bureau of Cardiology, Allergy and Neurological Sciences for ELYXYB for the acute treatment of migraine with or without aura in Canada and in-licensed the rights to commercialize GLOPERBA outside the U.S.

The Company is currently developing three product candidates, SP-102 (10 mg, dexamethasone sodium phosphate viscous gel), a novel, viscous gel formulation of a widely used corticosteroid for epidural injections to treat lumbosacral radicular pain, or sciatica, for which the Company initiated a second Phase 3 study (“SP-102” or “SEMDEXA”) in September 2025, 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 the Company completed a Phase 2 trial in acute low back pain (“LBP”), and 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. The Company has devoted substantially all of its efforts to the development of SP-102, SP-103 and SP-104, and the commercialization of ZTlido, ELYXYB and GLOPERBA.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include all adjustments necessary for the fair presentation of the Company’s financial position for the periods presented. The condensed consolidated financial statements include 100% of the accounts of the wholly owned and majority owned subsidiaries as well as a variable interest entity for which the Company is the primary beneficiary. The proportion of profit and loss and changes in equity allocated to the shareholders of the Company and the noncontrolling interests are determined on the basis of existing ownership interest. All intercompany balances and transactions have been eliminated.

The Company consolidates those entities in which it has a direct or indirect controlling financial interest based on either the variable interest model (the “VIE model”) or the voting interest model (the “VOE model”). Variable interest entities (“VIEs”) are entities that, by design, either lack sufficient equity to permit the entity to finance its activities without additional subordinated financial support from other parties, or have equity investors that do not have the

ability to make significant decisions relating to the entity's operations through voting rights, or do not have the obligation to absorb the expected losses, or do not have the right to receive the residual returns of the entity.

The Company consolidates its VIEs under the VIE model if the Company is considered the primary beneficiary due to (i) the power to direct activities of the VIE that most significantly impact the entity's economic performance; and (iii) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. If the Company is not deemed to be the primary beneficiary in a VIE, the Company accounts for the investment or other variable interests in a VIE in accordance with the applicable GAAP.

Upon the occurrence of certain significant events, as required by the VIE model, the Company reassesses whether a legal entity in which the Company is involved is a VIE. The reassessment process considers whether the Company has acquired or divested the power to direct the activities of the VIE through changes in governing documents or other circumstances. The reassessment also considers whether the Company has acquired or disposed of a financial interest that could be significant to the VIE, or whether an interest in the VIE has become significant or is no longer significant. The consolidation status of the entities with which the Company is involved may change as a result of such reassessments. Changes in consolidation status are applied prospectively, with assets and liabilities of a newly consolidated VIE initially recorded at fair value.

These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, include all adjustments of a normal recurring nature necessary to present fairly, in all material respects, the Company's consolidated financial position, results of operations and cash flows. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 as filed with the SEC on April 10, 2026 (the "Annual Report on Form 10-K"). The interim results for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or for any future periods.

Reverse Stock Split

On April 3, 2025, the Board of Directors of the Company (the "Board") approved a reverse stock split of the Common Stock at a ratio of 1-for-35 (the "Reverse Stock Split"), which was effected on April 15, 2025. As a result of the Reverse Stock Split, every 35 shares of pre-Reverse Stock Split Common Stock was combined into one share of post-Reverse Stock Split Common Stock, without any change in par value per share. No fractional shares were issued as a result of the Reverse Stock Split, as fractional shares of Common Stock were rounded down to the nearest whole share. Stockholders who would have otherwise received a fractional share of Common Stock pursuant to the Reverse Stock Split, received cash-in-lieu of the fractional share. All Common Stock amounts and references have been retroactively adjusted for all figures presented to reflect the Reverse Stock Split unless specifically stated otherwise. The Company also adjusted the amounts for shares of Common Stock reserved for issuance upon the exercise of outstanding warrants, outstanding stock options and shares reserved under the Company's stock-based compensation plans, except for the outstanding Penny Warrants and Deposit Warrant (each as defined below), which do not contain antidilution provisions and therefore were not adjusted in connection with the Reverse Stock Split, to the extent they were outstanding at the time of the Reverse Stock Split. As a result, a deemed dividend of \$43.8 million was recognized, representing the increase in value to Penny Warrant holders. The Company has an accumulated deficit, as a result, the deemed dividend was not recorded as a reduction in additional paid-in capital, resulting in a net impact of zero to additional paid-in capital in the accompanying unaudited condensed consolidated balance sheet. The non-cash deemed dividend has been included as an increase to the net loss allocated to common shareholders, and thus, increases the net loss per share for both basic and diluted net loss per share.

Segments

Operating segments are identified as components of an entity where separate discrete financial information is available for evaluation by the chief operating decision maker (the "CODM") in making decisions on how to allocate resources and assessing performance. The Company has determined that its CODM is its Chief Executive Officer. The Company is engaged primarily in the development of non-opioid products focused on pain management based on its platform technologies and all sales are based in the United States. Accordingly, the Company has determined that it operates its business as a single, reportable segment. The CODM reviews consolidated operating results to make decisions about allocating resources and assessing performance for the entire Company based on consolidated results that are

reported on the unaudited condensed consolidated statements of operations and comprehensive loss. The Company has also evaluated the significant segment expenses incurred by the single segment that are regularly provided to the CODM and concluded they are consistent with those reported on the unaudited condensed consolidated statements of operations and comprehensive loss and include cost of revenue, research and development, selling, general and administrative. The Company manages assets on a consolidated basis as reported on the unaudited condensed consolidated balance sheets. Accordingly, the unaudited condensed consolidated financial statements and accompanying notes contained herein include the measure of profit or loss, net revenue, categories of expenses, assets and other financial information that is evaluated by the CODM.

Use of Estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these unaudited condensed consolidated financial statements and the reported amounts of expenses during the reporting period. These estimates include, but are not limited to, revenue recognition, fair value of financial instruments and certain assumptions used in estimating stock-based compensation, the fair value of assets acquired and liabilities assumed in acquisitions, and the noncontrolling interests recognized in acquisitions. Management believes that these estimates are reasonable; however, actual results may differ from these estimates.

Customer and Supplier Concentration Risk

The Company had four customers during the three months ended March 31, 2026, each of which individually generated 10% or more of the Company's total revenue. These customers accounted for 95% of the Company's revenue for the three months ended March 31, 2026, with each individually ranging from 13% to 28%. As of each of March 31, 2026 and 2025, these customers represented 86% and 89% of the Company's outstanding accounts receivable, individually ranging between 6% and 31%, and 18% and 37% for respective periods. Additionally, during the three months ended March 31, 2026, the Company purchased ZTlido and ELYXYB inventories from its sole suppliers, Itochu Chemical Frontier Corporation ("Itochu"), Contract Pharmaceuticals Ltd. Canada ("CPL") and Ferndale Laboratories, Inc. During the three months ended March 31, 2025, the Company purchased ZTlido, ELYXYB and Gloperba inventories from its sole suppliers, Itochu, CPL and Ferndale Laboratories, Inc. This exposes the Company to concentration of customer and supplier risk. The Company monitors the financial condition of its customers, limits its credit exposure by setting credit limits, and has not experienced any credit losses during the three months ended March 31, 2026 and 2025.

Significant Accounting Policies

There have been no significant changes to the accounting policies during the three months ended March 31, 2026, as compared to the significant accounting policies described in Note 1 of the Notes to Consolidated Financial Statements in the Company's audited consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2025.

Digital Assets

In September 2025, the Company adopted a cryptocurrency treasury strategy and began acquiring Bitcoin. The Company accounts for all digital assets held as crypto assets, a subset of indefinite-lived intangible assets in accordance with ASC 350-60, Intangibles - Goodwill and Other - Crypto Assets. The Company has ownership of and control over the digital assets, which are held in custody accounts and are not considered cash equivalents. The digital assets are initially recorded at cost on a first-in, first-out basis and are subsequently remeasured on the condensed consolidated balance sheets at fair value at each reporting period.

The Company determines and records the fair value of its digital assets in accordance with ASC 820, Fair Value Measurement ("ASC 820"), based on quoted prices on the active exchange(s) that the Company has determined is the principal market for such assets (Level 1 inputs). Realized and unrealized gains and losses are recorded to Other (income) expense, net in the condensed consolidated statement of operations and comprehensive loss.

Noncontrolling Interests

The Company consolidates entities in which it has a controlling financial interest, including variable interest entities (VIEs) where it is the primary beneficiary. Noncontrolling interests represent the portion of equity in consolidated subsidiaries not attributable to the Company and are presented separately in the condensed consolidated balance sheets and statements of operations and comprehensive loss. Profit or loss and changes in equity attributable to noncontrolling interests are allocated based on ownership percentages as well as the preferential rights and obligations associated with the respective equity class of noncontrolling interests.

Datavault Investment

As of March 31, 2026, the Company holds approximately 21% of Datavault's outstanding voting shares and has the ability to nominate two out of nine board seats. As such, the Company believes it is able to exercise significant influence over Datavault, and thus, accounts for its investment in Datavault under the equity method in accordance with Accounting Standards Codification ("ASC") 323, Investments - Equity Method and Joint Ventures.

Fair Value Measurements

Financial assets and liabilities are recorded at fair value on a recurring basis in the condensed consolidated balance sheets. The carrying values of the Company's financial assets and liabilities, including cash and cash equivalents, prepaid and other current assets, accounts payable and accrued expenses approximate to their fair value due to the short-term nature of these instruments. Equity method investments and digital assets are also recorded at fair value in our unaudited condensed consolidated balance sheets.

The valuation of the derivative warrant liability for the Private Warrants, the February 2024 BDO Firm Warrants, the Deposit Warrant, the October 2024 Noteholder Warrants, the December 2024 RDO Common Warrants, the Exchange Warrants, the September 2025 Warrants, the November 2025 Warrants and the February 2026 Warrants (each as defined below) is outlined in Note 5, utilizing the Black-Scholes option pricing model. The Company has chosen the fair value option for the Oramed Note, FSF Deposit and Tranche B Notes (each as defined below), with the valuation methodologies detailed in Note 8. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. Assets and liabilities recorded at fair value are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels are directly related to the amount of subjectivity with the inputs to the valuation of these assets or liabilities as follows:

Level 1 - Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 - Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable inputs for similar assets or liabilities. These include quoted prices for identical or similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Cash and Cash Equivalents and Marketable Securities

The Company considers all highly liquid investments that are readily convertible into cash without penalty and with original maturities of three months or less at the date of purchase to be cash equivalents. The carrying amounts reported in the unaudited condensed consolidated balance sheets for cash and cash equivalents are valued at cost, which approximate their fair value. Cash equivalents were immaterial as of March 31, 2026 and December 31, 2025.

The Company considers marketable securities as current investments if the maturity date is less than or equal to one year from the balance sheet date. The Company considers marketable securities as non-current investments if the maturity date is in excess of one year from the balance sheet date.

Accounts Receivable, Net

Accounts receivable are presented net of allowances for expected credit losses and prompt payment discounts. Accounts receivable consists of trade receivables from product sales to customers, which are generally unsecured. Estimated credit losses related to trade accounts receivable are recorded as general and administrative expenses and as an allowance for expected credit losses within accounts receivable, net. The Company reviews reserves and makes adjustments based on historical experience and known collectability issues and disputes. When internal collection efforts on accounts have been exhausted, the accounts are written off by reducing the allowance for expected credit losses. As of March 31, 2026 and December 31, 2025, allowances for credit losses on accounts receivable were nil. As of March 31, 2026 and December 31, 2025, allowances for prompt payment discounts were \$0.3 million and \$0.4 million, respectively.

Inventory

The Company determines inventory cost on a first-in, first-out basis, with the exception of Vivasor which determines inventory cost using the average cost method. The Company reduces the carrying value of inventories to a lower of cost or net realizable value for those items that are potentially excess, obsolete or slow-moving. The Company reserves for excess and obsolete inventory based upon historical experience, sales trends, and specific categories of inventory and expiration dates for on-hand inventory. Inventory costs resulting from these adjustments are recognized as cost of sales in the period in which they are incurred. When future commercialization is considered probable and the future economic benefit is expected to be realized, based on management's judgment, the Company capitalizes pre-launch inventory costs prior to regulatory approval. As of March 31, 2026 and 2025, the Company's inventory was composed of equal parts of raw material and finished goods.

Acquisitions

The Company accounts for business combinations using the acquisition method of accounting, which requires that assets acquired, including in-process research and development ("IPR&D") projects and liabilities assumed be recorded at their fair values as of the acquisition date on the Company's condensed consolidated balance sheets. Any excess of purchase price over the fair value of net assets acquired is recorded as goodwill. The determination of estimated fair value requires the Company to make significant estimates and assumptions. As a result, the Company may record adjustments to the fair values of assets acquired and liabilities assumed within the measurement period (up to one year from the acquisition date) with the corresponding offset to goodwill. Transaction costs associated with business combinations are expensed as they are incurred.

When the Company determines net assets acquired do not meet the definition of a business combination under the acquisition method of accounting, the transaction is accounted for as an acquisition of assets and, therefore, no goodwill is recorded and contingent consideration such as payments upon achievement of various developmental, regulatory and commercial milestones generally is not recognized at the acquisition date. In an asset acquisition, up-front payments allocated to IPR&D projects at the acquisition date and subsequent milestone payments are charged to expense in the Company's condensed consolidated statements of operations and comprehensive loss unless there is an alternative future use.

The Company has acquired and may continue to acquire the rights to develop and commercialize new product candidates. Intangible assets acquired in a business combination that are used for IPR&D activities are considered indefinite-lived until the completion or abandonment of the associated research and development efforts. Upon commercialization of the relevant research and development project, the Company amortizes the acquired IPR&D over its estimated useful life. Capitalized IPR&D is reviewed annually for impairment or more frequently as changes in circumstance or the occurrence of events suggest that the remaining value may not be recoverable.

Goodwill and Other Long-Lived Assets

Goodwill, which has an indefinite life, represents the excess cost over fair value of net assets acquired. Goodwill is reviewed for impairment at least annually during the fourth quarter, or more frequently if events occur indicating the potential for impairment. The Company has two reporting units, Scilex and Vivasor, for goodwill assessment purposes. During its goodwill impairment review, the Company may assess qualitative factors to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying amount, including goodwill. The qualitative factors include, but are not limited to, macroeconomic conditions, industry and market considerations, and the overall financial performance of the Company. If, after assessing the totality of these qualitative factors, the

Company determines that it is not more likely than not that the fair value of its reporting unit is less than its carrying amount, then no additional assessment is deemed necessary. Otherwise, the Company performs a quantitative goodwill impairment test. The Company may also elect to bypass the qualitative assessment in a period and elect to proceed to perform the quantitative goodwill impairment test.

The Company evaluates its long-lived and intangible assets with definite lives, such as property and equipment, patent rights, and acquired technology, for impairment by considering competition by products prescribed for the same indication, the likelihood and estimated future entry of non-generic and generic competition with the same or similar indication and other related factors. The factors that drive the estimate of useful life are often uncertain and are reviewed on a periodic basis or when events occur that warrant review. Recoverability is measured by comparison of the assets' book value to future net undiscounted cash flows that the assets are expected to generate to determine if a write-down to the recoverable amount is appropriate. If such assets are written down, an impairment will be recognized as the amount by which the book value of the asset group exceeds the recoverable amount.

Valuation of Purchased In-Process Research and Development, Goodwill, and Other Intangible Assets

When we acquire another company, the purchase price is allocated, as applicable, between in-process research and development, other identifiable intangible assets, tangible assets, liabilities assumed and goodwill as required by generally accepted accounting principles in the U.S. Purchased in-process research and development is defined as the value assigned to those projects for which the related products have not received regulatory approval and have no alternative future use. Determining the portion of the purchase price allocated to in-process research and development and other intangible assets requires us to make significant estimates. The amount of the purchase price allocated to purchased in-process research and development and other intangible assets is determined by estimating the future cash flows of each project or technology and discounting the net cash flows back to their present values. The discount rate used is determined at the time of the acquisition in accordance with accepted valuation methods. For purchased in-process research and development, these methodologies include consideration of the risk of the project not achieving commercial feasibility.

Goodwill represents the excess of the aggregate purchase price over the fair value of net assets, including in-process research and development, of the acquired businesses, net of the fair value of liabilities assumed. Goodwill is tested for impairment annually, or more frequently if changes in circumstance or the occurrence of events suggest an impairment exists. The test for impairment requires us to make several estimates about fair value, most of which are based on projected future cash flows. Our estimates associated with the goodwill impairment tests are considered critical due to the amount of goodwill recorded on our consolidated balance sheets and the judgment required in determining fair value amounts, including projected future cash flows.

The purchase price allocation in connection with the purchase of Vivasor is preliminary and subject to adjustment. As the Company continues to evaluate the fair value of assets acquired, including in-process research and development (IPR&D), adjustments may result in a reallocation between goodwill and identified intangible assets. Any such measurement period adjustments will be recorded in accordance with ASC 805, with corresponding offsets to goodwill, and will be finalized no later than one year from the acquisition date.

Contingent Consideration

The fair value of contingent consideration liabilities assumed in business combinations is recorded as part of the purchase price consideration of the acquisition, and is determined using a discounted cash flow model or Monte Carlo simulation model. The significant inputs of such models are not observable in the market, such as certain financial metric growth rates, volatility rates, projections associated with applicable milestones, discount rates and the related probabilities and payment structure in the contingent consideration arrangement. Fair value adjustments to contingent consideration liabilities are recorded through operating expenses in the condensed consolidated statements of operations and comprehensive loss. Other than contingent consideration that is accounted for in accordance with FASB ASC Topic 480, Distinguishing Liabilities from Equity, and Topic 815, Derivatives and Hedging, contingent consideration arrangements assumed in an asset acquisition will be measured and accrued when such contingency is resolved.

Warrants

In accordance with ASC Subtopic No. 815-40, Contracts on an Entity's Own Equity, the Company determines how to account for warrants either assumed in business combinations or issued under various financing arrangements. Warrants classified as equity are recorded at their issuance cost and are not subject to remeasurement at each subsequent balance sheet date. The Company records them in additional paid-in capital in the Company's consolidated balance sheets. Warrants accounted for as liabilities are recorded at their estimated fair value on the date of issuance and are revalued at each subsequent balance sheet date, with fair value changes recognized in the consolidated statement of operations. The Company estimates the value of these warrants using a Black-Scholes option pricing formula.

Debt

The Company may enter into financing arrangements, the terms of which involve significant assumptions and estimates. This involves estimating future net product sales, determining interest expense, determining the amortization period of the debt discount, as well as determining the classification between current and long-term portions.

Debt assumed in connection with the Vivasor Business Combination (as defined below) was recorded at fair value at the acquisition date. Subsequent to initial recognition, such debt is carried at amortized cost, with any difference between fair value and contractual amounts accreted or amortized to interest expense over the remaining term of the instrument using the effective interest method.

The Oramed Note, FSF Deposit and Tranche B Notes

The Company has elected the fair value option to account for the FSF Deposit and the Tranche B Notes (each as defined in Note 2 "*Liquidity and Going Concern*" below) and the Oramed Note (as defined in Note 5 "*Fair Value Measurements*" below) that were issued in June 2024, October 2024 and September 2023, respectively, as discussed further in Note 8. The Company recorded these financial instruments at fair value upon issuance with changes in fair value recorded as change in fair value of debt and liability instruments in the unaudited condensed consolidated statements of operations, with the exception of changes in fair value due to instrument-specific credit risk, if any, which are recorded as a component of other comprehensive income. Interest expense related to these financial instruments is included in the changes in fair value. As a result of applying the fair value option, direct costs and fees related to these financial instruments were expensed as incurred. The weighted-average interest rates for the short-term loans, including these financial instruments, were 10.60% and 12.35% for the period ended March 31, 2026 and December 31, 2025, respectively.

Scilex-St. James Loans

The Company accounted for Scilex-St. James Loans (as defined below) using amortized cost model. Transaction fees paid to the lender are treated as debt discounts which are recorded as reduction to the principal of the loans. The debt discounts are amortized over the contractual term of the loan, using the effective interest method, and recorded as interest expense in the condensed consolidated statements of operations and comprehensive loss.

Purchased Revenue Liability

The purchased revenue liability is associated with the Purchase and Sale Agreement that the Company entered into in October 2024 with certain institutional investors (collectively, the "ZTlido Royalty Investors") and Oramed (the "ZTlido Royalty Purchase Agreement") and the Purchase and Sale Agreement that the Company entered into in February 2025 with certain institutional investors (collectively, the "Gloperba-Elyxyb Royalty Investors") and Oramed (the "Gloperba-Elyxyb Royalty Purchase Agreement", and together with the ZTlido Royalty Purchase Agreement, the "Royalty Purchase Agreements") (Note 8). The Company elected the fair value option to account for the purchased revenue liability (as described in Note 5 "*Fair Value Measurements*" below). The Company recorded the Royalty Purchase Agreements at fair value upon issuance with changes in fair value recorded as change in fair value of debt and liability instruments in the condensed consolidated statements of operations, with the exception of changes in fair value due to instrument-specific credit risk, if any, which are recorded as a component of other comprehensive income. Interest expense related to these financial instruments is included in the changes in fair value.

As a result of applying the fair value option, direct costs and fees related to the purchased revenue liability were expensed as incurred.

Derivative Liabilities

Derivative liabilities are recorded on the Company's unaudited condensed consolidated balance sheets at their fair value on the date of issuance and are revalued on each balance sheet date until such instruments are exercised or expire, with changes in the fair value between reporting periods recorded as other income or expense.

Revenue Recognition

The Company's revenue is primarily generated from product sales within the United States. The Company does not incur significant direct costs to obtain contracts with its customers.

Revenue from product sales is comprised of sales of ZTlido, ELYXYB and GLOPERBA. The Company's performance obligation with respect to sales of ZTlido, ELYXYB and GLOPERBA is satisfied at a point-in-time, when control is transferred upon delivery of product to the customer. The Company considers control to have transferred upon delivery because the customer has legal title to the product, physical possession of the product has been transferred to the customer, the customer has significant risks and rewards of ownership of the product, and the Company has a present right to payment at that time. Invoicing typically occurs upon shipment and the length of time between invoicing and when payment is due is not significant. The aggregate dollar value of unfulfilled orders as of March 31, 2026 and 2025 was not material.

Revenues from product sales are recorded net of reserves established for commercial and government rebates, fees and chargebacks, wholesaler and distributor fees, sales returns, special marketing programs and prompt payment discounts. Such variable consideration is estimated in the period of the sale and is estimated using a most likely amount approach based primarily upon provisions included in the Company's customer contract, customary industry practices and current government regulations.

Deductions from Revenues

The Company's gross product revenues are subject to a variety of deductions, which generally are estimated and recorded in the same period that the revenues are recognized. Such variable consideration represents chargebacks, rebates, sales allowances and sales returns. These deductions represent estimates of the related obligations and, as such, knowledge and judgment are required when estimating the impact of these product revenue deductions on net sales for a reporting period.

Rebates and Chargebacks

Rebates are discounts which the Company pays under either government or private health care programs. Government rebate programs include state Medicaid drug rebate programs, the Medicare coverage gap discount programs and the Tricare programs. Commercial rebate and fee programs relate to contractual agreements with commercial healthcare providers, under which the Company pays rebates and fees for access to and position on that provider's patient drug formulary. Rebates and chargebacks paid under government programs are generally mandated under law, whereas private rebates and fees are generally contractually negotiated by the Company with commercial healthcare providers. Both types of rebates vary over time. The Company records a reduction to gross product sales at the time the customer takes title to the product based on estimates of expected rebate claims. The Company monitors the sales trends and adjusts for these rebates on a regular basis to reflect the most recent rebate experience and contractual obligations. Reserves for rebates and chargebacks are separately presented as accrued rebates and fees under current liabilities within the Company's condensed consolidated balance sheets.

Prompt Payment Discounts

The Company provides its customers with prompt payment discounts which may result in adjustments to the price that is invoiced for the product transferred, in the case that payments are made within a defined period. The prompt payment discount reserve is based on actual gross sales and contractual discount rates. Reserves for prompt payment discounts are included in accounts receivable, net on the condensed consolidated balance sheets.

Service Fees

The Company compensates its customer and others in the distribution chain for wholesaler and distribution services. The Company has determined such services received to date are not distinct from the Company's sale of products to the customer and, therefore, these payments have been recorded as a reduction of revenue. Service fees are presented as accrued rebates and fees under current liabilities within the Company's condensed consolidated balance sheets.

Product Returns

The Company is obligated to accept the return of products sold that are expiring within six months, damaged or do not meet certain specifications. The Company may authorize the return of products sold in accordance with the term of its sales contracts, and estimates allowances for such amounts at the time of sale. The Company estimates the amount of its product sales that may be returned by its customer and records this estimate as a reduction of revenue in the period the related product revenue is recognized. Product returns are presented as accrued rebates and fees under current liabilities within the Company's condensed consolidated balance sheets.

The allowance for product returns is determined based on historical return rates, product shelf life, and inventory levels within the distribution channel. This estimated rate is applied to gross sales to accrue the sales allowance.

Discounts

Discounts, typically 2% of sales, are offered to wholesalers for prompt payment. Upon receipt of actual product returns, the Company updates its balances accordingly, while continuing to refine its estimates based on historical trends.

Co-Payment Assistance

Patients who have commercial insurance or pay cash and meet certain eligibility requirements may receive co-payment assistance. The Company accrues for co-payment assistance based on actual program participation and estimates of program redemption using data provided by third-party administrators. Co-payment assistance is presented as accrued rebates and fees under current liabilities within the Company's condensed consolidated balance sheets.

Net Loss per Share

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities.

Under the two-class method, basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share attributable to common stockholders adjusts basic earnings per share for the potentially dilutive impact of stock options and warrants, which consists of the incremental Common Stock issuable upon the exercise of stock options and warrants (using the treasury stock method or the reverse treasury stock method, as applicable).

In accordance with FASB ASC 260, Earnings Per Share, Penny Warrants are warrants that would be exercised for no or little consideration and therefore should be included in the calculation of weighted average shares outstanding for purposes of calculating basic and diluted net income (loss) per share to the extent all vesting conditions or exercise contingencies are removed except for the passage of time.

Related Party Transactions

iLeukon Intellectual Property License Agreement

iLeukon Therapeutics, Inc. ("iLeukon") is considered a related party of the Company due to certain overlapping roles between officers and directors of the Company and iLeukon. Henry Ji, the Executive Chairperson of the Board of Directors of the Company, also serves as Chairman of the Board of Directors of iLeukon. Additionally, Xiao Xu, the

Chief Executive Officer of ACEA Therapeutics, Inc. ("ACEA"), a consolidated subsidiary of Vivaso, itself a consolidated subsidiary of the Company, serves as Co-Chair of the Board of Directors of iLeukon.

In December 2024, Vivasor entered into an Intellectual Property License Agreement with iLeukon pursuant to which Vivasor agreed to license certain patents to iLeukon in exchange for 400,000 shares of iLeukon common stock, representing approximately 2% of iLeukon's outstanding equity, for an aggregate value of approximately \$1.1 million, and a \$1.0 million payment contingent upon the closing of a future Series A financing. The licensed intellectual property was not transferred and the shares were not issued until the three months ended March 31, 2026. The Company recognized approximately \$1.1 million of revenue in connection with this transaction during the three months ended March 31, 2026. As of March 31, 2026, the carrying value of the Company's investment in iLeukon was approximately \$1.1 million. For further discussion of the accounting for this investment, refer to Note 6.

EOS Technology Holdings Patent Agreement

On January 11, 2026 ("Effective Date"), the Company entered into the Agreement with EOS. Under the Agreement, EOS sold the Company a single patent which comprised a remote medication delivery system (i.e. "Purchased Assets", "Purchased Asset", "Intellectual Property" or "IP"). The patented technology covers a system and method for routing medication from a dispensary to a patient's location via a determined route, including a pneumatic delivery system connecting residences or facilities to a dispensary, a secured lockbox for delivery, and biometric user authentication (e.g., fingerprint/retina scan) before medication is released. Additionally, it encompasses real-time patient monitoring via wearables, cameras, and sensors to trigger medication delivery on an as needed basis (Note 4). Datavault Chief Executive Officer also serve as EOS Chief Executive Officer. The Company's ownership of Datavault Common Stock was approximately 21% and does not have any other existing agreements with EOS. EOS is considered a related party of the Company for the purposes of ASC 850, Related Party Disclosures and Item 404 of Regulation S-K.

Vivasor Secondary Stock Purchase

During January 2026, the Company purchased a total of 355,919 shares of Vivasor Series A-2 Preferred Stock for total cash consideration of \$1,050,000 from two existing shareholders of Vivasor, Jaisim Shah and Three I Fund. Pursuant to the Share Transfer Agreement dated January 20, 2026 the Company purchased a total of 254,228 shares from Mr. Shah for a total amount of \$0.8 million. Mr. Shah, is the former Chief Executive Officer and President of the Company, who resigned on August 16, 2025 and also the former Chief Executive Officer of Semnur, a subsidiary of the Company (see Note 3), he resigned on March 13, 2026, and currently serves as a consultant of the Company. Mr. Shah is considered a related party of the Company for the purposes of ASC 850, Related Party Disclosures and Item 404 of Regulation S-K.

Consulting Agreement — ACEA Therapeutics, Inc.

ACEA Therapeutics, Inc. ("ACEA Therapeutics"), a subsidiary of Vivasor, is a biopharmaceutical company in which Henry Ji, Ph.D., the Executive Chairperson of the Board of Directors of the Company and Executive Chairperson of the Board of Directors of Vivasor, holds a greater than 50% ownership interest. As a result of Dr. Ji's position as Executive Chairperson of the Company and his greater than 50% ownership interest in ACEA Therapeutics, ACEA Therapeutics is considered a related party of the Company for purposes of ASC 850, Related Party Disclosures, and Item 404 of Regulation S-K.

In the three months ended March 31, 2025, the Company engaged ACEA Therapeutics to provide regulatory strategy consulting services in seeking regulatory approval in the People's Republic of China. The consulting services provided by ACEA Therapeutics included advisory support with respect to the regulatory processes, submissions, and related strategic guidance required for the Company's product candidates under the National Medical Products Administration ("NMPA") and other applicable Chinese regulatory authorities. During the three months ended March 31, 2025, the Company paid \$0.7 million in consulting fees to ACEA Therapeutics under this arrangement. Upon the Vivasor Business Combination (See Note 3 below), any transactions between ACEA Therapeutics, Inc. and the Company were eliminated upon consolidation.

Quantum Scan Holdings, Inc.

In January 2026, the Company entered into certain transactions with Quantum Scan Holdings, Inc. (“QScan”), a medical technology company focused on preventive diagnostics. Stephen Ma, the Company's Chief Financial Officer and a member of its Board of Directors, has served as QScan's interim Chief Financial Officer since January 16, 2026, establishing QScan as a related party. See Note 6 for further details.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, which will require additional expense disclosures for all public entities. The amendments require that at each interim and annual reporting period, an entity will disclose certain disaggregated expenses included in each relevant expense caption, as well as the total amount of selling expenses and, in annual periods, an entity's definition of selling expenses. ASU 2024-03 is effective for annual reporting periods beginning with the fiscal year ending December 31, 2027, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the incremental disclosures that will be required in its condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options*, which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. ASU 2024-04 is effective for annual reporting periods beginning after December 15, 2025 and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The Company assessed the provisions of this ASU and concluded this ASU does not have a material impact on its condensed consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The amendments in this update provide a practical expedient permitting an entity to assume that conditions at the balance sheet date remain unchanged over the life of the asset when estimating expected credit losses for current classified accounts receivable and contract assets. This update is effective for annual periods beginning after December 15, 2025, including interim periods within those fiscal years. Adoption of this ASU can be applied prospectively for reporting periods after its effective date. Early adoption is permitted. The Company assessed the provisions of this ASU and concluded this ASU does not have a material impact on its condensed consolidated financial statements.

In January 2026, the FASB issued ASU 2026-01, *Equity (Topic 505)—Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock*. The amendments clarify the initial measurement of paid-in-kind dividends on equity-classified preferred stock to reduce diversity in practice and improve consistency in financial reporting. The amendments are effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted. The amendments should be applied on a prospective basis. The Company is currently evaluating the amendments and the effect on its future consolidated financial statements.

2. Liquidity and Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Management has assessed the Company's ability to continue as a going concern for at least one year after the issuance date of the accompanying unaudited condensed consolidated financial statements.

On December 22, 2023, the Company entered into a Sales Agreement (the “ATM Sales Agreement”) with B. Riley Securities, Inc., Cantor Fitzgerald & Co. and H.C. Wainwright & Co., LLC (the “Sales Agents”), which agreement was voluntarily terminated by the Company effective as of March 5, 2025. Pursuant to the ATM Sales Agreement, the Company was able to offer and sell (the “Offering”) shares of Common Stock up to \$170.0 million (the “ATM Shares”), through or to the Sales Agents as part of the Offering. The Company had no obligation to sell any shares of Common Stock under the ATM Sales Agreement and could suspend offers thereunder at any time. As of March 31, 2026 and March 31, 2025, no sales of Common Stock had been made under the ATM Sales Agreement.

On June 11, 2024, the Company entered into that certain Commitment Side Letter (the “Commitment Letter”) with FSF 33433 LLC (“FSF Lender”), pursuant to which FSF Lender committed to provide the Company a loan (the “FSF Loan”) in the aggregate amount of \$100.0 million (the “Commitment Amount”). The Commitment Amount shall be

payable as follows: (i) \$85.0 million no later than the date that is 70 days following the date on which the Company receives the FSF Deposit (as defined below) (the “Outside Date” and the funding of the initial \$85.0 million, the “Initial Commitment Closing”) and (ii) the remaining \$15.0 million within 60 days following the Initial Closing (the funding of the second \$15.0 million, the “Second Closing”). Pursuant to the Commitment Letter, FSF Lender was required to provide the Company a non-refundable deposit in immediately available funds in the aggregate principal amount of \$10.0 million (the “FSF Deposit” and the date on which such funds are fully received, the “Deposit Date”), which amount will be creditable towards the \$85.0 million required to be funded by FSF Lender at the Initial Commitment Closing. The Company received the FSF Deposit on June 18, 2024 and issued to FSF Lender a warrant to purchase up to an aggregate of 3,250,000 shares of the Common Stock (subject to adjustment for stock dividends, stock splits or similar transactions, provided that there shall not be any adjustments to the exercise price of the warrant in the event the Company combines (by combination, reverse stock split or otherwise) the Common Stock into a smaller number of shares (the “Deposit Warrant”), with an exercise price of \$1.20 per share. The exercise price and number of shares of Common Stock issuable upon the exercise of the Deposit Warrant may be subject to certain adjustments in the event of any stock dividend, stock split, recapitalization, reorganization or similar transaction, as described in the Deposit Warrant. The Deposit Warrant is immediately exercisable and will expire five years from the date of issuance. In November 2024, the Company fully satisfied the obligations in respect of the Commitment Letter in respect of the FSF Deposit.

On October 7, 2024, the Company entered into a securities purchase agreement (the “Tranche B Securities Purchase Agreement”) with certain institutional investors (collectively, the “Tranche B Investors”) and Oramed Pharmaceuticals Inc. (“Oramed”, and together with the Tranche B Investors, the “Tranche B Noteholders”), to issue and sell, in a registered offering by the Company directly to the Tranche B Noteholders, a new tranche B of senior secured convertible notes of the Company in the aggregate principal amount of \$50.0 million (the “Tranche B Notes”), which notes will mature on the two-year anniversary of the issuance date and will be convertible into shares of Common Stock at a conversion price equal to \$36.40 per share. In exchange for the issuance of the Tranche B Notes to the Tranche B Investors, the Company has received an aggregate amount in cash of \$22,500,000, excluding fees and expenses payable by the Company. In consideration for the Tranche B Notes issued to Oramed, the Company has received from Oramed an exchange and reduction of the principal balance under the Oramed Note (as defined below) of \$22,500,000.

On December 1, 2025, the Company entered into a Non-Recourse Loan and Securities Pledge Agreement (the “Scilex-St. James Loan Agreement”) with St. James Bank & Trust Company Ltd., a corporation existing under the laws of the Bahamas (“St. James” or the “Lender”), pursuant to which the Lender agreed to loan the Company an aggregate principal amount of up to \$50.0 million in one or more tranches (the “Scilex-St. James Loans”). The timing and amount of any particular tranche of the Scilex-St. James Loans shall be determined at the sole discretion of the Lender and the Lender shall notify the Company in advance of its intention to fund a particular tranche. The Scilex-St. James Loans are non-recourse loans, which are collateralized by the shares of Datavault Common Stock held by the Company, wherein St. James will act as the custodian over these collateralized shares.

On December 8, 2025, the Company and St. James executed an amendment to the Scilex-St. James Loan Agreement (the “Scilex-St. James Loan Amendment”). The Scilex-St. James Loan Amendment, among other things, increased the maximum amount that may be borrowed under the Scilex-St. James Loan Agreement from \$50.0 million to \$100.0 million, and increased the number of shares of Datavault Common Stock collateralizing the Scilex-St. James Loans to 85,838,800 shares (see Note 8).

On March 11, 2026, the Company filed a complaint in the United States District Court for the Central District of California against the Lender, certain related parties of the Lender, and The Bank of New York Mellon Corporation (“BNY”). As of that date, the Company had pledged approximately 85.8 million shares of Datavault Common Stock as collateral, which, according to the complaint, were contractually prohibited from being sold absent specified conditions. The Company alleges that the Lender made an unauthorized transfer and sale of the pledged shares through its brokerage accounts, in violation of the terms of the Scilex-St. James Loan Agreement, and further alleges that BNY facilitated the opening and administration of the accounts used in the alleged transactions. The Company is seeking recovery of the pledged shares, compensatory damages in excess of \$100 million, punitive damages, disgorgement of profits, and other equitable relief. As of the date of this assessment, the matter remains in the early procedural stages, and no rulings have been issued.

Furthermore, on March 16, 2026 the Lender issued a formal letter to the Company addressing the following matters:

- Earlier share price defaults which occurred in December 2025 and January 2026 were cured by the Company on a timely basis.
- On February 3, 2026, the Lender agreed to forbear from enforcing any events of default arising from a share price default and decreased trading volumes for the period from February 3, 2026 through February 27, 2026.
- On March 2, 2026, the unit share price of the Datavault Common Stock declined to \$0.68, and the Company did not take steps to cure the resulting share price default. The Lender further noted that additional share price defaults occurred subsequent to March 2, 2026.
- The Lender also noted that additional events of default related to decreased trading volumes occurred as of March 2, 2026, which the Company did not attempt to cure.
- The Lender asserted that the complaint filed by the Company on March 11, 2026 constituted an additional event of default, and, as a result, the Lender stated that the Scilex-St. James Loan Agreement was terminated effective March 16, 2026 (“Loan Termination Date”). The Lender further stated that neither party had any remaining obligations under the Scilex-St. James Loan Agreement.

As of the Loan Termination Date, the Company had pledged a total of 85,665,102 shares of Datavault Common Stock as collateral, which were then transferred and sold by the Lender without authorization from the Company through brokerage accounts of the Lender, as described above. Because the Company no longer has control over these shares, they should be derecognized from the balance sheet. Therefore, in substance, the exchangeable debts were settled by forfeiture of the pledged shares. As the shares of Datavault Common Stock are being carried at fair value under ASC 323, upon the derecognition date (i.e. the Loan Termination Date), the shares should be revalued to their then current fair market value with changes in fair value recognized in unrealized gains and losses on equity investments and no further gain or loss should be recognized when shares are considered “disposed”.

As of March 16, 2026, the Loan Termination Date, the Company accounted for its investment in Datavault under the equity method of accounting and had elected the fair value option. In connection with the derecognition of 85,665,102 shares of Datavault Common Stock, the Company evaluated whether the equity method remained appropriate. Following such derecognition, the Company continues to own approximately 21% of Datavault’s outstanding shares and retains the right to appoint two members to Datavault’s board of directors. Based on these factors, the Company determined the equity method of accounting remains appropriate as of March 31, 2026.

As of March 31, 2026, the Company’s negative working capital was \$459.8 million, including cash and cash equivalents of approximately \$3.4 million. During the three months ended March 31, 2026, the Company had operating losses of \$32.2 million and cash flows received from operating activities of \$1.1 million. The Company had an accumulated deficit of \$965.1 million as of March 31, 2026.

The Company has plans to obtain additional resources to fund its currently planned operations and expenditures and to service its debt obligations (whether under the Oramed Note, the Tranche B Notes or otherwise) for at least twelve months from the issuance of these unaudited condensed consolidated financial statements through a combination of equity offerings, debt financings, collaborations, government contracts or other strategic transactions. The Company’s plans are also dependent upon the success of future sales of ZTlido, ELYXYB and GLOPERBA, among which GLOPERBA and ELYXYB are still in the early stages of commercialization.

Although the Company believes such plans, if executed, should provide the Company with financing to meet its needs, successful completion of such plans is dependent on factors outside the Company’s control. As a result, management has concluded that the aforementioned conditions, among other things, raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the unaudited condensed consolidated financial statements are issued.

3. Acquisitions

SP-104 Acquisition

In May 2022, the Company acquired the Delayed Burst Release Low Dose Naltrexone asset and intellectual property rights for the treatment of chronic pain, fibromyalgia and chronic post-COVID syndrome (collectively, the “SP-104 Assets”). Pursuant to the acquisition provisions, the Company is obligated to pay Aardvark Therapeutics, Inc. (“Aardvark”) (i) \$3.0 million upon initial approval by the FDA of a new drug application for the SP-104 Assets (which amount may be paid in shares of Common Stock or cash, in the Company’s sole discretion) (the “Development Milestone Payment”) and (ii) \$20.0 million in cash, upon achievement of certain net sales by the Company of a commercial product that uses the SP-104 Assets (the “Sales Milestone Payment”). The Company will also pay Aardvark certain royalties in the single digits based on percentages of annual net sales by the Company of a commercial product that uses the SP-104 Assets.

The Sales Milestone Payment and sale volume-based future royalties were determined to meet a scope exception for derivative accounting and will not be recognized until the contingencies are realized. The Development Milestone Payment represents a liability, which will be measured at fair value for each reporting period. As of March 31, 2026 and December 31, 2025, the contingent consideration associated with the Development Milestone Payment was \$0.2 million, recorded in Other long-term liabilities.

ELYXYB Acquisition

In February 2023, the Company entered into an asset purchase agreement (the “ELYXYB APA”) with BioDelivery Sciences International, Inc. (“BDSI”) and Collegium Pharmaceutical, Inc. (“Collegium”, and together with BDSI, the “Sellers”) to acquire the rights to certain patents, trademarks, regulatory approvals, data, contracts, and other rights related to ELYXYB and its commercialization in the United States and Canada (the “ELYXYB Territory”).

As consideration for the acquisition, the Company assumed various rights and obligations under the asset purchase agreement between BDSI and Dr. Reddy’s Laboratories Limited, a company incorporated under the laws of India (“DRL”), dated August 3, 2021 (the “DRL APA”), including an irrevocable, royalty-free, exclusive license to know-how and patents of DRL related to ELYXYB that is necessary or used to exploit ELYXYB in the ELYXYB Territory. No cash consideration was or will be payable to the Sellers for such acquisition; however, the obligations under the DRL APA that were assumed by the Company include contingent sales and regulatory milestone payments and sales royalties. The Company is also obligated to make quarterly royalty payments to DRL on net sales of ELYXYB in the ELYXYB Territory. In April 2023, the Company launched ELYXYB in the U.S.

As of each of March 31, 2026 and December 31, 2025, the Company had ending balances of accrued royalty payables of \$0.1 million and \$0.2 million. During the three months ended March 31, 2026, the Company made royalty payments in the amount of nil. The Company made royalty payments in the amount of \$0.1 million during the three months ended March 31, 2025. As of March 31, 2026, a regulatory milestone payment of \$0.1 million had been accrued.

Semnur Business Combination Agreement and Sponsor Interest Purchase Agreement

On August 30, 2024, Semnur entered into an agreement and plan of merger (as may be amended or restated from time to time in accordance with its terms, including by Amendment No. 1 thereto, dated as of April 16, 2025 (“Amendment No.1”), the “Semnur Business Combination Agreement”) with Denali and Denali Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Denali (“Denali Merger Sub”). On July 22, 2025, Semnur entered into Amendment No. 2 to the Semnur Business Combination Agreement with Denali and Denali Merger Sub (“Amendment No. 2”). See below for the additional discussion of Amendment No. 2.

The Semnur Business Combination Agreement provides that, among other things, (i) on the terms and subject to the conditions set forth therein, Denali Merger Sub will merge with and into Semnur, with Semnur surviving as a wholly owned subsidiary of Denali (the “Semnur Business Combination”), and (ii) prior to the closing of the Semnur Business Combination, Denali will migrate to and domesticate as a Delaware corporation in accordance with Section 388 of the General Corporation Law of the State of Delaware, as amended (the “DGCL”), and de-register in the Cayman Islands in accordance with Section 206 of the Cayman Companies Act (the “Domestication”). Upon the closing of the Semnur Business Combination, it is anticipated that Denali will change its name to “Semnur Pharmaceuticals, Inc.” (“New Semnur”). Shares of Denali common stock following the Domestication are hereinafter referred to as “New Semnur Common Shares”. Shares of Denali Series A preferred stock following the Domestication are hereinafter referred to as “New Semnur Preferred Shares”. Warrants to purchase New Semnur Common Shares following the Domestication are hereinafter referred to as “New Semnur Warrants”.

In accordance with the terms and subject to the conditions of the Semnur Business Combination Agreement, following the Domestication and at the effective time of the Semnur Business Combination (the “Effective Time”): (i) each share of Semnur Common Stock issued and outstanding immediately prior to the Effective Time will be automatically converted into the right to receive, without interest, a number of New Semnur Common Shares equal to the Exchange Ratio (as defined in the Semnur Business Combination Agreement); (ii) each share of Series A preferred stock of Semnur issued and outstanding immediately prior to the Effective Time will be automatically converted into the right to receive, without interest, (a) one New Semnur Preferred Share and (b) one-tenth of one New Semnur Common Share, and (iii) subject to Denali’s receipt of the Option Exchange Approval (as defined in the Semnur Business Combination Agreement), each option to purchase a share of Semnur Common Stock that is then outstanding shall be converted into the right to receive an option to purchase a number of New Semnur Common Shares as determined by the Exchange Ratio upon substantially the same terms and conditions as are in effect with respect to such option immediately prior to the Effective Time, with the exercise price thereof adjusted by the Exchange Ratio. Pursuant to Amendment No. 1, among other things, the parties agreed to (i) modify certain covenants of the parties to address the potential delisting of the Denali ordinary shares and warrants from the Nasdaq Capital Market, (ii) extend the Outside Date (as defined in Amendment No. 1) to September 30, 2025, and (iii) require Denali to amend its organizational documents to extend the period of time within which Denali can complete a business combination to December 11, 2025, or such other date that is mutually agreed to by Semnur and Denali.

In connection with the execution and delivery of the Semnur Business Combination Agreement, the Sponsor and the Company entered into a Sponsor Interest Purchase Agreement (the “SIPA”) dated August 30, 2024 (the “Signing Date”). Pursuant to the SIPA, the Company agreed to purchase 500,000 Class B ordinary shares, par value \$0.0001 per share, of Denali (the “Purchased Interests”) that were held by the Sponsor. The aggregate consideration for the purchase and sale of the Purchased Interests is as follows: (i) \$2,000,000 (the “Cash Consideration”) and (ii) 8,571 shares of Common Stock. Pursuant to the SIPA, the Company paid the Cash Consideration and has agreed to issue Common Stock to the Sponsor contingent upon and following the occurrence of the Semnur Business Combination. The Purchased Interests converted automatically, on a one-for-one basis, into one New Semnur Common Share upon the closing of the Semnur Business Combination pursuant to the terms of the Semnur Business Combination Agreement. On September 22, 2025, the requirement to deliver the shares was discharged pursuant to that certain Satisfaction and Discharge Agreement by and among the Company, Sponsor and Semnur.

On July 22, 2025, Semnur entered into Amendment No. 2 to the Semnur Business Combination Agreement with Denali and Denali Merger Sub. Amendment No. 2 amends the Semnur Business Combination Agreement to, among other things, modify the definitions of the “Exchange Ratio” and “Merger Consideration” to facilitate the issuance of additional shares of common stock of Semnur prior to the closing of the Semnur Business Combination in connection with any potential private placement financing or for issuance to advisors and other service providers for services rendered and maintain the 1.25-to-1 exchange ratio.

Vivasor Business Combination

On December 5, 2025 (the “Vivasor Transaction Date”), the Company entered into a Share Transfer Agreement with EAR SPV LLC, a Delaware corporation (“EAR SPV”), and Vivasor, a privately held biotechnology company, pursuant to which, among other things, EAR SPV agreed to sell, and the Company agreed to buy, all 6,101,468 shares of Vivasor’s Series A-1 Preferred Stock, par value \$0.00001 per share, held by EAR SPV, for an aggregate purchase price of \$9.0 million (“Vivasor Business Combination”).

During January 2026, the Company purchased a total of 355,919 shares of Vivasor Series A-2 Preferred Stock for total cash consideration of \$1.05 million from two existing shareholders of Vivasor pursuant to two separate share transfer agreements: the Share Transfer Agreement dated January 20, 2026 for 254,228 shares for a total of \$0.8 million and the Three I Fund Agreement, dated January 13, 2026 for 101,691 shares for a total of \$0.3 million (collectively, the “Vivasor Secondary Purchase Agreements”).

The Vivasor Secondary Purchase Agreements did not involve the issuance of new equity by Vivasor; rather, it represents a transfer of existing equity interests between the Company (the controlling interest) and a noncontrolling shareholder. The purpose for the transactions was to consolidate ownership of Vivasor and to increase the Company's equity interest in Vivasor. Both sellers were original investors in Vivasor's Series A-2 Preferred Stock. Both sellers purchased their Series A-2 Preferred Stock at the original issue price of approximately \$1.97 per share.

Vivasor was involved in facilitating each Vivasor Secondary Purchase Agreement, including by consenting to the transfer, waiving applicable rights of first refusal and other transfer restrictions in Vivasor's governing documents, providing access to information about Vivasor to the Company in its capacity as purchaser, and executing the transaction documents through Vivasor management.

The Company evaluated Vivasor under the VIE model in accordance with ASC 810 and concluded that Vivasor is a VIE because it lacked sufficient equity at risk to finance its activities without additional subordinated support. Due to the Company's power to direct key activities through its eligible majority board representation and its significant economic exposure through its 32.6% equity interest, it was determined that the Company was the primary beneficiary of Vivasor. As a result, the Company consolidated Vivasor as of the Vivasor Transaction Date. The Company will reassess its primary beneficiary status and VIE conclusion for Vivasor upon the occurrence of any reconsideration events.

The Company accounted for the transaction as a business combination using the acquisition method of accounting in accordance with ASC 805. The identifiable assets acquired and liabilities assumed of Vivasor were recorded at their estimated fair values as of the Vivasor Transaction Date. Any excess of the purchase consideration over the fair value of net identifiable assets acquired was recorded as goodwill. Acquisition-related expenses were not material as of December 31, 2025.

The purchase price allocation is preliminary and subject to adjustment. As the Company continues to evaluate the fair value of assets acquired, including in-process research and development (“IPR&D”), fair value of inventory and receivables, adjustments may result in a reallocation between goodwill and identified tangible and intangible assets. Any such measurement period adjustments will be recorded in accordance with ASC 805, with corresponding offsets to goodwill, and will be finalized no later than one year from the acquisition date. The preliminary allocation of the Vivasor Business Combination purchase consideration to the estimated fair value of the net assets acquired and liabilities assumed at the Vivasor Transaction Date was \$45.1 million asset acquired and \$47.1 million liabilities assumed.

4. License Agreements

GLOPERBA License Agreement

On June 14, 2022, the Company entered into a License and Commercialization Agreement with RxOmeg Therapeutics, LLC (a/k/a Romeg Therapeutics, Inc.) (“Romeg”) for the in-licensing of certain intellectual property rights from Romeg with respect to the commercialization of GLOPERBA, which was amended by that First Amendment to License and Commercialization Agreement, dated as of January 16, 2025 (such agreement, as amended, the “Romeg License Agreement”). Under the Romeg License Agreement, among other things, Romeg granted the Company (1) a license, with the right to sublicense, under the patents and know-how specified therein, to (a) commercialize the pharmaceutical product comprising liquid formulations of colchicine for the prophylactic treatment of gout in adult humans (the “Initial Licensed Product”) in the United States (including its territories) (the “Romeg U.S. Territory”), (b) develop other products comprising the Initial Licensed Product as an active pharmaceutical ingredient (together with the Initial Licensed Product, the “Licensed Products”) and commercialize any such products in the Romeg U.S. Territory and (c) manufacture Licensed Products anywhere in the world, solely for commercialization in the Romeg U.S. Territory; and (2) an exclusive license, with a right to sublicense, to use the trademark “GLOPERBA” and logos, designs, translations, and modifications thereof (collectively, the “Licensed Trademark”) in connection with the commercialization of the Initial Licensed Product solely in the Romeg U.S.

Territory; and (3) pursuant to the amendment thereto, a license, with the right to (a) sublicense under the know-how and, if any, patents existing worldwide other than the Romeg U.S. Territory (the “Romeg Ex-U.S. Territory”), as specified therein, to develop, manufacture and commercialize Licensed Products in the Romeg Ex-U.S. Territory and (b) use the Licensed Trademark in connection with the commercialization of the Licensed Products in the Romeg Ex-U.S. Territory. The Initial Licensed Product, GLOPERBA, was approved and made available in the United States in 2020.

As consideration for the license under the Romeg License Agreement, the Company agreed to pay Romeg (1) an up-front license fee of \$2.0 million, (2) upon the Company’s achievement of certain net sales milestones, certain milestone payments in the aggregate amount of up to \$13.0 million, (3) certain royalties in the mid-single digit percentage based on annual net sales of the Licensed Products attributable to sales of the Licensed Products occurring in the Romeg U.S. Territory during the Romeg U.S. Royalty Term, with a quarterly minimum royalty of \$150,000, and (4) pursuant to the amendment thereto, (a) certain royalties at rates in the low-single digit percentage, based on annual net sales of the Licensed Products attributable to sales of License Products in the Romeg Ex-U.S. Territory during the Romeg Ex-U.S. Territory Royalty Term and (b) a one-time, non-refundable, non-creditable payment of \$700,000. Pursuant to the amendment agreement, we also transferred to Romeg 22,267 shares of Common Stock.

In connection with the Romeg License Agreement, the Company recorded an intangible asset for acquired licenses of \$5.7 million, which is comprised of the upfront license fee of \$2.0 million and deferred consideration of \$3.7 million that is the present value of the future minimum royalty payments and immaterial transaction costs. For each of the three months ended March 31, 2026 and 2025, the Company made royalty payments in the amount of \$0.2 million. No contingent consideration was recognized as a liability or included in the fair value of the assets as of March 31, 2026 or December 31, 2025.

Gloperba Rest of World License Agreement

On February 28, 2025 (the “Gloperba Effective Date”), the Company entered into a License Agreement (the “Gloperba License Agreement”) with Scilex Pharma and the Licensee with respect to (i) services, compositions, products, dosages and formulations comprising Gloperba that have been or are later developed by or on behalf of the Company, including the product and any future product defined as a “Licensed Product” under the Romeg License Agreement, as amended and as may be further amended or restated from time to time, and (ii) any related, improved, successor or replacement forms of any such product Controlled (as defined therein) by the Company ((i) and (ii) together, the “Gloperba Product”).

Under the Gloperba License Agreement, the Company granted to the Licensee during the Gloperba License Term (as defined below) a worldwide, exclusive, non-transferable (except in connection with a permitted assignment of the Gloperba License Agreement) right, license and interest in, to, and under all Product Rights Controlled (each as defined therein) by the Company to develop, manufacture, obtain and maintain regulatory approvals for, commercialize and otherwise exploit all Gloperba Products, in all cases solely for commercialization of the Gloperba Products outside of the United States in the Field (as defined therein). The Licensee granted to the Company a non-exclusive, non-transferable (except in connection with a permitted assignment of the Gloperba License Agreement), right and license under the Licensee Non-Blocking Patents (as defined therein) (i) in the United States, to develop, manufacture, obtain and maintain regulatory approvals for, commercialize and otherwise exploit the Gloperba Product for commercialization of the Gloperba Products in the United States in the Field, and (ii) worldwide, to develop and manufacture the Gloperba Product for commercialization in the United States in the Field. Each of the Licensee and the Company will receive 50% of the Net Revenue (as defined therein) generated based on Licensee’s sale of the Gloperba Products, and the Licensee shall effect the foregoing by paying to the Company an amount required for the Company to receive its share of the Net Revenue on a quarterly basis.

Pursuant to the Gloperba License Agreement, the Licensee shall obtain and maintain regulatory approval for the Gloperba Product outside of the United States in accordance with its own business judgment and in its sole and absolute discretion.

Promptly after the Gloperba Effective Date, the Company is required to (i) facilitate an introduction between the Licensee and the Company’s contract manufacturer of the Gloperba Product (the “Gloperba CMO”) as of the Gloperba Effective Date, and (ii) use reasonable efforts to cause such Gloperba CMO to accept a direct engagement with the Licensee for the manufacturing or supply of the Gloperba Product in finished dosage form. In addition, the Company

agreed to appoint the Licensee as its exclusive distributor of the Gloperba Product in the entire world other than the United States during the Gloperba License Term.

The term of the Gloperba License Agreement commences on the Gloperba Effective Date and continues until expiration of the last to expire Licensed Patents (as defined therein), unless earlier terminated (the “Gloperba License Term”).

Elyxyb Rest of World License Agreement

On February 28, 2025 (the “Elyxyb Effective Date”), the Company entered into a License Agreement (the “Elyxyb License Agreement”) with Scilex Pharma and the Licensee with respect to (i) services, compositions, products, dosages and formulations comprising Elyxyb that have been or are later developed by or on behalf of the Company, including the product and any future product defined as a “Licensed Product” under the Elyxyb APA, as amended and as may be further amended or restated from time to time, and (ii) any related, improved, successor or replacement forms of any such product Controlled (as defined therein) by the Company ((i) and (ii) together, the “Elyxyb Product”).

Under the Elyxyb License Agreement, the Company granted to the Licensee during the Elyxyb License Term (as defined below) a worldwide, exclusive, non-transferable (except in connection with a permitted assignment of the Elyxyb License Agreement) right, license and interest in, to, and under all Product Rights Controlled (each as defined therein) by the Company to develop, manufacture, obtain and maintain regulatory approvals for, commercialize and otherwise exploit all Elyxyb Products, in all cases solely for commercialization of the Elyxyb Products outside of the United States in the Field (as defined therein). The Licensee granted to the Company a non-exclusive, non-transferable (except in connection with a permitted assignment of the Elyxyb License Agreement), right and license under the Licensee Non-Blocking Patents (as defined therein) (i) in the United States, to develop, manufacture, obtain and maintain regulatory approvals for, commercialize and otherwise exploit Elyxyb Product for commercialization of Elyxyb Products in the United States in the Field, and (ii) worldwide, to develop and manufacture Elyxyb Product for commercialization in the United States in the Field. Each of the Licensee and the Company will receive 50% of the Canadian Net Revenue (as defined therein) generated based on the Licensee’s sale of the Elyxyb Products, and the Licensee shall effect the foregoing by paying to the Company an amount required for the Company to receive its share of the Canadian Net Revenue on a quarterly basis.

Pursuant to the Elyxyb License Agreement, the Licensee shall obtain and maintain regulatory approval for the Elyxyb Product outside of the United States in accordance with its own business judgment and in its sole and absolute discretion.

Promptly after the Elyxyb Effective Date, the Company is required to (i) facilitate an introduction between the Licensee and CPL as of the Elyxyb Effective Date, and (ii) use reasonable efforts to cause CPL to accept a direct engagement with the Licensee for the manufacturing or supply of the Elyxyb Product in finished dosage form. In addition, the Company agreed to appoint the Licensee as its exclusive distributor of the Elyxyb Product in the entire world other than the United States during the Elyxyb License Term. The term of the Elyxyb License Agreement commences on the Elyxyb Effective Date and continues until expiration of the last to expire Licensed Patents (as defined therein), unless earlier terminated (the “Elyxyb License Term”).

ZTlido Rest of World License Agreement

On February 22, 2025 (the “Lido Effective Date”), Scilex Pharma entered into a License Agreement (the “Lido License Agreement”) with RoyaltyVest Ltd. (the “Licensee”) with respect to services, compositions, products, dosages and formulations comprising lidocaine that have been or are later developed by or on behalf of Scilex Pharma, including the product and any future product defined as a “Product” under Scilex Pharma’s existing (i) Product Development Agreement, dated as of May 11, 2011, with Oishi Koseido Co., Ltd. (“Oishi”) and Itochu, as amended, and (ii) the associated Commercial Supply Agreement, dated February 16, 2017, (the “Commercial Supply Agreement”) by and among Scilex Pharma, Oishi and Itochu, as amended, which include (a) ZTlido (lidocaine topical system) 1.8%, including the composition of matter with the NDC 69557-111-30 and (b) SP-103 (collectively, the “Lido Product”). The Lido License Agreement supersedes and replaces that certain Rest of World License Term Sheet the parties entered into on October 8, 2024.

Under the Lido License Agreement, Scilex Pharma granted to the Licensee during the Lido License Term (as defined below) a worldwide (other than the United States and certain territories stated in the Lido License Agreement), exclusive, non-transferable right, license and interest in, to, and under all Product Rights Controlled (each as defined therein) by Scilex Pharma to develop, manufacture, obtain and maintain regulatory approvals for, commercialize and otherwise exploit all Lido Products, in all cases solely for commercialization of the Lido Products outside of the United States and certain territories stated in the Lido License Agreement (the “*Lido Licensee Territory*”). The Licensee granted to Scilex Pharma a non-exclusive, non-transferable, right and license under the Licensee Non-Blocking Patents (as defined therein) (i) in the Licensor Territory (as defined therein), to develop, manufacture, obtain and maintain regulatory approvals for, commercialize and otherwise exploit Lido Product for commercialization of Lido Products in the Licensor Territory in the Field (as defined therein), and (ii) worldwide, to develop and manufacture Lido Product for commercialization in the Licensor Territory in the Field. Each of the Licensee and Scilex Pharma will receive 50% of the Net Revenue (as defined therein) generated, and the Licensee shall effect the foregoing by paying to Scilex Pharma its share of the Net Revenue on a quarterly basis.

Pursuant to the Lido License Agreement, the Licensee shall (i) use commercially reasonable efforts to obtain and maintain regulatory approval for the Lido Product in at least one Major Market Country (as defined therein) within 18 months after the Lido Effective Date, and (ii) commit \$200,000, or its equivalent in kind, annually towards such efforts until it obtains regulatory approval for the Lido Product in the Lido Licensee Territory. Scilex Pharma shall use commercially reasonable and diligent efforts to obtain and maintain regulatory approvals for SP-103 and all existing Lido Products in each country or jurisdiction in the Licensor Territory.

The term of the Lido License Agreement commences on the Lido Effective Date and continues until expiration of the last to expire Licensed Patents (as defined therein), unless earlier terminated (the “Lido License Term”).

Datavault License Agreement

On November 3, 2025, the Company entered into a license agreement with Datavault (the “Datavault License Agreement”).

Under the Datavault License Agreement, among other things, Datavault granted the Company a worldwide, exclusive, non-transferable license, with the right to sublicense, under the patents and know-how specified therein to among other things, research, develop, make, have made, use, sell, have sold, offer for sale, import, export, register, market, promote, advertise, commercialize and distribute the Proprietary Materials (as defined in the Datavault License Agreement), including a suite of patents related to Datavault’s data platforms and any products created therefrom within the Target Market (as defined below).

With respect to the foregoing, “Target Market” shall mean industries including biotechnology, biopharmaceutical, genetic, diagnostic, and data-related industries, and any markets relating to the generation, use, storage, analysis, tokenization, and exchange of DNA, genetic, diagnostic, and therapeutic data or materials.

The Datavault License Agreement expires upon the expiry of the patents underlying the Proprietary Materials, at which point the license shall become perpetual, irrevocable, non-exclusive and royalty-free. The Datavault License Agreement is subject to earlier termination if, among other things: (i) either party ceases to exist or becomes insolvent, (ii) either party commits a material breach of the Datavault License Agreement, (iii) the Company fails to make any required payment to Datavault that is not cured within 15 days, or (iv) the Company does not achieve and maintain annual royalty payments to Datavault of a minimum of \$1,000,000 after 24 months following the date of the Datavault License Agreement.

As consideration for the license under the Datavault License Agreement, the Company agreed to pay Datavault (a) a non-refundable license fee of \$10.0 million, payable in four equal installments of \$2,500,000 on or before the last day of each fiscal quarter, beginning on December 31, 2025, (b) subject to achievement of certain net sales for the Licensed Product (as defined therein), up to an aggregate of \$2,550,000,000, and (c) a five-percent (5%) royalty on net sales of the Product (as defined therein) during the applicable royalty term under the Datavault License Agreement.

The Datavault License Agreement contains customary reciprocal indemnification obligations for Datavault and the Company and customary representations and warranties.

The Company has not recognized any sales relating to the Licensed Product. Accordingly, the Company has not recognized any additional liabilities under the Datavault License Agreement, other than the \$10.0 million license fee, which \$9.5 million remains payable as of March 31, 2026.

Vivator-Datavault License Agreement

On December 20, 2025, Vivator, Inc. entered into a license agreement with Datavault (the “Vivator-Datavault License Agreement”).

Pursuant to the Vivator-Datavault License Agreement, Datavault granted the Company a worldwide, exclusive, non-transferable license, with the right to sublicense, under certain patents and know-how to, among other things, research, develop, make, have made, use, sell, have sold, offer for sale, import, export, market, promote, commercialize and distribute products incorporating the licensed technology (the “Vivator Licensed Product”) within the Vivator Target Market (as defined below).

The “Vivator Target Market” includes medical imaging and scanning applications, including magnetic resonance imaging (MRI), computed tomography (CT), X-ray (radiography), positron emission tomography (PET), mammography, fluoroscopy, nuclear medicine and three-dimensional scanning technologies utilizing high-performance computing, including quantum-based scanning technologies.

The Vivator-Datavault License Agreement continues for the life of the patents underlying the licensed technology, after which the license becomes fully paid-up, perpetual, irrevocable and royalty-free. The Vivator-Datavault License Agreement is subject to earlier termination upon the occurrence of certain customary events, including (i) insolvency of either party, (ii) an uncured material breach and (iii) failure by the Company to make required payments when due, subject to applicable cure periods.

As consideration for the license, Vivator, Inc. agreed to pay Datavault (i) a non-refundable license fee of \$20.0 million, payable within 120 days of the invoice date, (ii) sales-based milestone payments of up to an aggregate of \$2.55 billion upon achievement of specified net sales thresholds, and (iii) a royalty equal to five percent (5%) of net sales of Licensed Products.

The Vivator-Datavault License Agreement contains customary reciprocal indemnification obligations for Datavault and Vivator and customary representations and warranties.

The Company has not recognized any sales relating to the Vivator Licensed Product. Accordingly, the Company has not recognized any liabilities under the Vivator-Datavault License Agreement, other than the \$20.0 million license fee, all of which remains payable as of March 31, 2026.

EOS Technology Holdings Patent Agreement

On January 11, 2026, the Company entered into a Patent Agreement (the “EOS Patent Agreement”) with EOS Technology Holdings, Inc. (“EOS”). Under the Patent Agreement, EOS sold the Company a single patent which comprised a remote medication delivery system (the “Purchased Assets”). The patented technology covers a system and method for routing medication from a dispensary to a patient's location via a determined route, including a pneumatic delivery system connecting residences or facilities to a dispensary, a secured lockbox for delivery, and biometric user authentication (e.g., fingerprint/retina scan) before medication is released. Additionally, it encompasses real-time patient monitoring via wearables, cameras, and sensors to trigger medication delivery on an as needed basis.

The Company is currently evaluating potential monetization strategies for the Purchased Assets, including allocation of resources, and anticipates deploying the technology within 12 to 24 months following the purchase date.

In exchange for the Purchased Assets, the Company agreed to pay \$2.9 million to EOS and to pay EOS quarterly royalty payments. The royalty fee assessed is 3% on all net sales generated from the use of the Purchased Assets by the Company. Royalties are payable quarterly within 30 days following the end of each calendar quarter. As of March 31, 2026 the Company has not recognized any sales relating to the Purchased Assets. The purchase price of \$2.9 million was fully paid upon execution of the EOS Patent Agreement.

5. Fair Value Measurements

The following table presents the Company's financial liabilities that are measured at fair value on a recurring basis and the level of inputs used in such measurements (in thousands):

| | March 31, 2026 | | | |
|---|-------------------|--|--|---|
| | Balance | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Equity method investment, at fair value | \$ 79,098 | \$ 79,098 | \$ — | \$ — |
| Marketable securities | 10 | 10 | — | — |
| Datavault warrants | 420 | — | — | 420 |
| Digital assets | 65,345 | 65,345 | — | — |
| Total assets | \$ 144,873 | \$ 144,453 | \$ — | \$ 420 |
| Liabilities | | | | |
| Oramed Note | \$ 28,862 | \$ — | \$ — | \$ 28,862 |
| Tranche B Notes | 12,010 | — | — | 12,010 |
| Purchased revenue liability | 8,400 | — | — | 8,400 |
| Derivative liabilities | 25,541 | — | — | 25,541 |
| Contingent consideration liability | 5 | 5 | — | — |
| Other long-term liabilities | 177 | — | — | 177 |
| Total liabilities | \$ 74,995 | \$ 5 | \$ — | \$ 74,990 |

| | December 31, 2025 | | | |
|---|-------------------|--|--|--|
| | Balance | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Equity method investment, at fair value | \$ 159,403 | \$ 159,403 | \$ — | \$ — |
| Marketable securities | 6,026 | 6,026 | — | — |
| Digital assets | 64,711 | 64,711 | — | — |
| Total assets | \$ 230,140 | \$ 230,140 | \$ — | \$ — |
| Liabilities | | | | |
| Oramed Note | \$ 27,688 | \$ — | \$ — | \$ 27,688 |
| Tranche B Notes | 17,500 | — | — | 17,500 |
| Purchased revenue liability | 8,400 | — | — | 8,400 |
| Derivative liabilities | 50,599 | — | — | 50,599 |
| Contingent consideration liability | 3,013 | 3,013 | — | — |
| Other long-term liabilities | 174 | — | — | 174 |
| Total liabilities measured at fair value | \$ 107,374 | \$ 3,013 | \$ — | \$ 104,361 |

Datavault Meme Coin and Warrant Distributions

During the three months ended March 31, 2026, Datavault declared and made three in-kind distributions of meme coins, one of which included a concurrent warrant distribution to certain of its record equity holders. The Company, as a record holder of Datavault Common Stock, became entitled to participate in each such distribution on the applicable record date. As of March 31, 2026, the actual quantity of meme coins received by the Company in its Datavault wallet on February 27, 2026 has been confirmed at 2,643,441 tokens. The actual quantity of warrants

received on February 27, 2026 has been confirmed at 2,643,441 warrants (each exercisable for one share of Datavault Common Stock at an exercise price of \$5.00). The warrants were calculated to have a fair value of approximately \$0.5 million at inception and \$0.4 million at March 31, 2026 using a Black Scholes model. As of March 31, 2026, the aggregate Level 3 fair value of the meme coins received was immaterial based on a derived unit value of approximately \$0.000084 per meme coin. The Company recorded the fair value of the warrants in Other long-term assets in the accompanying unaudited condensed consolidated balance sheet.

Equity method investment

As described in Note 1 above and Note 6 below, upon the additional closing under the Datavault SPA, the Company accounted for the investment in Datavault Common Stock in accordance with the equity method. The Company determines the fair value of its Datavault investment by taking the publicly available share price as of the balance sheet date multiplied by the number of shares the Company holds. There are no non-observable inputs in determining the fair value.

Digital assets

As of March 31, 2026, the Company determines the fair value of its digital asset investment by taking the averages of publicly available price of Bitcoin on multiple platform as of the balance sheet date multiplied by the number of Bitcoin the Company holds. There are no non-observable inputs in determining the fair value.

The Oramed Note

In September 2023, the Company issued a senior secured promissory note to Oramed in the principal amount of \$101.9 million (the "Oramed Note") (see Note 8). The Company elected the fair value option to account for the Oramed Note with any changes in the fair value of the note recorded in the unaudited condensed consolidated statements of operations, with the exception of changes in fair value due to instrument-specific credit risk, if any, which are recorded as a component of other comprehensive income. The Company uses a discounted cash flow model to determine the fair value of the Oramed Note based on Level 3 inputs. This methodology discounts the interest and principal payments using a risk-adjusted discount rate. The fair value as of March 31, 2026 and December 31, 2025 was determined to be \$28.9 million and \$27.7 million, respectively, by applying a discount rate of 24.00% and 21.00%, respectively. For the three months ended March 31, 2026 and 2025, the Company recorded a loss of \$1.2 million and \$2.8 million in change in fair value of the Oramed Note in the unaudited condensed consolidated statements of operations, respectively. For the three months ended March 31, 2026 and 2025, the change in fair value due to instrument-specific credit risk recorded as a component of other comprehensive income was nil.

Tranche B Notes

In October 2024, the Company entered into the Tranche B Securities Purchase Agreement to issue and sell the Tranche B Notes in the principal amount of \$50.0 million (see Note 8). The Company elected the fair value option to account for the Tranche B Notes with any changes in the fair value of such notes recorded in the unaudited condensed consolidated statements of operations, with the exception of changes in fair value due to instrument-specific credit risk, if any, which are recorded as a component of other comprehensive income. The Tranche B Notes are measured at fair value on a recurring basis using Level 3 inputs. The Company uses the Binomial Lattice Model valuation technique to measure the fair value of the Tranche B Notes. The fair value as of March 31, 2026 and December 31, 2025 was determined to be \$12.0 million and \$17.5 million, respectively. For the three months ended March 31, 2026 and 2025, the Company recorded a loss of \$0.8 million and \$2.5 million, respectively, in change in fair value of the Tranche B Notes in the unaudited condensed consolidated statement of operations. The change in fair value due to instrument-specific credit risk recorded as a component of other comprehensive income in the unaudited condensed consolidated statements of operations was nil for each of the three months ended March 31, 2026 and 2025.

Purchased Revenue Liability

In October 2024, the Company entered into the ZTlido Royalty Purchase Agreement with the ZTlido Royalty Investors and Oramed (see Note 8). In February 2025, the Company also entered into the Gloperba-Elyxyb Royalty Purchase Agreement with the Gloperba-Elyxyb Royalty Investors and Oramed (see Note 8). The Company elected the fair value option for the purchased revenue liability with changes in fair value recorded as change in fair value of debt and

liability instruments in the unaudited condensed consolidated statements of operations, with the exception of changes in fair value due to instrument-specific credit risk, if any, which are recorded as a component of other comprehensive income. The Company uses a Scenario-Based Method valuation technique to measure the fair value of the purchased revenue liability. As of each of March 31, 2026 and December 31, 2025, the aggregate fair value of both agreements was determined to be \$8.4 million. For the three months ended March 31, 2026, the Company recorded a loss of \$0.8 million in change in fair value of the purchased revenue liability in the unaudited condensed consolidated statement of operations.

Derivative Liabilities

As of March 31, 2026, the following warrants to purchase Common Stock that are included in derivative liabilities were outstanding:

- 1,000,000 Private Warrants, which are currently exercisable for an aggregate of up to 28,572 shares of Common Stock,
- 3,803,447 February 2024 BDO Firm Warrants, which are currently exercisable for an aggregate of up to 108,686 shares of Common Stock,
- 470,588 February 2024 BDO Representative Warrants, which are currently exercisable for an aggregate of up to 13,446 shares of Common Stock,
- 3,250,000 Deposit Warrant, which are currently exercisable for an aggregate of up to 3,250,000 shares of Common Stock,
- 3,750,000 October 2024 Noteholder Warrants, which are currently exercisable for an aggregate of up to 107,142 shares of Common Stock,
- 18,809,454 December 2024 RDO Common Warrants, which are currently exercisable for an aggregate of up to 537,298 shares of Common Stock,
- 500,000 Exchange Warrants, which are currently exercisable for 500,000 shares of Common Stock,
- 275,000 September 2025 Warrants, which are currently exercisable for 275,000 shares of Common Stock,
- 1,356,594 November 2025 Warrants, which are currently exercisable for 1,356,594 shares of Common Stock, and
- 100,000 February 2026 Warrants, which are currently exercisable for 100,000 shares of Common Stock.

As of March 31, 2026, the fair value of derivative warrant liabilities related to these warrants was \$25.5 million.

The Company recorded a gain of \$25.7 million for the three months ended March 31, 2026, attributed to warrant liabilities consisting of the Private Warrants, the February 2024 BDO Firm Warrants, the April 2024 RDO Common Warrants, Deposit Warrant, the October 2024 Noteholder Warrants, December 2024 RDO Common Warrants, the Exchange Warrants, the September 2025 Warrants, the November 2025 Warrants and the February 2026 Warrants. The Company recorded a gain of \$10.4 million for the three months ended March 31, 2025, attributed to warrant liabilities consisting of the Private Warrants, the February 2024 BDO Firm Warrants and the April 2024 RDO Common Warrants. The Company assumed the private placement warrants from Vickers in November 2022 in connection with the Scilex Business Combination (the “Private Warrants”).

The Company evaluated the Scilex-St. James Loans for embedded derivatives and identified certain features that required bifurcation because they are not clearly and closely related to the host instrument. The embedded derivatives relate to (i) default provisions that could require additional interest payments, and (ii) a provision which could require the settlement of the principal amount of the Notes through the Pledged Securities upon an uncured event of default. The fair value of derivative was considered de minimis as of December 31, 2025.

The following table includes a summary of the warrant derivative liabilities measured at fair value during the three months ended March 31, 2026 (in thousands):

| | Fair Value |
|---|-------------------|
| Ending Balance as of December 31, 2025 | \$ 50,599 |
| Change in fair value measurement of warrant liabilities | (25,709) |
| Issuance of February 2026 Warrants | 651 |
| Ending Balance as of March 31, 2026 | <u>\$ 25,541</u> |

Scilex-St. James Loans Embedded Derivatives

As of the Loan Termination Date, the Company had pledged a total of 85,665,102 shares of Datavault Common Stock as collateral, which were then transferred and sold by the Lender without authorization from the Company through brokerage accounts of the Lender. As such, the Company no longer has control over these shares and they were derecognized from the balance sheet. Therefore, in substance, the exchangeable debts were settled by forfeiture of the pledged shares. Consistent with ASC 323, the shares of Datavault Common Stock are being carried at fair value, upon the derecognition date (i.e., Loan Termination Date), meaning the shares were revalued to their then current fair market value with changes in fair value recognized in Unrealized (gain) loss on equity method investments carried at fair value, net and no further gain or loss was recognized when the shares were considered “disposed”.

Furthermore, as a result of the occurrence of the event of default occurring, the Company revalued the compound derivative on March 2, 2026 to fair value, which was determined to be the difference between the amount due under the loan and the fair value of the shares of Datavault Common Stock foregone. Since the time difference between the Loan Termination Date and March 2, 2026 is not significant, the Company revalued the compound derivative on the Loan Termination Date. The change in fair value of the compound derivative of \$21.8 million was recorded in (Gain) loss on derivative liability within Other (income) expense, net.

The gain or loss on extinguishment of the Scilex-St. James Loans should be calculated as the difference between the Scilex-St. James Loans’ net carrying amount at the extinguishment date, inclusive of unamortized debt issuance costs and the fair value of the compound derivative, and the carrying amount of the forfeited shares of Datavault Common Stock (i.e., the fair value of the forfeited shares of Datavault Common Stock) as of the Loan Termination Date. As the fair value of the embedded derivative was equal to the difference between the carrying amount of the Scilex-St. James Loans and the fair value of the shares of Datavault Common Stock, there was no gain or loss on extinguishment.

Warrant Liability Measurement

The derivative warrant liability was valued using the Black-Scholes option pricing model, which is considered to be a Level 3 fair value measurement. The primary unobservable input utilized in determining the fair value of the warrant is the expected volatility of the Common Stock. The expected volatility assumption is based on the Company’s historical volatility, historical volatilities of comparable companies whose share prices are publicly available as well as the implied volatility of the Public Warrants (as defined below), described in Note 10 of the Notes to Consolidated Financial Statements in the Annual Report on Form 10-K.

A summary of the inputs used in valuing the derivative warrant liabilities as of March 31, 2026 is as follows:

| | Private Warrants | February 2024 BDO Firm Warrants | Deposit Warrant | October 2024 Noteholder Warrants | December 2024 RDO Common Warrants (5yr) | December 2024 RDO Common Warrants (2.5yr) | Exchange Warrants | September 2025 Warrants | November 2025 Warrants | February 2026 Warrants |
|----------------|------------------|---------------------------------|-----------------|----------------------------------|---|---|-------------------|-------------------------|------------------------|------------------------|
| Exercise price | \$ 402.50 | \$ 59.50 | \$ 1.20 | \$ 36.40 | \$ 22.72 | \$ 22.72 | \$ 40.00 | \$ 20.00 | \$ 29.00 | \$ 20.00 |
| Term, in years | 1.61 | 2.93 | 3.22 | 3.52 | 3.70 | 1.20 | 3.52 | 3.70 | 4.70 | 3.70 |
| Volatility | 120.0% | 99.0% | 90.0% | 93.0% | 91.0% | 116.0% | 93.0% | 87.0% | 84.0% | 99.0% |
| Risk-free rate | 3.71% | 3.77% | 3.79% | 3.80% | 3.81% | 3.67% | 3.80% | 3.81% | 3.86% | 3.81% |
| Dividend yield | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

A summary of the inputs used in valuing the derivative warrant liabilities as of December 31, 2025 is as follows:

| | Private Warrants | February 2024 BDO Firm Warrants | Deposit Warrant | October 2024 Noteholder Warrants | December 2024 RDO Common Warrants (5yr) | December 2024 RDO Common Warrants (2.5yr) | Exchange Warrants | September 2025 Warrants | November 2025 Warrants |
|----------------|------------------|---------------------------------|-----------------|----------------------------------|---|---|-------------------|-------------------------|------------------------|
| Exercise price | \$ 402.50 | \$ 59.50 | \$ 1.20 | \$ 36.40 | \$ 22.72 | \$ 22.72 | \$ 40.00 | \$ 20.00 | \$ 29.00 |
| Term, in years | 1.86 | 3.18 | 3.47 | 3.77 | 3.95 | 1.45 | 3.77 | 3.95 | 4.90 |
| Volatility | 98.0% | 81.0% | 76.0% | 79.0% | 78.0% | 93.0% | 79.0% | 74.0% | 80.0% |
| Risk-free rate | 3.44% | 3.53% | 3.56% | 3.59% | 3.60% | 3.45% | 3.59% | 3.60% | 3.69% |
| Dividend yield | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Contingent Consideration Related to SP-104 Acquisition

The Development Milestone Payment related to the SP-104 Assets represents an obligation to potentially settle a fixed value in a variable number of shares of Common Stock and requires remeasurement at fair value through settlement.

Upon the achievement of FDA approval for a new drug application for SP-104, the Company will transfer \$3.0 million in cash or shares of Common Stock to Aardvark, at the discretion of the Company. The fair value of the contingent consideration liability associated with the Development Milestone Payment was estimated using a probability-weighted discounted cash flow method. Significant unobservable inputs assumptions included the likelihood of receiving FDA approval for SP-104, expected timing for receipt of FDA approval for SP-104, and a discount rate of 9.5%. The Company recorded the contingent consideration under current liabilities within the Company's condensed consolidated balance sheets. As of March 31, 2026 and December 31, 2025, the fair value of contingent consideration related to the Development Milestone Payment was \$0.2 million.

6. Balance Sheet Components

Note Receivable

QScan Convertible Note Receivable

On January 29, 2026, the Company entered into a Convertible Promissory Note (the "QScan Note") with QScan, a private medical technology company, pursuant to which the Company loaned QScan \$20.0 million in exchange for the QScan Note. The QScan Note matures on October 29, 2026 and accrues interest at 3.66% per annum, commencing January 29, 2026. The QScan Note provides for (i) automatic conversion into 140,379,226 shares of QScan common stock ("QScan Common Stock") upon QScan's assumption of the loan obligations of the borrowers, which triggering event occurred in February 2026, and (ii) optional conversion at the Company's election at any time prior to maturity.

The QScan Note had not been converted into QScan Common Stock as of March 31, 2026. The QScan Note remains outstanding as a loan receivable on the Company's condensed consolidated balance sheet. The Company intends to convert the QScan Note within the next several months, subject to reaching agreement on equity ownership percentages.

The Company accounts for the QScan Note as a loan receivable under ASC Topic 310 at amortized cost using the effective interest method. No embedded features in the QScan Note require bifurcation under ASC Topic 815.

The QScan Note is subject to the current expected credit loss ("CECL") model under ASC Topic 326. As of March 31, 2026, the Company recorded an allowance for credit losses of \$0.8 million, representing an estimated 4% default rate applied to the \$20.0 million outstanding principal, based on U.S. speculative-grade corporate default rate data. The Company recorded the credit loss by debiting other expense and crediting the allowance for credit losses. Expected credit losses will be reassessed each reporting period.

Interest income on the QScan Note for the three months ended March 31, 2026 was \$0.1 million.

Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

| | March 31, 2026 | December 31, 2025 |
|--------------------------------|-------------------|----------------------|
| Construction in progress | \$ 905 | \$ 909 |
| Furniture | 145 | 139 |
| Computers and equipment | 78 | 75 |
| Leasehold improvements | 3,909 | 3,746 |
| Machinery and lab equipment | 8,562 | 8,192 |
| Land and Buildings | 899 | 859 |
| Property and equipment, gross | 14,498 | 13,920 |
| Less: Accumulated depreciation | (1,119) | (321) |
| Property and equipment, net | \$ 13,379 | \$ 13,599 |

The Company recognized depreciation expense of \$0.8 million and \$1.0 thousand for the three months ended March 31, 2026 and 2025, respectively.

Other Long-Term Assets

Datavault Meme Coin and Warrant Distributions

As described in Note 5 above, Datavault declared and made three in-kind distributions of meme coins, one which included a concurrent warrant distribution to certain of its record equity holders. Upon receipt of the meme coins and warrants, the fair value of the meme coins and warrants was of approximately \$0.2 million and \$0.5 million was recorded in Other expense, net. The Company recorded the amounts in Other long-term assets in the accompanying unaudited condensed consolidated balance sheets.

Investments

PA OPS Investment Agreement with PA OPS Investor LLC

On August 17, 2025, Scilex Bio entered into an Investment Commitment Agreement (the "Investment Agreement") with PA OPS Investor LLC ("Investor LLC"). Pursuant to the terms of the Investment Agreement, the Company committed to providing \$2.5 million (the "Committed Amount") in future funding, contingent upon Investor LLC successfully identifying and acquiring an appropriate target company ("Target") for investment using the Committed Amount by December 31, 2025. Although the arrangement was legally structured as if the Investor LLC had extended a \$2,500,000 loan (the "Loan") to the Company at an annual interest rate of 4.03%, no cash was exchanged between the Investor LLC and the Company on signing date of the Investment Agreement. Accordingly, the Company concluded that, in substance, the transaction does not represent a loan. In August 2025, Investor LLC acquired the Target which consists of certain assets of a nursing home. However, as the Company is yet to provide the full funding of the Committed Amount, the Company has no ownership interest in the Investor LLC or in the nursing home. As of March 31, 2026 the Company had made aggregate cash payments of \$1.2 million (the "Funding") to Investor LLC under the Committed Amount of \$2.5 million, of which \$0.2 million was paid during the three months ended March 31, 2026. The Funding was applied as a partial repayment of the Loan and, accordingly, did not result in the issuance of any equity interest to Scilex. As the Target has been acquired, the Funding is no longer subject to refund. The Company accounts for the Funding as an equity investment on its condensed consolidated balance sheet, recorded at cost less any impairment. As of March 31, 2026, the Company identified no indicators of impairment.

iLeukon Intellectual Property License Agreement

In December 2024, Vivasor entered into an Intellectual Property License Agreement with iLeukon Therapeutics, Inc. ("iLeukon"), pursuant to which Vivasor agreed to license certain patents to iLeukon in exchange for 400,000 shares of iLeukon common stock, representing approximately 2% of iLeukon's outstanding equity, for an aggregate value of approximately \$1.1 million, and a \$1.0 million payment contingent upon the closing of a future Series A financing. The licensed intellectual property was not transferred and the shares were not issued until the three

months ended March 31, 2026. The Company recognized approximately \$1.1 million of revenue during the three months ended March 31, 2026, when the applicable recognition criteria were met.

The Company evaluated its investment in iLeukon and concluded that the iLeukon common stock is a freestanding equity security within the scope of ASC 321. The Company also determined that iLeukon is a VIE under ASC 810, however, the Company is not the primary beneficiary because it does not have the power to direct the activities that most significantly affect iLeukon's economic performance and, accordingly, the Company does not consolidate iLeukon. Although the combined ownership interest of the Company and its related parties exceeds 20% of iLeukon's outstanding equity, the Company determined that it does not have the ability to exercise significant influence over iLeukon's operating and financial policies, and accordingly, the investment is not accounted for under the equity method in accordance with ASC 323. The investment does not have a readily determinable fair value, and thus, the Company elected the measurement alternative under ASC 321 and accounted for the investment at cost, less impairment, adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer. As of March 31, 2026, the Company identified no indicators of impairment. The carrying value of the Company's investment in iLeukon as of March 31, 2026 was approximately \$1.1 million.

Equity Method Investments, at fair value

Datavault Securities Purchase Agreement

On September 25, 2025, the Company entered into a Securities Purchase Agreement (the "Datavault SPA") with Datavault AI Inc., a Delaware corporation ("Datavault"), pursuant to which Datavault agreed to issue and sell, and the Company agreed to purchase, 15.0 million shares of common stock of Datavault ("Datavault Common Stock") and a pre-funded warrant (the "Datavault Pre-Funded Warrant") to purchase 263,914,094 shares of Datavault Common Stock for an aggregate purchase price of \$150.0 million.

On September 26, 2025 (the "Initial Datavault Closing Date"), the Company acquired 15,000,000 shares of Datavault Common Stock at a purchase price of \$0.5378 per share, for an aggregate consideration of approximately \$8.1 million, which was settled in Bitcoin. The investment in Datavault is accounted for as an equity security investment measured at fair value, with changes in the fair value recognized in unrealized gains and losses on equity investment in the period in which they occur. Fair value was determined based on quoted prices in active markets for identical securities, and the investment qualifies as an equity security with a readily determinable fair value, classified as a Level 1 financial instrument and accounted for as an equity investment in equity securities.

On November 25, 2025, the Company exercised the Datavault Pre-Funded Warrant in full for an aggregate exercise price of approximately \$26.4 thousand to purchase 263,914,094 shares of Datavault Common Stock (such shares, the "Datavault Pre-Funded Warrant Shares") in exchange for an aggregate of approximately \$141.9 million, to be settled in Bitcoin. The exercise price of the Datavault Pre-Funded Warrant will be \$0.0001 per share. The Datavault Pre-Funded Warrant will be immediately exercisable upon issuance and will expire when exercised in full. The exercise of the Datavault Pre-Funded Warrant increased the Company's percentage ownership in Datavault to approximately 48.0% and provided the Company with the right to nominate two of the nine members of the board of directors. Although no appointments have been made, the Company has determined that it has obtained the ability to exercise significant influence over its investment. Therefore, the Company began accounting for its investment under the equity method of accounting and elected to apply the fair value option, with changes in the fair value recognized in unrealized gains and losses on equity investment in the period in which they occur. The fair value option has been elected as the Company believes it best reflects the underlying economics of this investment.

During the months of October 2025 and prior to the Company exercise of Datavault Pre-Funded Warrant in November 2025, the Company sold a total of 13,389,235 shares of Datavault Common Stock for gross proceeds of \$26.4 million, which resulted in realized gains in the amount of \$19.2 million accounted for using equity investment. After the Company exercised of Datavault Pre-Funded Warrant in November 2025, the Company sold a total of 21,079,599 shares of Datavault Common Stock for gross proceeds of \$13.6 million, which resulted in realized gains in the amount of \$4.7 million accounted for using equity method investment for the year ended December 31, 2025.

There have been no transactions between the Company and Datavault other than those arising from the Datavault License Agreement and Vivasor-Datavault License Agreement (together "Datavault License Agreements") (see Note

4 for more details) and purchases of Bitcoin from Datavault during the year ended December 31, 2025 amounting to \$25.2 million (See Digital Assets below for more details).

The fair value measurement of the Company's investment in Datavault is based on quoted prices in an active market and valued at the closing price reported at the end of each period, and thus, represents a Level 1 measurement on the fair value hierarchy. The Company recognized a \$19.2 million loss accounted for using equity security investment measured at fair value prior to the exercise of the Datavault Pre-funded Warrants on November 25, 2025.

The Company recognized \$42.3 million and nil gain using equity method, for the three months ended March 31, 2026 and 2025.

For the three months ended March 31, 2026 and 2025, the carrying value of the Company investment in Datavault's common stock is \$79.1 million and nil, and is recorded in Equity method investment, at fair value in the condensed consolidated balance sheets.

The Company's ownership of Datavault Common Stock was approximately 21% and 37% as of March 31, 2026 and December 31, 2025, respectively.

Summarized Financial Information of Datavault

The following is a summary of financial data for investments accounted for under the equity method of accounting (in thousands):

| Balance Sheet Datavault AI Inc. | | March 31, 2026 | December 31, 2025 |
|---|--|--|------------------------------|
| ASSETS | | | |
| Current assets: | | \$ 106,268 | \$ 142,873 |
| Total assets | | <u>\$ 250,113</u> | <u>\$ 274,704</u> |
| LIABILITIES | | | |
| Current liabilities: | | \$ 23,024 | \$ 26,881 |
| Total liabilities | | <u>\$ 30,085</u> | <u>\$ 36,730</u> |
| Income Statement Datavault AI Inc. | | Three months ended March 31, 2026 | |
| Loss from operations | | \$ 30,950 | \$ 9,431 |
| Net loss | | <u>\$ 53,131</u> | <u>\$ 9,563</u> |

Digital Assets

On September 23, 2025, the Company entered into a securities agreement with Biconomy PTE Ltd ("Biconomy"), pursuant to which the Company sold to Biconomy an aggregate of 12,500,000 shares of common stock of Semnur held by the Company for proceeds of \$200.0 million in Bitcoin. As noted above, the Company used \$150.0 million to purchase shares of Datavault Common Stock payable in Bitcoin. During the three months ended March 31, 2026, the Company purchased Bitcoin from Datavault amounting to \$18.7 million.

The table below summarizes the amounts shown on our unaudited condensed consolidated balance sheets as of March 31, 2026 (in thousands except units of digital assets):

| | March 31, 2026 | | |
|----------------------|-----------------------|-------------------|-------------------|
| | Units | Cost Basis | Fair Value |
| Bitcoin | 955 | \$ 95,591 | \$ 65,345 |
| Total Digital assets | <u>955</u> | <u>\$ 95,591</u> | <u>\$ 65,345</u> |

The following table summarizes the activity in the Company's digital assets (in thousands) for the period indicated:

| | March 31, 2026 | |
|---|-----------------------|---------------|
| Beginning Bitcoin balance at fair value December 31, 2025 | \$ | 64,709 |
| Additions | \$ | 18,700 |
| Unrealized loss on digital assets | | (18,064) |
| Ending balance at fair value March 31, 2026 | \$ | <u>65,345</u> |

For the three months ended March 31, 2026 there are nil dispositions of Bitcoin.

Accrued Expenses

Accrued expenses consists of the following (in thousands):

| | March 31, 2026 | December 31, 2025 |
|---|---------------------------|------------------------------|
| Accrued professional service fees | \$ 732 | \$ 356 |
| Accrued research and development costs | 10,934 | 13,058 |
| Accrued tax payable | 144 | 50 |
| Accrued advisor fees related to Semnur Business Combination | 14,000 | 14,000 |
| Accrued Datavault licenses | 25,000 | 30,000 |
| Accrued interest | 6,766 | 6,862 |
| Accrued others | 2,461 | 2,088 |
| Accrued expenses | <u>\$ 60,037</u> | <u>\$ 66,414</u> |

Accrued Rebates and Fees

Our Gross-to-Net Revenue Adjustments

Gross revenue is directly impacted by the Company's gross-to-net revenue adjustments for sales rebates, discounts, coupons, fees, returns, and chargebacks.

For the three months ended March 31, 2026 and 2025, gross revenue was \$25.7 million and \$17.7 million, respectively, while net revenue was \$8.6 million and \$5.0 million, respectively. The gross-to-net revenue adjustment of approximately \$17.1 million and \$12.7 million for the three months ended March 31, 2026 and 2025, respectively, was primarily attributable to the following:

| | March 31, 2026 | March 31, 2025 |
|--|---------------------------|---------------------------|
| Gross-to-Net Revenue Adjustments | | |
| Sales rebates | \$ 11,917 | \$ 9,161 |
| Service fees | 2,231 | 2,004 |
| Estimated sales returns, discounts, co-payment assistance and coupon | 1,636 | 649 |
| Chargebacks | 1,337 | 885 |
| Total | <u>\$ 17,121</u> | <u>\$ 12,699</u> |

The accruals for Medicare, Medicaid and related state program and contractual rebates, chargebacks, sales allowances and sales returns and cash discounts are as follows:

| | March 31, 2026 | December 31, 2025 |
|--|---------------------------|------------------------------|
| Other current liabilities: | | |
| Accrued rebates | \$ 235,549 | \$ 220,693 |
| Other accruals | 11,965 | 11,063 |
| Total accrued rebates and other sales-related accruals | <u>\$ 247,514</u> | <u>\$ 231,756</u> |

As of March 31, 2026, the Company's accrued rebates and fees liability was \$247.5 million, compared to \$231.8 million as of December 31, 2025. The increase of approximately \$15.8 million was mainly due to the fact that the Company made only limited disbursements to counterparties during 2026 as its focus was to deploy its cash resources to repay Company debt. The rebates balance of \$247.5 million primarily consists of government disbursements (Medicare and Medicaid) and commercial insurance disbursements.

7. Goodwill and Intangible Assets

As of March 31, 2026 and December 31, 2025, the Company had recorded goodwill of \$13.5 million. No goodwill impairment was recognized for the three months ended March 31, 2026 and 2025.

Amortization of the intangible assets that have finite useful lives is generally recorded on a straight-line basis over their useful lives, ranging from 5.6 to 12.2 years. A summary of the Company's identifiable intangible assets as of March 31, 2026 and December 31, 2025 is as follows (in thousands):

| | March 31, 2026 | | |
|--------------------------------|------------------------------|---------------------------------|-------------------------|
| | Gross Carrying Amount | Accumulated Amortization | Intangibles, net |
| Patent rights | \$ 35,530 | \$ 20,490 | \$ 14,951 |
| Acquired technology | 22,940 | 11,036 | 11,904 |
| Acquired licenses | 35,711 | 2,759 | 32,952 |
| Assembled workforce | 500 | 500 | — |
| Total intangible assets | \$ 94,681 | \$ 34,785 | \$ 59,807 |

| | December 31, 2025 | | |
|--------------------------------|------------------------------|---------------------------------|-------------------------|
| | Gross Carrying Amount | Accumulated Amortization | Intangibles, net |
| Patent rights | \$ 32,630 | 19,946 | \$ 12,684 |
| Acquired technology | 22,940 | 10,650 | 12,289 |
| Acquired licenses | 35,711 | 1,596 | 34,115 |
| Assembled workforce | 500 | 500 | — |
| Total intangible assets | \$ 91,781 | \$ 32,692 | \$ 59,088 |

As of March 31, 2026, the weighted average remaining life for identifiable intangible assets was 7.1 years. Aggregate amortization expense was \$2.1 million and \$1.0 million for the three months ended March 31, 2026 and 2025, respectively. Patent rights, acquired technology and acquired licenses are amortized over a 15-year period, other than Datavault acquired licenses, and EOS acquired patent rights, which are amortized over a 7-year period.

Estimated future amortization expense related to intangible assets as of March 31, 2026 is as follows (in thousands):

| | Amount |
|--------------------------|------------------|
| 2026 (Remainder of 2026) | \$ 6,586 |
| 2027 | 8,783 |
| 2028 | 8,783 |
| 2029 | 8,783 |
| 2030 | 8,783 |
| Thereafter | 18,089 |
| Total | \$ 59,807 |

8. Debt

Scilex-St. James Loan Agreement and Amendment

On December 1, 2025, the Company entered into the Scilex-St. James Loan Agreement with St. James, pursuant to which St. James agreed to loan the Company an aggregate principal amount of up to \$50 million in one or more tranches. The timing and amount of any particular tranche of the Scilex-St. James Loans shall be determined at the

sole discretion of St. James and St. James shall notify the Company in advance of its intention to fund a particular tranche.

The Scilex-St. James Loans will accrue interest at the rate of the 12-month Secured Overnight Financing Rate plus 2.0% per annum, with such interest due and payable on the earlier of Maturity Date and the date of an event of default. The “Maturity Date” of the Scilex-St. James Loans is the fourth anniversary of the closing date of the first tranche of the Scilex-St. James Loans and may be extended by up to 12 months at the request of the Company. The Company is also required to pay a fee of 0.25% of the principal amount of each tranche.

Pursuant to the terms of the Scilex-St. James Loan Agreement, the Company agreed to pledge approximately 39,202,800 shares of common stock of Datavault held by Scilex (the “Scilex-St. James Pledged Securities”) in favor of St. James as security for the Company’s satisfaction of its obligations thereunder. The Scilex-St. James Pledged Securities are held in a securities account that the Company has opened with St. James.

The Scilex-St. James Loan Agreement contains certain events of default, including, without limitation: a decrease in the closing price of the Scilex-St. James Pledged Securities of more than 20%, provided that such decrease is not cured within three days by delivering additional securities into the securities account or depositing cash into a bank account with St. James as security for the Scilex-St. James Loans; a decrease in the average trading volume of the Scilex-St. James Pledged Securities for any three consecutive trading days of more than 20% relative to the average trading volume of the 30 trading day period immediately preceding the closing of a tranche of the Scilex-St. James Loans; or the Scilex-St. James Pledged Securities are delisted from the national securities exchange on which they are currently listed. If an event of default occurs and is not cured within the specified cure period under the terms of the Scilex-St. James Loan Agreement, then St. James has certain remedies under the Scilex-St. James Loan Agreement, in addition to any remedies provided at law or in equity, including, without limitation, the interest rate of the Scilex-St. James Loans will increase by an additional 5.0% per annum and the Scilex-St. James Loan Agreement will terminate automatically with St. James entitled to foreclose upon or otherwise dispose of the Scilex-St. James Pledged Securities.

The Scilex-St. James Loan Agreement also contains positive and negative covenants, representations and warranties and indemnification provisions that are customary for transactions of this type.

On December 8, 2025, the Company and St. James entered into an amendment to the Scilex-St. James Loan Agreement (the “Scilex-St. James Loan Amendment”) pursuant to which the total aggregate principal amount available under the Scilex-St. James Loan Agreement was increased to \$100.0 million. Additionally, the amount of Scilex-St. James Pledged Securities was increased to 85,838,800 shares of common stock of Datavault. All other terms of the Scilex-St. James Loan Agreement will continue in full force and effect unamended.

On December 19, 2025, the Company borrowed a principal amount of \$10.0 million (i.e., the Scilex-St. James Loan Tranche 1), which was collateralized by 17,361,111 shares of the Scilex-St. James Pledged Securities. Net proceeds were \$9.2 million after transaction fees paid to the lender. The net proceeds were paid directly to a vendor of its equity method investee Datavault to settle the investee’s obligation (the “Datavault Obligation”) on the same day.

On December 31, 2025, in exchange for the settlement of the Datavault Obligation, Datavault repaid the Company \$9.4 million, which was settled in Bitcoin.

On December 22, 2025, the Company borrowed an additional principal amount of \$12.6 million (i.e., Scilex-St. James Loan Tranche 2) which was collateralized by 21,841,689 shares of the Scilex-St. James Pledged Securities. On December 26, 2025, the fair value of the Scilex-St. James Pledged Securities declined, requiring the Company to provide an additional 7,116,816 shares of the Scilex-St. James Pledged Securities.

On January 16, 2026, the Lender funded an additional \$16.2 million of principal of the Loan (“Tranche 3”), collateralized by 36,036,942 shares of Datavault, at a collateral price of \$0.75 per share.

As of January 16, 2026, the Company received from the original Scilex-St. James Loan Agreement, the first, second, and third tranche, an aggregate of \$38.8 million and pledged 85,665,102 shares of common stock of Datavault. The remaining amount available for borrowing under the Scilex-St. James Loan Agreement was nil, based on the fair value of the Scilex-St. James Pledge Securities and subject to customary covenant conditions as of January 16, 2026.

Voluntary prepayments may be made 20 months after the closing date without penalty. Interest under both tranches accrues at a fixed per-annum rate of 5.46%, which is equal to the 12-month Term SOFR plus 2%, payable upon maturity.

The Company evaluated the Scilex-St. James Loan Agreement for embedded derivatives and identified certain features that required bifurcation because they are not clearly and closely related to the host instrument. The embedded derivatives relate to (i) default provisions that could require additional interest payments, and (ii) a provision which could require the settlement of the principal amount of the loans through the Scilex-St. James Pledged Securities upon an uncured event of default. The Company revalued the fair value of these embedded derivatives for Scilex-St. James Loans at inception, at December 31, 2025 and March 16, 2026 are determined it to be de minimis and \$21.8 million, respectively (see Note 5).

The Scilex-St. James Loan Agreement was terminated on March 16, 2026. Upon termination of the Scilex-St James Loan Agreement, the Company de-recognized the related debt obligations and associated balances, including outstanding principal of \$38.8 million, compound derivative liabilities of \$21.8 million, accrued interest expense of \$0.4 million, and unamortized debt discount of \$1.7 million. In addition, the Company wrote off collateral shares with a carrying fair value of \$59.4 million associated with the terminated agreement. As the fair value of the embedded derivative was equal to the difference between the carrying amount of the Loans and the fair value of the shares of Datavault Common Stock, there was no gain or loss on extinguishment.

SCLX JV-St. James Loan Agreement

On December 15, 2025, SCLX JV entered into a Non-Recourse Loan and Securities Pledge Agreement (the “SCLX JV-St. James Loan Agreement”) with St. James, pursuant to which St. James agreed to loan SCLX JV an aggregate principal amount of up to \$100.0 million in one or more tranches (the “SCLX JV-St. James Loan”). The timing and amount of any particular tranche of the SCLX JV-St. James Loan shall be determined at the sole discretion of St. James and St. James shall notify SCLX JV in advance of its intention to fund a particular tranche.

The SCLX JV-St. James Loan will accrue interest at the rate of the 12-month Secured Overnight Financing Rate, with such interest due and payable on the earlier of Maturity Date and the date of an event of default. The “Maturity Date” of the SCLX JV-St. James Loan is the eighth anniversary of the closing date of the first tranche of the SCLX JV-St. James Loan and may be extended by up to 12 months at the request of SCLX JV. SCLX JV is also required to pay a fee of 0.25% of the principal amount of each tranche.

Pursuant to the terms of the SCLX JV-St. James Loan Agreement, SCLX JV agreed to pledge such number of shares of common stock of the Company currently held by SCLX JV equal to 70% of the aggregate principal amount of the SCLX JV-St. James Loan, calculated in accordance with the terms set forth in the SCLX JV-St. James Loan Agreement (the “SCLX JV-St. James Pledged Securities”), and together with the Scilex-St. James Pledged Securities, the St. James Pledged Securities in favor of St. James as security for SCLX JV’s satisfaction of its obligations thereunder. The SCLX JV-St. James Pledged Securities will be held in a securities account that SCLX JV or its affiliates will open with St. James.

The SCLX JV-St. James Loan Agreement contains certain events of default, including, without limitation: a decrease in the closing price of the SCLX JV-St. James Pledged Securities of more than 20%, provided that such decrease is not cured within three days by delivering additional securities into the securities account or depositing cash into a bank account with St. James as security for the SCLX JV-St. James Loan; a decrease in the average trading volume of the SCLX JV-St. James Pledged Securities for any three consecutive trading days of more than 20% relative to the average trading volume of the 30 trading day period immediately preceding the closing of a tranche of the SCLX JV-St. James Loan; or the SCLX JV-St. James Pledged Securities are delisted from the national securities exchange on which they are currently listed. If an event of default occurs and is not cured within the specified cure period under the terms of the SCLX JV-St. James Loan Agreement, then St. James has certain remedies under the SCLX JV-St. James Loan Agreement, in addition to any remedies provided at law or in equity, including, without limitation, that the interest rate of the SCLX JV-St. James Loan will increase by an additional 5.0% per annum and the SCLX JV-St. James Loan Agreement will terminate automatically with St. James entitled to foreclose upon or otherwise dispose of the SCLX JV-St. James Pledged Securities.

As of March 31, 2026, no amounts were outstanding under the SCLX JV-St. James Loan Agreement. As a result of

the Scilex-St. James Loan lawsuit, this SCLX JV-St. James Loan Agreement has been terminated.

The Oramed Note

On September 21, 2023, the Company entered into a securities purchase agreement with Oramed (the “Scilex-Oramed SPA”), pursuant to which the Company issued the Oramed Note. The Oramed Note, which has a principal amount of \$101.9 million, was originally scheduled to mature on March 21, 2025, and has been extended on multiple occasions. On March 29, 2026, the Company received notice from Oramed granting a one-time extension of certain payment obligations under existing debt arrangements. Pursuant to the extension, (i) the final payment due under Note A and (ii) the April 1, 2026 amortization payment due under Note B were extended to April 20, 2026. Under the terms of the extension, all outstanding principal amounts and accrued interest under Note A are required to be repaid in full no later than April 20, 2026. Interest continues to accrue on all unpaid amounts under Oramed Note and Tranche B Note at the applicable contractual interest rates from the original due dates through the actual repayment date. All accrued interest is payable together with the related principal balances. The extension did not otherwise modify the material terms of Oramed Note or Tranche B Note. Subsequently, the maturity date has been further extended to April 20, 2026, as described in Note 15. It is payable in six principal installments, with the first installment of \$5.0 million payable on December 21, 2023, the second installment in the principal amount of \$15.0 million payable on March 21, 2024, the next three installments each in the principal amount of \$20.0 million payable on each of June 21, 2024, September 21, 2024 and December 21, 2024 and the last installment in the entire remaining principal balance of the Oramed Note payable on March 21, 2025. Interest under the Oramed Note accrues at a fluctuating per annum interest rate equal to the sum of (1) the greater of (x) 4% and (y) Term SOFR (as defined in the Oramed Note) and (2) 8.5%, payable in-kind on a monthly basis. Pursuant to the Oramed Note, since the outstanding principal of the Oramed Note was not repaid in full on or prior to March 21, 2024, an exit fee of approximately \$3.1 million has been earned with respect to the Oramed Note, which shall be due and payable on the date the outstanding principal amount of the Oramed Note is paid in full. Upon the occurrence and during the continuance of an event of default under the Oramed Note, holders of more than 50% of the aggregate unpaid principal amount of the Oramed Notes may elect to accrue interest at a default rate equal to the lesser of (i) Term SOFR plus 15% or (ii) the maximum rate permitted under applicable law. Voluntary prepayments made before the one-year anniversary of the closing date of the Scilex-Oramed SPA must include a make-whole amount equal to 50% of the additional interest that would accrue on the principal amount so prepaid from the date of such prepayment through and including the maturity date. If the Oramed Note is accelerated upon an event of default, repayment is required at a mandatory default rate of 125% of the principal amount (together with 100% of accrued and unpaid interest thereon and all other amounts due in respect of the Oramed Note). The Oramed Note contains mandatory prepayment provisions requiring use of 70% of net cash proceeds from any Cash Sweep Financing (as defined in the Oramed Note) or advances under the ELOCs (as defined in the Oramed Note) to prepay the outstanding principal after the earlier of April 1, 2024 or full repayment of Acceptable Indebtedness (as defined in the Oramed Note). Following each of the April 2024 RDO (as defined below and as described under Note 10), the receipt of the FSF Deposit (as described below) and the sale of shares of Common Stock pursuant to the ATM Sales Agreement, the Company made a mandatory prepayment of \$9,578,835, \$7,000,000 and \$1,760,796, respectively, to Oramed, which equals 70% of the net cash proceeds the Company received from each of the April 2024 RDO, the FSF Deposit and sale of shares of Common Stock pursuant to the ATM Sales Agreement. Given such payment was not a voluntary prepayment, such prepayment did not trigger the make-whole amount under the Oramed Note.

The Oramed Note contains affirmative and negative covenants binding on the Company and its subsidiaries, which restrict, among other things, the Company and its subsidiaries from incurring indebtedness or liens, amending charter and organizational documents, repaying or repurchasing stock, repaying, repurchasing, or acquiring indebtedness, paying or declaring cash dividends, assigning, selling, transferring or otherwise disposing of assets, making or holding investments, entering into transactions with affiliates, and entering into settlement agreements, in each case as more fully set forth in, and subject to certain qualifications and exceptions set forth in the Oramed Note.

In connection with the Oramed Note, the Company and each of its subsidiaries (collectively, the “Guarantors”) entered into a security agreement (the “Security Agreement”) with Oramed (together with its successors and permitted assigns, the “Holder”) and the Agent, which acts as the collateral agent for the holders of the Oramed Note. Under this agreement, the Company and the Guarantors granted to the Agent (on behalf of and for the benefit of the holders of the Oramed Note and any Additional Notes as defined thereunder) a security interest in all or substantially all of the properties of the Company and each of the Guarantors. This was done to ensure the timely payment, performance, and full discharge of all obligations under the Oramed Note. The Security Agreement contains certain customary

representations, warranties and covenants regarding the collateral thereunder, all of which are detailed in the Security Agreement.

On September 20, 2024, the Company and Oramed entered into a letter agreement (the “Oramed Letter Agreement”), pursuant to which the Company agreed to pay to Oramed \$2,000,000 (the “Specified September Payment”) on September 23, 2024, which payment was applied as follows: (i) \$1,700,000 was applied to the amortization payment due under the Oramed Note on the March 21, 2025 (the “Oramed Maturity Date”) and (y) \$300,000 to purchase an aggregate of 4,000,000 SPAC Warrants (as defined below, which are currently exercisable for an aggregate of up to 4,000,000 shares of Common Stock) owned by Oramed.

The parties further agreed, upon receipt of the Specified September Payment by Oramed, (i) that notwithstanding the minimum Liquidity (as defined therein) requirements set forth in Section 7(b)(x) of the Oramed Note, the Company and its Subsidiaries (as defined therein) shall be required to maintain the following minimum liquidity during the specified time periods instead: from and after September 19, 2024 until the Oramed Maturity Date, \$0, and (ii) to extend the due date of the \$20,000,000 amortization payment from September 23, 2024 to September 30, 2024. Oramed further agreed to extend such due date to October 8, 2024, on which date a consent and amendment letter was signed with Oramed (the “Oramed Consent and Amendment”) under which: (i) the Company made a payment of \$12,500,000 to Oramed in lieu of the payment due on September 23, 2024, using the proceeds from the issuance of the Tranche B Notes, and (ii) the remaining payments under the Oramed Note were amended as follows: installment payment of \$15,000,000 payable on December 21, 2024, which payment was made on December 13, 2024, and the remaining principal balance, accrued interest and fees payable on the Oramed Maturity Date. On January 21, 2025, the Company and Oramed agreed to extend the Oramed Maturity Date under and as set forth in the Oramed Note from March 21, 2025 to December 31, 2025. In consideration of such extension, SCLX JV agreed to deliver to Oramed an aggregate of 1,356,594 shares of Common Stock held by SCLX JV, with a fair value of \$1.4 million on the date of delivery, which was recorded as financing costs within the selling, general and administrative expenses in the Company’s unaudited condensed consolidated statements of operations.

On July 22, 2025, the Company entered into an option agreement (the “Option Agreement”) with Oramed. Pursuant to the Option Agreement, Oramed granted an option (the “Option”) to the Company to repurchase certain Penny Warrants, held by Oramed, in two tranches (the “Warrant Repurchase”) for an aggregate purchase price of \$27.0 million (the “Warrant Repurchase Amount”), subject to the terms and conditions set forth therein. In consideration of the Option, the Company agreed to pay \$1.5 million (the “Option Payment Amount”) to Oramed in two equal installments, occurring on or before August 8, 2025 and December 16, 2025, respectively. Provided that the Company has made the applicable option payment on or before such dates, the Company shall be entitled to purchase the Penny Warrants as follows: (i) on or before September 30, 2025, it may repurchase 3,130,000 Penny Warrants for \$13.0 million, and (ii) on or before December 31, 2025, it may repurchase 3,370,000 Penny Warrants for \$14.0 million. Additionally, if the Company effects the Warrant Repurchase and has paid the Option Payment Amount and the Warrant Repurchase Amount in full, then the maturity date of the Oramed Note shall be extended to March 31, 2026 and any make-whole payment due thereunder upon prepayment shall be waived. The modification of the terms of the Oramed Note was accounted for as debt extinguishment and the Option was determined to be an embedded feature of the Oramed Note and was reflected into the remeasurement of Oramed Note liability as of September 30, 2025.

In September 2025, the Company fully exercised its option purchasing an aggregate of 6,500,000 Penny Warrants. As Oramed is a shareholder, the Company accounted for the excess fair value over the repurchase price as a deemed contribution from Oramed, which was recorded within Additional Paid-in Capital.

At issuance, the Company concluded that certain features of the Oramed Note would be considered derivatives that would require bifurcation. In lieu of bifurcating such features, the Company has elected the fair value option for this financial instrument and records the changes in the fair value within the condensed consolidated statements of operations and comprehensive loss at the end of each reporting period. As of March 31, 2026 and December 31, 2025, the fair value of the Oramed Note was \$28.9 million and \$27.7 million, respectively, which is classified as Debt, current in the unaudited condensed consolidated balance sheets.

The following table provides a summary of the changes in the balance and the estimated fair value of the Oramed Note (in thousands):

| | March 31, | |
|---|------------------|---------------|
| | 2026 | |
| Ending Balance as of December 31, 2025 | \$ | 27,688 |
| Change in fair value of Oramed Note – recorded in the unaudited condensed consolidated statements of operations | | 1,174 |
| Ending Balance as of March 31, 2026 | \$ | <u>28,862</u> |

Aggregate principal and paid in kind interest for the Company’s outstanding debt was \$29.0 million as of March 31, 2026.

Tranche B Notes

On October 7, 2024, the Company entered into the Tranche B Securities Purchase Agreement with the Tranche B Noteholders to refinance a portion of the Oramed Note and pay off certain other indebtedness of the Company. Pursuant to the Tranche B Securities Purchase Agreement, the Company agreed to issue and sell, in a registered offering by the Company directly to the Tranche B Noteholders: (i) the Tranche B Notes, which notes will mature on the two-year anniversary of the issuance date and will be convertible into shares of Common Stock at a current conversion price equal to \$36.40 per share and (ii) warrants (the “October 2024 Noteholder Warrants”) to purchase up to 214,284 shares of Common Stock directly to the Tranche B Noteholders.

In exchange for the issuance of the Tranche B Notes to the Tranche B Investors, the Company has received an aggregate amount in cash of \$22,500,000, excluding fees and expenses payable by the Company. In consideration for the Tranche B Notes issued to Oramed, the Company has received from Oramed an exchange and reduction of the principal balance under the Oramed Note of \$22,500,000.

The October 2024 Noteholder Warrants are immediately exercisable for cash at a current exercise price equal to \$36.40 per share and will expire five years from the issuance date. The October 2024 Noteholder Warrants issued to the Tranche B Investors are initially exercisable for 107,142 shares of Common Stock in the aggregate.

In connection with the offering of the Tranche B Notes, the Company issued to StockBlock Securities LLC (“StockBlock”) and its affiliate, Rodman & Renshaw LLC (together, the “October 2024 Placement Agents”) or their respective designees, (i) 62,794 shares of Common Stock (the “October 2024 Placement Agent Shares”) and (ii) warrants to purchase up to 537,298 shares of Common Stock (the “October 2024 Placement Agent Warrants”). The October 2024 Placement Agent Warrants will have the same terms as the October 2024 Noteholder Warrants, except that the October 2024 Placement Agents have agreed not to exercise the October 2024 Placement Agent Warrants for a period of 180 days following the date of issuance.

In conjunction with the Tranche B Securities Purchase Agreement, the Company entered into the ZTlido Royalty Purchase Agreement for \$5.0 million of the aggregate purchase price for the ZTlido Purchased Receivables (as defined below) in full consideration for the sale, transfer, conveyance and granting of the ZTlido Purchased Receivables, subject to the terms and conditions set forth in the ZTlido Royalty Purchase Agreement. The \$50.0 million of total proceeds received were allocated based on their relative fair value to the Tranche B Notes, the October 2024 Noteholder Warrants, and the ZTlido Royalty Purchase Agreement, with the excess of fair value over the proceeds received in amount of \$2.6 million recognized as a loss upon issuance within the change in fair value of debt and liability instruments in the consolidated statements of operations during the year ended December 31, 2025.

Pursuant to the Tranche B Notes, commencing on January 2, 2025, the Company was required to redeem in cash (the “First Amortization Payment”) such portion of the principal amount of the Tranche B Notes equal to each Tranche B Noteholder’s Holder Pro Rata Amount (as defined in the Tranche B Notes) of \$6,250,000 per fiscal quarter at a redemption price equal to 100% of such Amortization Amount (as defined in the Tranche B Notes).

On January 2, 2025, the Company entered into a deferral and consent letter with each of (i) Nomis Bay Ltd and BPY Limited (the “Nomis Bay Consent”), (ii) Oramed (the “Oramed Consent”) and (iii) 3i, LP (the “3i Consent” and, collectively with the Nomis Bay Consent and the Oramed Consent, the “Tranche B Consents”), respectively, pursuant to which the Tranche B Noteholders agreed to defer the Company’s obligation to make the First Amortization Payment until January 31, 2025 and then further to October 8, 2026. In consideration of such deferral, (i) SCLX JV delivered to the Tranche B Noteholders an aggregate of 142,855 shares of Common Stock held by SCLX JV, with a fair value

of \$2.2 million on the date of delivery, which was recorded as financing costs within the selling, general and administrative expenses in the Company's unaudited condensed consolidated statements of operations, (ii) the Company paid an aggregate of \$1.1 million in respect of a portion of the First Amortization Payment and related make-whole interest, and (iii) the Company entered into the Gloperba-Elyxyb Royalty Purchase Agreement (as described below).

On July 22, 2025, the Company entered into Warrant Exchange Agreements (each, a "Warrant Exchange Agreement" and collectively, the "Warrant Exchange Agreements") with certain holders of the Company's then-existing Tranche B warrants (such certain holders (excluding Oramed), the "Exchanging Warrant Holders") to purchase shares of Common Stock (such Tranche B warrants held by the Exchanging Warrant Holders, the "Existing Tranche B Warrants"). Pursuant to the Warrant Exchange Agreements, the Company and the Exchanging Warrant Holders, in reliance on Section 3(a)(9) of the Securities Act, effected a voluntary securities exchange whereby the Exchanging Warrant Holders exchanged the Existing Tranche B Warrants, which are currently exercisable for an aggregate of 107,142 shares of Common Stock at an exercise price of \$36.40 per share, originally issued pursuant to the Tranche B Securities Purchase Agreement, for warrants to purchase an aggregate of 500,000 shares of Common Stock (the "Exchange Warrants") at an exercise price of \$40.00 per share (the "Exchange Warrant Exercise Price"). The Exchange Warrants shall be immediately exercisable, but may only be exercised on a cash basis on or after the earlier of (i) the date that is 90 days following the Closing Date (as defined in the Warrant Exchange Agreements), and (ii) the initial date after the date of the Warrant Exchange Agreements that a registration statement is effective and available for the issuance of the shares of Common Stock underlying the Exchange Warrants to the holders of the Exchange Warrants (or the resale of shares of Common Stock underlying the Exchange Warrants); provided, however, the Exchange Warrants may only be exercised on a cashless basis if there is no registration statement to cover the issuance of the shares of Common Stock underlying the Exchange Warrants or the resale of such shares. The Exchange Warrants shall have an expiration date of October 8, 2029. The Company recognized a loss in the amount of \$1.1 million in relation to this exchange transaction. As of March 31, 2026, there were 500,000 Exchange Warrants outstanding.

The terms of the Exchange Warrants are generally identical to the terms of the Existing Tranche B Warrants, other than with respect to the number of shares issuable upon exercise thereof and the Exchange Warrant Exercise Price and certain other matters. The Exchange Warrant Exercise Price of the Exchange Warrants is subject to adjustment for any stock split, stock dividend, stock combination, recapitalization or similar event. The Exchange Warrant Exercise Price is also subject to full-ratchet adjustment (down to the Exchange Warrant Exercise Price Floor (as defined below)) in connection with a subsequent offering at a per share price less than the exercise price then in effect. The Exchange Warrants also permit a voluntary adjustment to the Exercise Price, subject to certain conditions set forth therein, including compliance with the Nasdaq Listing Rules and having obtained the prior written consent of the required holders as described therein. The Exchange Warrant Exercise Price cannot be lower than \$36.40 per share (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events, the "Exchange Warrant Exercise Price Floor"), unless shareholder approval is obtained to allow the Exchange Warrants to be exercised at a price lower than the Exchange Warrant Exercise Price Floor in accordance with the Nasdaq Listing Rules. The Company is under no obligation to seek or obtain such shareholder approval.

The following table provides a summary of the changes in the balance and the estimated fair value of the Tranche B Notes (in thousands):

| | March 31, 2026 |
|---|---------------------------|
| Ending Balance as of December 31, 2025 | \$ 17,500 |
| Repayment of Tranche B Notes principal and interest | (6,319) |
| Change in fair value of Tranche B Notes | 829 |
| Ending Balance as of March 31, 2026 | <u>\$ 12,010</u> |

Aggregate principal and interest for the Company's outstanding debt was \$12.6 million as of March 31, 2026.

Promissory Notes

Pursuant to the Semnur Business Combination, Legacy Semnur assumed all liabilities of Denali, including its existing promissory notes and its liability for its deferred underwriting costs associated with the Semnur Business Combination.

Simultaneously upon the closing of the Semnur Business Combination, the agreements for these existing liabilities were terminated and new promissory notes and discharge payment agreements were signed with the holders.

Immediately prior to the closing of the Semnur Business Combination, Denali, Sponsor and the Company entered a Satisfaction and Discharge of Indebtedness Agreement, pursuant to which the Sponsor received \$1.1 million in cash and a promissory note from Denali for \$0.8 million (the "Sponsor Note"). The Sponsor Note shall be payable in six monthly installments of \$134,000 beginning on October 1, 2025 and ending on March 1, 2026.

Immediately prior to the closing of the Semnur Business Combination, Denali and FutureTech Capital LLC ("FutureTech") entered a Satisfaction and Discharge of Indebtedness Agreement, pursuant to which FutureTech received \$340,000 in cash and a promissory note from Denali for \$1.0 million (the "FutureTech Note"). The FutureTech Note shall be payable in six monthly installments of \$170,000 beginning on October 1, 2025 and ending on March 1, 2026.

At closing of the Semnur Business Combination, Denali, the Denali underwriters and the Company entered Satisfaction and Discharge of Indebtedness Agreements, pursuant to which the Denali underwriters received \$350,000 in cash and promissory notes from Denali for a total of \$2.7 million (the "Denali Underwriter Notes"). The Denali Underwriter Notes shall be payable in nine monthly installments of \$300.0 thousand beginning on October 1, 2025 and ending on June 1, 2026, with the last monthly payment being \$250,000.

As of March 31, 2026, the Company had total current promissory notes of \$2.8 million, all which are due in less than a year.

Notwithstanding the payment schedules in the Sponsor Note, the FutureTech Note and the Denali Underwriter Notes, the balance due on any notes (less any payments previously made to the holder thereunder) shall be accelerated and become immediately due and payable in the event Semnur receives gross proceeds from any equity or debt financing (including any private placement offering or registered offering), in an amount equal to or greater than the then-outstanding principal of such note plus any accrued but unpaid interest due thereon.

In addition, in the case of an event of default, the Sponsor Note, the FutureTech Note and the Denali Underwriter Notes shall bear interest at a rate of 10% per annum until such event of default is cured. The Sponsor Note, the FutureTech Note and the Denali Underwriter Notes shall become immediately due and payable (in accordance with the terms thereof), upon the Company's failure to make payments thereunder when due (subject to a 14-day cure period) or certain other actions related to voluntary or involuntary bankruptcy proceedings (as more fully described therein).

The Company did not make certain scheduled installment payments during the first quarter of 2026 on the Sponsor Note (monthly installments of \$134,000), the Denali Underwriter Note for U.S. Tiger Securities, Inc. (monthly installments of \$150,000) and the FutureTech Note (monthly installments of \$170,000). As of March 31, 2026, and December 31, 2025, the Sponsor Note had an outstanding principal balance of \$0.7 million and \$0.8 million, respectively, and accrued interest of approximately \$40,000, and \$20,000, respectively, at 10% per annum (calculated monthly). The Company has not received a notice of default and expects to make the payments in June 2026.

As of March 31, 2026 the FutureTech Note and Denali Underwriter Notes have an outstanding principal balance of \$0.4 million and \$1.7 million, respectively, and as of December 31, 2025, the FutureTech Note and Denali Underwriter Notes have an outstanding principal balance of \$0.5 million and \$2.1 million, respectively.

ACEA Hangzhou-Agilent Bio Loan Agreement

In connection with the Company's acquisition of 30.1% of the outstanding shares of Vivasor (see Note 3), the Company includes in its unaudited condensed consolidated financial statements a loan agreement entered into on August 15, 2018 between Hangzhou ACEA Pharmaceutical Research Co., Ltd ("ACEA Hangzhou"), a subsidiary of Vivasor, and Aisen Biological (Hangzhou) Co., Ltd. ("Aisen"), pursuant to which Aisen provided 194.6 million in Chinese Yuan ("RMB") in funding to ACEA Hangzhou over multiple years from 2013 through 2018 (the "Agilent Loan Agreement"). Aisen was subsequently acquired by Agilent Technologies, Inc. on November 18, 2018, through which the loan agreement was assumed by Agilent Technologies, Inc.

The Agilent Loan Agreement documents cumulative advances made by Aisen to ACEA Hangzhou in the following amounts (denominated in RMB): 2013 – RMB 9.0 million; 2014 – RMB 10.8 million; 2015 – RMB 19.5 million; 2016 – RMB 38.9 million; 2017 – RMB 73.0 million; and 2018 – RMB 43.4 million. The proceeds of the loan are

designated for the ACEA Hangzhou's operating activities, and ACEA Hangzhou is restricted from changing the use of funds without Aisen's consent.

The contractual term of each loan tranche is ten years from the date of funding. Each loan tranche bears interest at an annual rate beginning in the sixth year following each advance. The Agilent Loan Agreement provides for a five-year interest-free period from the date of each loan tranche, after which interest accrues at an annual rate of 5.39%. Interest is calculated and settled on an annual basis, with settlement occurring by December 31 of each applicable year. Based on the contractual repayment schedule, initial interest payments begin in years ranging from 2019 through 2024 depending on the year of the original advance, with principal repayments due between 2023 and 2028.

The Agilent Loan Agreement includes customary provisions permitting Aisen to monitor the ACEA Hangzhou's operations, financial condition, and use of proceeds, including the right to request financial information and participate in significant financing, restructuring, or liquidation events.

During the year ended December 31, 2018, ACEA Hangzhou repaid RMB 10 million, which repaid the full amount of the 2013 loan tranche and RMB 1 million of the 2014 loan tranche. ACEA Hangzhou has not repaid any other principal balances outstanding with Aisen as of March 31, 2026.

Aisen retains the right to demand early repayment of all or part of the outstanding loan balance, which is outside of the control of the Company. Therefore, the entire loan balance outstanding has been presented within current liabilities.

As part of purchase accounting for the acquisition, the Company recorded the assumed loan, including accrued interest of \$4.6 million, at its estimated fair value of \$25.7 million as of December 5, 2025. The fair value was determined using a discounted cash flow approach that reflects the contractual repayment terms, including the interest-free period, and a market-based discount rate commensurate with the credit risk of the borrower. The difference between the contractual principal amount of \$30.7 million as of December 5, 2025 and the initial fair value resulted in a discount of \$5.0 million, which is being accreted to interest expense over the remaining term of each tranche using the effective interest method. For any tranches that were past due, these will be accreted and paid in the next 12 months.

As of March 31, 2026, the carrying amount of the loan was \$22.4 million, net of an unamortized discount of \$4.3 million. The accrued interest balance was \$5.2 million as of March 31, 2026, and is presented separately under the accrued expenses caption. For the three months ended March 31, 2026, the Company recognized interest expense of \$1.0 million related to the Agilent Loan Agreement, which includes \$0.6 million of non-cash accretion of the discount recognized at the acquisition date. For the three months ended March 31, 2026, the Company recognized foreign currency transaction loss of \$0.4 million related to the remeasurement of the RMB-denominated loan.

Other Vivasor Borrowings

Vivasor contains multiple financing arrangements with various lenders that are each individually immaterial. These borrowings have substantially similar economic characteristics, including denomination in RMB, interest rates ranging from 0% - 6.00% and maturities between currently due to 2030. Certain lenders have the contractual right to call all long-term debt obligations immediately, although the Company has not received notification that any lender intends to exercise such right. As a result, all long-term debt has been classified as current in the accompanying consolidated balance sheet.

As part of purchase accounting for the acquisition of Vivasor, the Company recorded the assumed other borrowings, including accrued interest of \$1.9 million, at their estimated fair value of \$21.7 million as of December 5, 2025. The fair value was determined using a discounted cash flow approach that reflects the contractual repayment terms, including the interest-free periods, and market-based discount rates commensurate with the credit risk of the borrower. The difference between the contractual principal and accrued interest amounts of \$25.1 million and the initial fair values resulted in a discount of \$3.4 million, which is being accreted to interest expense over the remaining term of the borrowings using the effective interest method. For any financing arrangements that were past due, these will be accreted and paid in the next 12 months.

As of March 31, 2026, the carrying amount of the borrowings was \$19.4 million, net of unamortized discounts of \$2.7 million. The accrued interest balance was \$1.3 million as of March 31, 2026, and is presented separately in accrued expenses. For the three months ended March 31, 2026, the Company recognized interest expense of \$2.5 million related to the other borrowings, which includes \$2.3 million of non-cash accretion of the discount recognized at the

acquisition date. For the three months ended March 31, 2026, the Company recognized foreign currency transaction loss of \$0.3 million related to the remeasurement of the RMB-denominated loans.

ZTlido Royalty Purchase Agreement

On October 8, 2024, in connection with the closing of the transactions contemplated by the Tranche B Securities Purchase Agreement, the Company and Scilex Pharma entered into the ZTlido Royalty Purchase Agreement with the ZTlido Royalty Purchasers. Pursuant to the ZTlido Royalty Purchase Agreement, Scilex Pharma sold to the ZTlido Royalty Purchasers the right to receive 8% of all aggregate net sales worldwide (the “ZTlido Purchased Receivables”) with respect to ZTlido, SP-103 and any related, improved, successor, replacement or varying dosage forms of the foregoing, which shall be paid within 60 calendar days after the end of each calendar quarter.

In full consideration for the sale, transfer, conveyance and granting of the ZTlido Purchased Receivables, and subject to the terms and conditions set forth in the ZTlido Royalty Purchase Agreement, the aggregate purchase price for the ZTlido Purchased Receivables was \$5.0 million (net of expenses of the ZTlido Royalty Purchasers). The ZTlido Royalty Investors paid to Scilex Pharma an aggregate amount equal to \$2.5 million minus the expenses of the ZTlido Royalty Investors and Oramed paid to Scilex Pharma an amount equal to \$2.5 million minus Oramed’s expenses (collectively, the amount so paid by the ZTlido Royalty Purchasers, the “ZTlido RPA Closing Payment”). Oramed’s portion of the purchase price was paid by exchanging a portion of the outstanding principal balance under the Oramed Note equivalent to its portion of the ZTlido RPA Closing Payment, which amount extinguished and reduced \$2.5 million of the outstanding balance under the Oramed Note.

The ZTlido Royalty Purchase Agreement terminates six months following receipt by the ZTlido RPA Purchasers of all payments of the ZTlido Purchased Receivables to which each ZTlido RPA Purchaser is entitled during the period commencing on the closing date of the ZTlido Royalty Purchase Agreement and expiring on the tenth anniversary of such closing date.

The Company elected the fair value option for the ZTlido Royalty Purchase Agreement and records the changes in the fair value within the unaudited condensed consolidated statements of operations and comprehensive loss at the end of each reporting period. As of March 31, 2026 and December 31, 2025, the fair value of the ZTlido Royalty Purchase Agreement was \$6.0 million and \$6.1 million, respectively, recorded as a purchased revenue liability on the unaudited condensed consolidated balance sheets. The Company incurred \$0.2 million of issuance costs in connection with the ZTlido Royalty Purchase Agreement, which were included in the unaudited condensed consolidated statement of operations for the year ended December 31, 2024.

The following table summarizes the purchased revenue liability activity related to ZTlido Royalty Purchase Agreement during the three months ended March 31, 2026 (in thousands):

| | March 31, 2026 |
|---|---------------------------|
| Ending Balance as of December 31, 2025 | \$ 6,100 |
| Repayment of purchased revenue liability | (750) |
| Change in fair value of purchased revenue liability | 650 |
| Ending Balance as of March 31, 2026 | <u>\$ 6,000</u> |

Gloperba-Elyxyb Royalty Purchase Agreement

On February 28, 2025 (the “Gloperba-Elyxyb Closing Date”), the Company entered into the Gloperba-Elyxyb Royalty Purchase Agreement with certain institutional investors (collectively, the “Gloperba-Elyxyb Royalty Investors”) and Oramed (together with the Gloperba-Elyxyb Royalty Investors, the “Gloperba-Elyxyb RPA Purchasers”). Pursuant to the Gloperba-Elyxyb Royalty Purchase Agreement, Scilex Pharma transferred to the Gloperba-Elyxyb RPA Purchasers the right to receive 4% of all aggregate net sales worldwide (the “Gloperba-Elyxyb Purchased Receivables”) with respect to Gloperba, Elyxyb, and any related, improved, successor, replacement and/or varying dosage forms of the foregoing (the “Gloperba-Elyxyb Covered Products”).

In consideration of the Further Deferral and representing the “grant of the Royalty and Exclusive Rights” (as defined in the Term Sheet), during the period commencing on the Gloperba-Elyxyb Closing Date and expiring on the tenth anniversary of the Gloperba-Elyxyb Closing Date (the “Gloperba-Elyxyb Payment Term”), Scilex Pharma shall pay to each Gloperba-Elyxyb RPA Purchaser, by wire transfer of immediately available funds in U.S. dollars to such Gloperba-Elyxyb RPA Purchaser’s account, such Gloperba-Elyxyb RPA Purchaser’s Specified Percentage (as defined in the Gloperba-Elyxyb Royalty Purchase Agreement) of the Covered Product Revenue Payments (each as defined in the Gloperba-Elyxyb Royalty Purchase Agreement) for each calendar quarter no later than 60 calendar days after the end of each calendar quarter.

The Gloperba-Elyxyb Royalty Purchase Agreement shall terminate six months following receipt by the Gloperba-Elyxyb RPA Purchasers of all payments of the Gloperba-Elyxyb Purchased Receivables to which each Gloperba-Elyxyb RPA Purchaser is entitled during the Gloperba-Elyxyb Payment Term.

The Company elected the fair value option for the Gloperba-Elyxyb Royalty Purchase Agreement and records the changes in the fair value within the unaudited condensed consolidated statements of operations at the end of each reporting period. As of each of March 31, 2026 and December 31, 2025, the fair value of the Gloperba-Elyxyb Royalty Purchase Agreement was \$2.4 million and \$2.3 million, recorded as a purchased revenue liability on the unaudited condensed consolidated balance sheet.

| | March 31, 2026 |
|---|---------------------------|
| Ending Balance as of December 31, 2025 | \$ 2,300 |
| Repayment of purchased revenue liability | \$ (44) |
| Change in fair value of purchased revenue liability | 144 |
| Ending Balance as of March 31, 2026 | <u>\$ 2,400</u> |

9. Sorrento Stock Purchase Agreement and Equity Line of Credit

Sorrento Stock Purchase Agreement

On September 21, 2023, the Company entered into a Stock Purchase Agreement (the “Sorrento SPA”) with Sorrento Therapeutics, Inc. (“Sorrento”), the Company’s then-controlling stockholder, pursuant to which the Company purchased from Sorrento (i) 1,716,245 shares of Common Stock, (ii) 29,057,097 shares of Series A Preferred Stock, par value \$0.0001 per share (the “Series A Preferred Stock”), and (iii) 1,386,617 Public Warrants (as defined below), which are currently exercisable for an aggregate of up to 39,617 shares of Common Stock and 3,104,000 Private Warrants (collectively, the “Purchased Securities”), which are currently exercisable for an aggregate of up to 88,685 shares of Common Stock. As a result, Sorrento no longer holds a majority of the voting power of the Company’s outstanding capital stock entitled to vote. On the same day, the Company and Oramed entered into the Scilex-Oramed SPA. The Company concluded that the Sorrento SPA and the Scilex-Oramed SPA were entered in contemplation of each other and the issuance of the Oramed Note was accounted as part of the consideration payable for the Purchased Securities acquired from Sorrento.

Pursuant to the terms of the Scilex-Oramed SPA, the Company issued the Oramed Note (see Note 8), which replaced Sorrento’s outstanding obligations to Oramed, warrants to purchase up to an aggregate of 4,500,000 shares of Common Stock (the “Closing Penny Warrant”) with an exercise price of \$0.01 per share and restrictions on exercisability, and warrants to purchase up to an aggregate of 8,500,000 shares of Common Stock (the “Subsequent Penny Warrants” and together with the Closing Penny Warrant, the “Penny Warrants”), each with an exercise price of \$0.01 per share and each with restrictions on exercisability. Additionally, the Company agreed to transfer to Oramed 4,000,000 SPAC Warrants (as defined below, which are currently exercisable for an aggregate of up to 114,286 shares of Common Stock), which were acquired by the Company under the Sorrento SPA. There was no change in the terms for the warrants transferred to Oramed as a result of the transactions described above. The remaining consideration for the Purchased Securities was comprised of a credit bid for all amounts of principal and accrued but unpaid interest outstanding under the Junior DIP Facility in an aggregate principal amount of \$20.0 million, a \$10.0 million cash payment, and the assumption and assignment of certain obligations of Sorrento for legal fees and expenses amounting to approximately \$12.3 million.

The Company allocated the total consideration between the repurchased instruments by allocating to the repurchased Private Warrants their full value, with the remaining consideration allocated to the Common Stock, Series A Preferred Stock, and Public Warrants based on their relative fair values as of September 21, 2023.

Before the closing of the Sorrento SPA transactions and in connection with the transactions contemplated by the Sorrento SPA, the Company formed two entities: (a) Scilex DRE Holdings LLC (“Holdco”), a single purpose entity that is the Company’s direct wholly owned subsidiary and (b) SCLX Stock Acquisition JV LLC, a single purpose bankruptcy-remote entity that is the Company’s indirect wholly owned subsidiary (“SCLX JV”), which was formed to hold the Purchased Securities. Holdco was formed to hold all the equity interests in SCLX JV. Holdco and SCLX JV are parties to the Security Agreement and Subsidiary Guarantee (see Note 8).

Series A Preferred Stock

Pursuant to the terms of the Sorrento SPA, the Company repurchased all of the outstanding Series A Preferred Stock. The Series A Preferred Stock was classified in permanent equity and did not have any bifurcated features. Therefore, the repurchase of the Series A Preferred Stock by the Company was treated as a redemption of shares, with the excess of the redemption price paid over the carrying value of the shares treated as a deemed dividend. The fair value of Series A Preferred Stock as of the repurchase date of September 21, 2023 was \$52.6 million. The Company derecognized the carrying value of \$3,000 of the Series A Preferred Stock, with \$52.3 million in excess amount allocated as the reduction in additional paid-in capital. Although considered redeemed for accounting purposes, the shares of Series A Preferred Stock remain outstanding as they are held as collateral for the Oramed Note.

Treasury Stock

The Common Stock that has been repurchased by the Company under the Sorrento SPA is not intended for constructive retirement and is being held as collateral for the Oramed Note. In accordance with treasury stock accounting guidance, the consideration allocated to Common Stock is presented under a separate caption of Treasury Stock as a reduction of equity.

Penny Warrants

The exercise price of the Penny Warrants is \$0.01 per share, subject to adjustments provided therein. The exercise price and number of shares of Common Stock issuable upon the exercise of the Penny Warrants will be subject to adjustment in the event of any stock dividend, stock split, recapitalization, reorganization or similar transaction, as described in the Penny Warrants; provided that there shall not be any adjustment to the exercise price of the Penny Warrants in the event the Company combines (by combination, reverse stock split or otherwise) its Common Stock into a smaller number of shares. Oramed may exercise the Penny Warrants by means of a “cashless exercise.” The Closing Penny Warrant and the Subsequent Penny Warrants utilize the same form of warrant.

The Company accounted for the Penny Warrants as an equity classified instrument as they are indexed to the Company’s own stock and meet the conditions to be classified in equity under FASB ASC 815, *Derivatives and Hedging*, including sufficient available shares of Common Stock for the Company to settle the exercise of the warrants in shares of Common Stock. The Penny Warrants are recognized in additional paid-in capital in the Company’s unaudited condensed consolidated balance sheets. The fair value of Penny Warrants as of September 21, 2023, the date of issuance, was \$10.4 million.

On July 22, 2025, the Company entered into the Option Agreement with Oramed, pursuant to which it has the option to repurchase certain Penny Warrants. See Note 9 for the additional discussion of the Option Agreement and the Warrant Repurchase.

Excise Tax

In December 2022, the Department of the Treasury and the Internal Revenue Service (the “IRS”) issued guidelines on the implementation of the new code section added by the Inflation Reduction Act of 2022, which imposes a 1% excise tax on the total fair market value of stock repurchases during the tax year, subject to adjustments. Pursuant to the terms of the Sorrento SPA, the Company repurchased the Purchased Securities from Sorrento. The Company has accrued \$1.3 million of the excise tax liability during the year ended December 31, 2025, which was recorded as accrued

expenses under current liabilities on the unaudited condensed consolidated balance sheets. During the three months ended March 31, 2026, the Company made a total of nil payment for the excise tax. As of March 31, 2026, the remaining balance of the excise tax liability recorded as accrued expenses was \$42.8 thousand.

Equity Line of Credit

On July 22, 2025, the Company entered into that certain common stock purchase agreement (the “Tumim Purchase Agreement”), by and between the Company and Tumim Stone Capital, LLC (“Tumim”), the Company had the right, but not the obligation, to sell to the Tumim up to the lesser of: (a) \$100,000,000 of newly issued shares of Common Stock (“Commitment Amount”) and (b) the Exchange Cap (as defined below), from time to time, at the Company’s sole discretion (each such sale, a “VWAP Purchase”) by delivering an irrevocable written notice to Tumim (each such notice, a “VWAP Purchase Notice”). The Company was permitted to deliver a VWAP Purchase Notice to Tumim during the period commencing on the Commencement Date (as defined in the Tumim Purchase Agreement) and the date that would have been the first day of the month following the 24-month anniversary of the date on which the initial Tumim Registration Statement (as defined below) would have been declared effective by the SEC, subject to the terms and conditions set forth therein, and unless the Tumim Purchase Agreement was earlier terminated in accordance with its terms.

Tumim’s purchases of shares of Common Stock under the Tumim Purchase Agreement, if any, would have been subject to certain limitations, including that Tumim may not purchase shares that would result in it (together with its affiliates) owning more than 4.99% (or, at the election of Tumim, 9.99%) of the then-issued and outstanding shares of Common Stock. In addition, unless stockholder approval of a waiver of the Exchange Cap (as defined below) was obtained, the Company shall not issue or sell any shares of Common Stock pursuant to the Tumim Purchase Agreement, if, after giving effect thereto, the aggregate number of shares of Common Stock that would have been issued pursuant to the Tumim Purchase Agreement and the transactions contemplated thereby would exceed 1,390,443 (representing 19.99% of the number of shares of Common Stock issued and outstanding immediately prior to the execution of the Tumim Purchase Agreement) (such maximum number of shares, the “Exchange Cap”). However, the Exchange Cap shall not be applicable for any purposes of the Tumim Purchase Agreement and the transactions contemplated thereby, to the extent that (and only for so long as) the average price of all applicable sales of Common Stock under the Tumim Purchase Agreement equaled or exceeded \$8.09, which is the Minimum Price (as defined in the Tumim Purchase Agreement). The Company was under no obligation to seek stockholder approval of a waiver of the Exchange Cap.

As consideration for Tumim’s commitment to purchase shares of Common Stock, the Company was required to issue 150,000 shares of Common Stock to Tumim as a commitment fee (the “Commitment Shares”) upon effectiveness of the Tumim Registration Statement (as defined below).

In connection with the transactions contemplated by, and concurrently with the execution of, the Tumim Purchase Agreement, the Company and Tumim also entered into a Registration Rights Agreement, dated as of July 22, 2025 (the “Tumim Registration Rights Agreement”), pursuant to which the Company agreed to file with the SEC one or more registration statements (each, a “Tumim Registration Statement”), to register under the Securities Act the offer and resale by Tumim of all of the shares that may have been issued by the Company to Tumim from time to time under the Tumim Purchase Agreement, including the Commitment Shares. Tumim’s obligation to purchase shares of Common Stock pursuant to the Tumim Purchase Agreement was subject to such a Tumim Registration Statement being filed with the SEC and declared effective.

On October 30, 2025 the Company and Tumim entered into a termination agreement (the “Termination Agreement”), pursuant to which each of the Tumim Purchase Agreement and the Tumim Registration Rights Agreement (together, the “Original Agreements”) shall terminate upon payment in full of an aggregate of \$2.7 million by the Company to Tumim in lieu of the issuance of the Commitment Shares with \$500,000 to be paid on or before each of October 31, 2025 and November 14, 2025 and the remaining \$1.7 million to be paid on or before December 15, 2025. The Company fully paid the \$2.7 million in October 2025, November 2025 and December 2025, respectively. Pursuant to the Termination Agreement, the Original Agreements are terminated as of December 31, 2025.

10. Stockholders' Deficit

SPAC Warrants

Upon the completion of the Scilex Business Combination, the Company assumed the Private Warrants and the public warrants to purchase Common Stock, each with a post-reverse split exercise price of \$402.50 per share (the "Public Warrants", and together with the Private Warrants, the "SPAC Warrants").

Holders of the SPAC Warrants are entitled to acquire shares of Common Stock. The SPAC Warrants will expire five years after the completion of the Scilex Business Combination or earlier upon redemption or liquidation.

If the reported last sale price of the Common Stock equals or exceeds \$630.00 per share post-reverse split price for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the warrant holders, the Company may redeem all the Public Warrants at a price of \$0.01 per warrant upon not less than 30 days' prior written notice.

If the Company calls the Public Warrants for redemption, the Company will have the option to require all holders that wish to exercise the Public Warrants to do so on a cashless basis. The Company will not be required to net cash settle the SPAC Warrants.

The Public Warrants are equity-classified warrants and recognized in additional paid-in capital in the accompanying unaudited condensed consolidated balance sheets. The Private Warrants are liability-classified warrants and are recognized as liabilities (refer to Notes 1 and 5).

During the year ended December 31, 2023, the SPAC Warrants held by Sorrento were repurchased, and certain of such warrants transferred to Oramed, as a result of the Sorrento SPA (see Note 9). On September 20, 2024, the Company repurchased 4,000,000 of the SPAC Warrants (which are exercisable for an aggregate of up to 4,000,000 shares of Common Stock) held by Oramed (see Note 8). Following the repurchase, these warrants were cancelled.

As of March 31, 2026 and December 31, 2025, there were Public Warrants issued and outstanding and exercisable for an aggregate of up to 156,220 and 156,220 shares of Common Stock outstanding, respectively.

As of each of March 31, 2026 and December 31, 2025, there were 1,000,000 Private Warrants outstanding, which are currently exercisable for an aggregate of up to 28,572 shares of Common Stock.

Preferred Stock

The Company is authorized to issue 45,000,000 shares of preferred stock (the "Preferred Stock") of which there are two series in total.

Series A Preferred Stock

As of March 31, 2026 and December 31, 2025, there were 29,057,097 shares of Series A Preferred Stock outstanding. On September 21, 2023, the Series A Preferred Stock was repurchased and derecognized for accounting purposes. The Series A Preferred Stock is currently held as collateral for the Oramed Note.

Series 1 Preferred Stock

On October 27, 2024, the Board declared a stock dividend (the "Dividend") consisting of an aggregate of 5,000,000 shares (the "Dividend Stock") of Series 1 Mandatory Exchangeable Preferred Stock, par value \$0.0001 per share (the "Series 1 Preferred Stock"), of the Company to record holders of certain of the Company's securities as of the close of business on November 7, 2024 (which date was subsequently changed to April 11, 2025. Pursuant to the Certificate of Designation of Preferences, Rights and Limitations of Series 1 Mandatory Exchangeable Preferred Stock (the "Certificate of Designation") filed with the Secretary of State of the State of Delaware on October 28, 2024, the Series 1 Preferred Stock ranks senior to the Common Stock but junior to all other series of Preferred Stock with respect to distributions of assets upon voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the

Company. The holders of Series 1 Preferred Stock may become entitled to a pro rata portion of the number of shares that represents the lesser of (a) 10% of the shares of the Semnur Common Stock (or such other securities into which or for which such stock may be exchanged or converted), held by the Company as of immediately prior to the Effective Time (as defined below) (taking into account any adjustment for any stock dividend, stock split, reverse stock split or similar transaction) and (b) that number of shares of Semnur Common Stock (or such other securities into which or for which such stock may be exchanged or converted) equal to \$200,000,000 divided by the closing price of such Semnur Common Stock (or such other securities into which or for which such stock may be exchanged or converted) on any national securities exchange on which such shares are listed on the date that is 10 trading days prior to the Determination Date (as defined below), which shares shall be paid from the shares of Semnur Common Stock (or such other securities into which or for which such stock may be exchanged or converted) held by the Company as of immediately prior to the Effective Time (taking into account any adjustment for any stock dividend, stock split, reverse stock split or similar transaction). Furthermore, the holders of Series 1 Preferred Stock shall not be entitled to receive any dividends and shall not have any voting rights by virtue of their ownership of any shares of Series 1 Preferred Stock.

For purposes of the Certificate of Designation, (a) “Effective Time” means the effective time of the Semnur Business Combination as determined under the terms of the Semnur Business Combination Agreement, (b) “Determination Date” means, if the Semnur Common Stock (or such other securities into which or for which such stock may be exchanged or converted) is listed for, and trading on, any national securities exchange, the date that is 15 trading days following the Registration Date, (c) “Registration Date” means the earlier of (i) the Effective Time, at which time the shares of Semnur Common Stock (or such other securities into which or for which such stock has been exchanged or converted) are registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and (ii) the time at which the Registration Statement is declared effective by the Securities and Exchange Commission and (d) “Registration Statement” means a registration statement, whether under the Exchange Act, or the Securities Act, that is filed by Semnur or any successor thereto or affiliate thereof with respect to the registration of the Semnur Common Stock or any securities into which or for which such stock may be exchanged or converted. The Board has the right to change the Record Date and the right to revoke the Dividend at any time prior to the payment date therefor. There can be no assurance that the Board will not revoke the Dividend or that, even if such Dividend is paid, the conditions for the mandatory exchange set forth in the Certificate of Designations will ever occur (including that the Registration Date shall have occurred on or before 11:59 p.m. Eastern time on October 28, 2025).

The Series 1 Preferred Stock does not have any bifurcated features and is classified in equity at par value because the Company had an accumulated deficit position as of Dividend Stock declaration date.

On February 2, 2026, the Board revoked the Dividend (the “Dividend Revocation”). No shares of Series 1 Mandatory Exchangeable Preferred Stock had ever been issued or outstanding as of such date as the Spin-off Dividend (as defined in the Certificate of Designation) did not occur by the Preferred Stock End Date (as defined in the Certificate of Designation).

On February 3, 2026, in connection with the Dividend Revocation, the Company filed a Certificate of Elimination of Series 1 Mandatory Exchangeable Preferred Stock (the “Certificate of Elimination”) with the Secretary of State of the State of Delaware. The Certificate of Elimination, which became effective immediately upon filing, eliminated the previously designated 5,000,000 shares of Series 1 Mandatory Exchangeable Preferred Stock and caused such shares to resume their status as undesignated shares of preferred stock of the Company. No shares of Series 1 Mandatory Exchangeable Preferred Stock were issued or outstanding upon the filing of the Certificate of Elimination.

Treasury Stock

As of March 31, 2026 and December 31, 2025, there were 1,458,263 shares of Treasury Stock.

At-the-Market Sales Agreement

On December 22, 2023, the Company entered into the ATM Sales Agreement with the Sales Agents, which agreement was voluntarily terminated by the Company effective as of March 5, 2025. Pursuant to the ATM Sales Agreement, the Company was able to offer and sell up to \$170,000,000 ATM Shares, through or to the Sales Agents. The Company had no obligation to sell any shares of Common Stock under the ATM Sales Agreement and could suspend offers at any time.

The ATM Shares offered and sold in the Offering were issued pursuant to the Company's shelf registration statement on Form S-3 (which was initially filed with the SEC on December 22, 2023, as amended, and declared effective on January 11, 2024 (File No. 333-276245)) (the "Shelf S-3 Registration Statement"). The ATM Shares were offered only by means of a prospectus forming a part of the Shelf S-3 Registration Statement.

The Sales Agents were entitled to a commission equal to 3.0% of the gross proceeds from each sale of shares of Common Stock. The Company agreed to reimburse the Sales Agents for certain expenses and has agreed to provide indemnification and contribution to the Sales Agents against certain civil liabilities, including liabilities under the Securities Act.

For the three months ended March 31, 2026 and 2025, no sales of Common Stock had been made under the ATM Sales Agreement.

February 2024 Bought Deal Offering Underwriting Agreement

On February 29, 2024, the Company entered into an underwriting agreement (the "February 2024 BDO Underwriting Agreement") with Rodman & Renshaw LLC and StockBlock, acting as representatives of the underwriters, to sell, in an underwritten offering (the "February 2024 BDO"), 168,068 shares of Common Stock (the "February 2024 BDO Firm Shares") and accompanying common warrants to purchase up to an aggregate of 168,068 shares of Common Stock (the "February 2024 BDO Firm Warrants"). The securities in the February 2024 BDO were offered and sold by the Company pursuant to the Shelf S-3 Registration Statement, a base prospectus dated January 11, 2024, and a final prospectus supplement dated February 29, 2024.

The February 2024 BDO closed on March 5, 2024, and the combined price per February 2024 BDO Firm Shares and accompanying February 2024 BDO Firm Warrants paid by the underwriters was \$54.74, which amount reflects the combined public offering price of \$59.50, less underwriting discounts and commissions. Subject to certain ownership limitations, the Common Warrants are immediately exercisable, set to expire five years later, with an exercise price of \$59.50 per share, subject to adjustments. Additionally, the Company issued the representative warrants (the "February 2024 BDO Representative Warrants") to the underwriters, allowing them to purchase up to 13,446 shares of Common Stock, with these warrants being immediately exercisable at \$74.38 per share, representing 125% of the combined public offering price per February 2024 BDO Firm Shares and accompanying February 2024 BDO Firm Warrants.

The Company accounted for the February 2024 BDO Firm Warrants as a liability classified instrument (see Note 5) and the February 2024 BDO Representative Warrants as an equity classified instrument. The February 2024 BDO Representative Warrants are recognized in additional paid-in capital in the Company's condensed consolidated balance sheet. The issuance costs allocated to the equity component are recorded as the reduction of the offering proceeds and the amounts allocated to the liability component are expensed as incurred within the selling, general and administrative expenses in the Company's condensed consolidated statement of operations. The fair value of February 2024 BDO Representative Warrants as of the date of issuance was \$0.3 million.

On December 11, 2024, the Company entered into a warrant amendment (the "Warrant Amendment") with one of its investors to exercise the outstanding number of the February 2024 BDO Firm Warrants that the Company issued to such investor in the February 2024 BDO. Pursuant to the Warrant Amendment, the investor agreed to exercise outstanding February 2024 BDO Firm Warrants to purchase an aggregate of 50,421 shares of Common Stock in cash at an amended exercise price of \$20.65 per share. During each of the three months ended March 31, 2026 and 2025, there were no February 2024 BDO Firm Warrants exercised. As of each of March 31, 2026 and December 31, 2025, there were 3,803,447 February 2024 BDO Firm Warrants, which are currently exercisable for an aggregate of up to 108,686 shares of Common Stock outstanding and 470,588 February 2024 BDO Representative Warrants, which are currently exercisable for an aggregate of up to 13,446 shares of Common Stock outstanding.

April 2024 Registered Direct Offering

On April 23, 2024, the Company entered into a securities purchase agreement (the "April 2024 RDO Purchase Agreement") with the investor named therein, pursuant to which the Company agreed to sell and issue, in a registered direct offering (the "April 2024 RDO"): (i) an aggregate of 428,572 shares of Common Stock (the "April 2024 RDO

Shares”), and (ii) common warrants to purchase up to 34,286 shares of Common Stock (the “April 2024 RDO Common Warrants”). The offering price per April 2024 RDO Share and accompanying April 2024 RDO Common Warrants to purchase one share of Common Stock was \$35.00, for aggregate gross proceeds to the Company of \$15,000,000, before deducting the placement agent fees and other offering expenses. Subject to certain ownership limitations, the April 2024 RDO Common Warrants are exercisable on the six-month anniversary from the date of issuance, will expire on the five-year anniversary of the date of issuance and have an exercise price of \$38.50 per share. The exercise price of the April 2024 RDO Common Warrants is subject to certain adjustments, including stock dividends, stock splits, combinations and reclassifications of the Common Stock.

StockBlock and its affiliate, Rodman & Renshaw LLC, acted as exclusive placement agents (the “April 2024 RDO Placement Agents”) in connection with the April 2024 RDO. As compensation for such placement agent services, the Company paid the April 2024 RDO Placement Agents an aggregate cash fee equal to 8.0% of the gross proceeds actually received by the Company from the April 2024 RDO. The Company also reimbursed the April 2024 RDO Placement Agents \$100,000 for actual, reasonable and documented fees and expenses, inclusive of fees and expenses of legal counsel and out-of-pocket expenses and \$15,950 for clearing expenses. The Company has also agreed to issue to the April 2024 RDO Placement Agents or their respective designees common warrants, substantially in the form of the April 2024 RDO Common Warrants, to purchase up to 34,286 shares of Common Stock (the “April 2024 RDO Placement Agent Warrants”), representing up to 8.0% of the total number of the April 2024 RDO Shares issued in the April 2024 RDO. The April 2024 RDO Placement Agent Warrants have an exercise price of \$43.75 per share (which represents 125% of the combined offering price per share of Common Stock and the April 2024 RDO Common Warrant sold in the April 2024 RDO), will become exercisable on the six-month anniversary of the date of issuance and expire five years from the commencement of sales in the April 2024 RDO.

The Company accounted for the April 2024 RDO Common Warrants as a liability classified instrument (see Note 5) and the April 2024 RDO Placement Agent Warrants as an equity classified instrument. The April 2024 RDO Placement Agent Warrants are recognized in additional paid-in capital in the Company’s condensed consolidated balance sheets. The issuance costs allocated to the equity component are recorded as the reduction of the offering proceeds and the amounts allocated to the liability component are expensed as incurred within the selling, general and administrative expenses in the Company’s condensed consolidated statement of operations. The fair value of the April 2024 RDO Placement Agent Warrants as the date of issuance was \$0.6 million.

On November 23, 2025, in connection with the November 2025 Warrant Inducement Agreement (as defined below), the investor thereunder agreed to exercise the April 2024 RDO Common Warrants in exchange for the November 2025 Warrants.

As of each of March 31, 2026 and December 31, 2025, there were no April 2024 RDO Common Warrants outstanding. As of each of March 31, 2026 and December 31, 2025, there were 1,200,000 April 2024 RDO Placement Agent Warrants outstanding, which are currently exercisable for an aggregate of up to 3,250,000 shares of Common Stock.

December 2024 Registered Direct Offering

On December 11, 2024, the Company entered into a securities purchase agreement (the “December 2024 RDO Purchase Agreement”) with the investors named therein, pursuant to which the Company agreed to sell and issue, in a registered direct offering (the “December 2024 RDO”): (i) an aggregate of 68,604 shares of Common Stock, (ii) pre-funded warrants to purchase up to 92,857 shares of Common Stock (the “December 2024 RDO Pre-Funded Warrants”) and (iii) common warrants to purchase up to 1,642,871 shares of Common Stock (the “December 2024 RDO Common Warrants” and collectively with the December 2024 RDO Pre-Funded Warrants and the warrants issued to StockBlock pursuant to certain contractual obligations between the Company and StockBlock (the “StockBlock Warrants”), the “December 2024 RDO Warrants”). The combined offering price (a) per share of Common Stock and accompanying December 2024 RDO Common Warrants was \$20.65 and (b) per December 2024 RDO Pre-Funded Warrant and accompanying December 2024 RDO Common Warrants was \$20.6499. The aggregate gross proceeds to the Company from the December 2024 RDO were approximately \$17.0 million, before deducting offering fees and expenses. The Company intends to use the net proceeds from the December 2024 RDO for working capital and general corporate purposes, which may include capital expenditures, commercialization expenditures, research and development expenditures, regulatory affairs expenditures, clinical trial expenditures, acquisitions of new technologies and investments, business combinations and the repayment, refinancing, redemption or repurchase of indebtedness or capital stock.

The Company accounted for the December 2024 RDO Common Warrants and December 2024 RDO Pre-Funded Warrants as liability classified instruments (see Note 5) and the StockBlock Warrants as an equity classified instrument. The StockBlock Warrants are recognized in additional paid-in capital in the Company's condensed consolidated balance sheets. The issuance costs allocated to the equity component are recorded as the reduction of the offering proceeds and the amounts allocated to the liability component are expensed as incurred within the selling, general and administrative expenses in the Company's condensed consolidated statement of operations. The fair value of StockBlock Warrants as of the date of issuance was \$0.6 million. On December 26, 2024, the December 2024 RDO Pre-Funded Warrants were exercised by the holder for total net proceeds of approximately \$0.2 million.

On November 23, 2025, in connection with the November 2025 Warrant Inducement Agreement (as defined below), one of the investors exercised the December 2024 RDO Common Warrants in exchange for the November 2025 Warrants.

As of March 31, 2026 and December 31, 2025, there were 537,298 December 2024 RDO Common Warrants outstanding, which are exercisable for an aggregate of up to 537,298 shares of Common Stock, and 131,472 StockBlock Warrants outstanding which are exercisable for an aggregate of up to 131,472 shares of Common Stock.

Warrant Exercise Agreement

On September 30, 2025, the Company entered into a Warrant Exercise Agreement (the "Warrant Exercise Agreement") with certain holders (the "Existing Warrant Holders") of the Company's existing warrants to purchase shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock") at an exercise price of \$22.72 per share originally issued pursuant to that certain Securities Purchase Agreement, dated December 11, 2024, by and among the Company and the investors named therein (the "Existing December 2024 Warrants"). Pursuant to the Warrant Exercise Agreements, the Existing Warrant Holders will exercise in full the Existing December 2024 Warrants for an aggregate of 179,236 shares of Common Stock and defer, for a deferral fee of \$7.72 per share being exercised (the "Deferral Fee"), their right to receive an amortization payment scheduled to be paid by the Company on October 1, 2025, as set forth in the amortization schedule included in the Tranche B Notes issued to each Existing Warrant Holder and Oramed pursuant to that certain Securities Purchase Agreement, dated as of October 7, 2024, by and among the Company and the investors party thereto (including the Existing Warrant Holders) in exchange for the Company's agreement to issue new warrants to purchase an aggregate of 275,000 shares of Common Stock (the "September 2025 Warrants") at an exercise price of \$20.00 per share as described below. The aggregate gross proceeds from the exercise of the Existing December 2024 Warrants, net of the Deferral Fee, is approximately \$2.7 million.

The Company has agreed to use an aggregate of \$2.5 million of the gross proceeds from the warrant exercises in connection with the repayment of such aggregate amounts outstanding under the Tranche B Notes, and the remaining proceeds from the exercise of the Existing December 2024 Warrants for general corporate purposes.

The September 2025 Warrants are immediately exercisable upon issuance. The issuance of the September 2025 Warrants was made pursuant to an exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506(b) of Regulation D as promulgated thereunder by the United States Securities and Exchange Commission (the "SEC"). The Company has agreed to file as soon as practicable (and in any event within 30 calendar days of the date of the Warrant Exercise Agreement) a registration statement on Form S-3 (or Form S-1 if Form S-3 is not available to the Company) registering under the Securities Act, the resale by the Existing Warrant Holders of the shares of Common Stock issuable upon exercise of the September 2025 Warrants or to include such shares of Common Stock in any other registration statement on Form S-3 filed by the Company. Accordingly, on December 16, 2025, the Company filed a registration statement on Form S-1. The September 2025 Warrants shall have an expiration date of December 13, 2029.

The Exercise Price of the September 2025 Warrants is subject to adjustment for any stock split, stock dividend, stock combination, recapitalization or similar event and is also subject to adjustment in connection with certain subsequent offerings at a per share price less than the exercise price of the September 2025 Warrants then in effect.

A holder of a September 2025 Warrant shall not have the right to exercise any portion of a September 2025 Warrant to the extent that, after giving effect to such exercise, the holder (together with certain related parties) would beneficially own in excess of 4.99% (the "Maximum Percentage") of shares of Common Stock outstanding

immediately after giving effect to such exercise. The Maximum Percentage may be raised or lowered to any other percentage not in excess of 9.99%, at the option of the holder, except that any increase will only be effective upon 61 days' prior notice to the Company.

The September 2025 Warrants prohibit the Company from entering into specified fundamental transactions unless the successor entity (subject to certain exceptions) assumes all of the Company's obligations under the September 2025 Warrants under a written agreement before the transaction is completed. Upon specified corporate events, a September 2025 Warrant holder will thereafter have the right to receive upon an exercise such shares, securities, cash, assets or any other property whatsoever which the holder would have been entitled to receive upon the happening of the applicable corporate event had the September 2025 Warrant been exercised immediately prior to the applicable corporate event. When there is a transaction involving specified changes of control, holders of September 2025 Warrants will have the right to force the Company to repurchase such holder's September 2025 Warrant for a purchase price in cash equal to the Black Scholes value, as calculated under the September 2025 Warrants, of the then unexercised portion of the September 2025 Warrant.

As of March 31, 2026, there were 275,000 September 2025 Warrants outstanding, which are exercisable for an aggregate of up to 275,000 shares of Common Stock.

Warrant Inducement Agreement

On November 23, 2025, the Company entered into a Warrant Inducement Agreement (the "Warrant Inducement Agreement") with an investor, pursuant to which the investor agreed to exercise all of their outstanding April 2024 RDO Common Warrants and December 2024 RDO Common Warrants (collectively, the "Original Warrants") in exchange for (i) a reduction in the exercise prices from \$38.50 per share and \$22.72 per share, respectively, to \$22.51 per share, and (ii) the issuance of a new unregistered warrant (the "November 2025 Investor Warrant").

Because the amendments to the exercise price of the April 2024 RDO Common Warrants and December 2024 RDO Common Warrants resulted in an exercise price equal to the fair value of the Common Stock, the Company concluded that the substance of the transaction was an exchange of the Original Warrants for the November 2025 Investor Warrants as an inducement for the issuance of 904,396 shares of Common Stock at a purchase price equal to their fair value. The impact of the warrant exchange, calculated as the difference between the fair value of the November 2025 Investor Warrants and the fair value of the Original Warrants resulted in a loss amounting to \$6.3 million, which the Company recorded within the "Loss on settlement of liability classified instruments" in the statement of operations and comprehensive loss. Upon the exercise of the Original Warrants, the Company received in cash \$18.6 million, net of issuance costs.

The November 2025 Investor Warrants to purchase 1,356,594 shares of Common Stock have an exercise price of \$29.00 per share, may be exercised on a cashless basis under certain circumstances, and have an expiration date of November 25, 2030. The Company accounted for November 2025 Investor Warrants as liability classified instruments.

As of March 31, 2026, there were 1,356,594 shares of November 2025 Investor Warrants and 72,352 shares of November 2025 Placement Agent Warrants outstanding with an exercise price of \$29.00 per share, may be exercised on a cashless basis under certain circumstances, which are exercisable for an aggregate of 1,428,946 shares of Common Stock and have an expiration date of November 25, 2030.

Repricing Options

On December 11, 2025 (the "Repricing Date"), the Company's stockholders approved a one-time repricing (the "Option Repricing") of certain outstanding stock options held by 14 of the Company's current employees. The per-share exercise price of these options was reduced to \$16.80, the closing price of the Company's common stock on the Nasdaq Capital Market on the Repricing Date (the "Repricing").

The Option Repricing applied to certain stock options granted under the Scilex Holding Company 2022 Equity Incentive Plan, as amended (the "Equity Incentive Plan"). This included stock options with an original exercise price of \$282.80 per share, representing an aggregate of 289,405 shares of common stock (the "Eligible Options"). The Eligible Options were held by certain current employees, executive officers, and non-employee directors as of the

Repricing Date. Only options with an exercise price of \$282.80 per share immediately prior to the Repricing were eligible to participate.

Except for the modification to the exercise price, the Eligible Options continue to be subject to their original terms and conditions, including the number of shares underlying the options, vesting schedules, and expiration dates.

The Option Repricing resulted in total incremental stock-based compensation expense of \$2.4 million, which was calculated using the Black-Scholes option-pricing model. For the year ended December 31, 2025, the Company recognized incremental stock-based compensation expense of \$1.7 million related to repriced options. As of March 31, 2026, there is \$0.5 million of unrecognized incremental stock-based compensation expense related to the Option Repricing, which will be recognized over the remaining service period of approximately 9 months.

11. Stock Incentive and Employee Benefit Plan

2017 Scilex Pharmaceuticals Inc. Equity Incentive Plan

In June 2017, the Board adopted the Scilex Pharmaceuticals Inc. Equity Incentive Plan (the “Scilex Pharma 2017 Plan”). In connection with the corporate reorganization in March 2019, the Scilex Pharma 2017 Plan was terminated. Accordingly, after such time, no additional awards were granted under the Scilex Pharma 2017 Plan. However, the 2017 Stock Option Plan will continue to govern outstanding awards granted thereunder.

Scilex Holding Company 2019 Stock Option Plan

In May 2019, the Board adopted the Scilex Holding Company 2019 Stock Option Plan (the “2019 Stock Option Plan”), which subsequently was amended in December 2020. The 2019 Stock Option Plan was terminated at the closing of the Scilex Business Combination, and no further awards have been granted under the 2019 Stock Option Plan thereafter. However, the 2019 Stock Option Plan will continue to govern outstanding awards granted thereunder.

Scilex Holding Company 2022 Equity Incentive Plan

In October 2022, the Board adopted the Equity Incentive Plan. As of March 31, 2026, a total of 1,051,604 shares of Common Stock were available and have been reserved for future issuance under the Equity Incentive Plan.

Scilex Holding Company 2023 Inducement Plan

On January 17, 2023, the compensation committee of the Board adopted the Scilex Holding Company 2023 Inducement Plan (the “Inducement Plan”). The Inducement Plan provides for the grant of equity-based awards in the form of non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units, and other awards solely to prospective employees of the Company or an affiliate of the Company provided that certain criteria are met. The initial maximum number of shares available for grant under the Inducement Plan is 40,000 shares of Common Stock (subject to adjustment for recapitalizations, stock splits, reorganizations and similar transactions). No awards were granted under the Inducement Plan during the three months ended March 31, 2026 and 2025.

As of March 31, 2026, options to purchase 1,494,241 shares of Common Stock were outstanding under all equity incentive plans.

The following table summarizes stock option activity during the three months ended March 31, 2026 (shares in thousands):

| | Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Life, in years | Aggregate Intrinsic Value |
|--|---------|------------------------------------|--|------------------------------|
| Outstanding as of December 31, 2025 | 1,504 | \$ 46.59 | 6.4 | \$ — |
| Forfeited/Cancelled | (10) | 47.86 | — | — |
| Outstanding as of March 31, 2026 | 1,494 | \$ 46.58 | 6.6 | \$ 1,176 |
| Vested and expected to vest as of March 31, 2026 | 1,494 | 46.58 | 6.6 | \$ 1,176 |
| Exercisable as of March 31, 2026 | 953 | \$ 57.49 | 5.2 | \$ 245 |

Intrinsic value is calculated as the difference between the exercise price of the underlying options and the fair value of the Common Stock for the options that had exercise prices that were lower than the per share fair value of the Common Stock as of the measurement date of the intrinsic value. No stock options were granted during the three months ended March 31, 2026. No options were exercised during the three months ended March 31, 2026. The maximum term of options granted under each of the equity incentive plans is ten years.

Total stock-based compensation recorded within operating expenses was \$3.6 million and \$3.3 million for the three months ended March 31, 2026 and 2025, respectively.

The total unrecognized compensation costs related to unvested employee and non-employee stock option grants as of March 31, 2026 were \$16.2 million, which the Company expects to recognize over a weighted-average period of approximately 2.9 years.

Scilex Holding Company 2022 Employee Stock Purchase Plan

In October 2022, the Board adopted the Scilex Holding Company 2022 Employee Stock Purchase Plan (the “ESPP”). The purchase price of the Common Stock is equal to 85% of the lesser of the market value of such shares at the beginning of an offering period or the date of purchase. As of March 31, 2026, the total number of shares of Common Stock that may be issued under the ESPP shall not exceed 217,302, which was increased from 170,575 shares as a result of automatic annual increase on January 1, 2026.

Total stock-based compensation recorded as operating expense for the ESPP was \$12.2 thousand for the three months ended March 31, 2026, and \$50.2 thousand for the three months ended March 31, 2025.

For the three months ended March 31, 2026, there were nil shares of Common Stock issued under the ESPP.

Valuation Assumptions

The Company calculates the fair value of stock options granted to employees and nonemployees and shares issued under the ESPP using the Black-Scholes option pricing method. The Black-Scholes option pricing method requires the use of subjective assumptions. There were no stock options granted under the ESPP for the three months ended March 31, 2026.

Semnur 2024 Stock Option Plan

Concurrent with the signing of the Semnur Business Combination Agreement, the Board, the Company (as the sole stockholder of Semnur) and the board of directors of Semnur approved the 2024 Stock Option Plan (the “Semnur 2024 Plan”). Under the Semnur 2024 Plan, 40,000,000 shares of Semnur Common Stock were reserved for future issuance and nonstatutory stock options (“NSOs”) to purchase the same amount of Semnur Common Stock were granted to certain executive officers of Semnur. The NSOs were granted on August 30, 2024 and expire on August 30, 2034. No expense was recorded in connection with the NSOs as of March 31, 2026, as until the date on which all payments and all obligations under the Oramed Note have been paid in full in cash, such options will not be or become exercisable, eligible for exchange, redemption or repurchase, eligible to participate in any dividends or distributions or have any voting rights in respect of the Company or any of its current or future subsidiaries of the Company, and following the closing of the transactions contemplated by the Semnur Business Combination Agreement, the Company, Denali or any of their respective current and future subsidiaries, successors and assigns.

Employee Benefit Plan

The Company maintains a defined contribution 401(k) plan available to eligible employees. Employee contributions are voluntary and are determined on an individual basis, limited to the maximum amount allowable under federal tax regulations. The Company made matching contributions to the 401(k) plan totaling \$0.1 million and \$0.2 million for each of the three months ended March 31, 2026 and 2025, respectively.

Retainer Shares

On February 13, 2023, the Company entered into a Stock Issuance Agreement (the “2023 SIA”) with a law firm for the provision of legal services to the Company. Under the 2023 SIA, the Company issued 114,286 shares of Common Stock to the law firm. On July 1, 2024, the Company entered into another Stock Issuance Agreement (the “2024 SIA”) with the same law firm for the provision of legal services to the Company. Under the 2024 SIA, the Company issued 285,714 shares of Common Stock to the same law firm.

On July 22, 2025, Legacy Semnur entered into a stock issuance agreement with the law firm named therein pursuant to which the law firm was issued 10,000,000 shares of Legacy Semnur common stock as a retainer for legal services. Upon the closing of the Semnur Business Combination, the shares were exchanged for 12,500,000 shares (i.e., the then-existing 10,000,000 shares of Legacy common stock multiplied by the Exchange ratio) of Semnur common stock.

All such shares are held by the law firm as collateral for current and future outstanding legal fees due from the Company (the “Retainer Shares”). At the option of the law firm, the Retainer Shares may be sold and the net proceeds may be applied against the outstanding legal fees. The Retainer Shares not applied against the outstanding legal fees due will be returned to the Company. As of March 31, 2026, it was not probable that any of the Retainer Shares would be applied against any outstanding legal fees.

12. Variable Interest Entities

Vivator Business Combination

On December 5, 2025, the Company entered into a Share Transfer Agreement with EAR SPV and Vivator, pursuant to which, among other things, EAR SPV agreed to sell, and the Company agreed to buy, all 6,101,468 shares of Vivator’s Series A-1 Preferred Stock, par value \$0.00001 per share, held by EAR SPV, for an aggregate purchase price of \$9.0 million.

The Company evaluated Vivator under the VIE model in accordance with ASC 810 and concluded that Vivator is a VIE because it lacked sufficient equity at risk to finance its activities without additional subordinated support (see Note 3). Due to the Company’s power to direct key activities through its eligible majority board representation and its significant economic exposure through its 32.6% equity interest, it was determined that the Company was the primary beneficiary of Vivator. As a result, the Company consolidated Vivator as of the Vivator Transaction Date. The Company will reassess its primary beneficiary status and VIE conclusion for Vivator upon the occurrence of any reconsideration events.

The Company’s unaudited condensed consolidated balance sheet at March 31, 2026 includes balances for Vivator of \$2.9 million for cash and cash equivalents, \$12.6 million property and equipment, net, \$21.2 million accounts payable and \$20.0 million accrued expenses. For the three months ended March 31, 2026, share issuance to third-party attributable to the noncontrolling interest was \$1.5 million.

Scilex Bio, Inc. Acquisition

On April 17, 2025, the Company established a majority and controlling interest in Scilex Bio, a newly formed legal entity created to develop and commercialize KDS2010, a next-generation reversible MAO-B Inhibitor, a novel inhibitor of aberrant GABA production in reactive astrocytes for the treatment of obesity and neurodegenerative diseases including Alzheimer’s disease in the United States. At formation, the Company contributed 5,000,000 shares of common stock, par value \$0.00001 per share, of Semnur (the “Semnur Common Stock”) to Scilex Bio in exchange for a 60% equity interest. IPMC Company (“IPMC”) made certain representations to Scilex Bio regarding its rights in certain license and commercialization rights to KDS2010 and agreed to contribute such rights to Scilex Bio in exchange for a 40% equity interest.

The Company evaluated Scilex Bio under the variable interest entity (“VIE”) model in accordance with ASC 810 and concluded that Scilex Bio is a VIE because it lacked sufficient equity at risk to finance its activities without additional subordinated support. Due to the Company’s power to direct key activities through its majority board representation and its significant economic exposure through its 60% equity interest, it was determined that the Company was the primary beneficiary of Scilex Bio. As a result, the Company consolidated Scilex Bio beginning on the formation date.

The Company further concluded that Scilex Bio did not meet the definition of a business under ASC 805, *Business Combinations*. Therefore, the transaction was accounted for as an asset acquisition under ASC 805-50. As the shares of Semnur Common Stock were contributed by the Company (the parent) to an entity under common control, they were recorded at their historical carrying value of \$0 in the condensed consolidated financial statements. The KDS2010 license rights contributed by IPMC were recorded at 40% of their estimated fair value of \$9.4 million for \$4.9 million and immediately expensed as in-process research and development (“IPR&D”) in accordance with ASC 730, *Research and Development*, as the contributed IP had no alternative future use. A current liability of \$1.1 million was also recognized for the initial upfront payment due under the licensing arrangement (further discussed below).

Additionally, the Company recorded \$1.8 million in additional paid-in capital as a capital contribution. For the three months ended March 31, 2026, net loss from Scilex Bio attributable to the noncontrolling interest was \$22.4 thousand.

The Company’s unaudited condensed consolidated balance sheet at March 31, 2026 includes balances for Scilex Bio of nil for cash and cash equivalents, nil property and equipment, net, \$0.1 thousand accounts payable and \$1.1 million accrued expenses.

As of March 31, 2026, Scilex Bio had not commenced revenue-generating operations and remains focused on early-stage development efforts for KDS2010. The Company will reassess its primary beneficiary status and the VIE conclusion for Scilex Bio upon the occurrence of any reconsideration events.

In connection with the formation of Scilex Bio, on April 17, 2025, the entity entered into a license agreement with IPMC and NeuroBioGen Company (“NBG”), under which it obtained exclusive rights to develop and commercialize KDS2010 globally, except for Korea. Under the terms of the agreement, Scilex Bio may be required to make aggregate payments of up to KRW 6.5 trillion (approximately \$4.8 billion) to NBG, consisting of an upfront fee of KRW 1.5 billion (approximately \$1.1 million), and KRW 68.5 billion (approximately \$50.7 million) contingent upon the achievement of specified development, regulatory and commercial milestones. Scilex Bio is also required to pay royalties equal to 5% of net sales of licensed products, payable quarterly until the expiration of the last-to-expire licensed patent. Aggregate payments to NBG are capped at KRW 6.5 trillion (approximately \$4.8 billion). As of March 31, 2026, only the first tranche of the upfront fee (KRW 1.5 billion or approximately \$1.1 million) had become payable, subject to the satisfaction of certain obligations on the part of NBG, and was recorded as a current liability.

Semnur

On September 22, 2025, the Company’s majority owned subsidiary Semnur completed the Semnur Business Combination Agreement (see Note 3). Semnur is the Company’s majority owned clinical late-stage pharmaceutical company focused on the development and commercialization of SEMDEXA.

The Semnur Business Combination was accounted for as a reverse recapitalization. Because the Company controlled Semnur before the Semnur Business Combination and also controls Semnur following the Semnur Business Combination, Denali was treated as the “acquired” company for financial reporting purposes. Accordingly, the Semnur Business Combination was treated as the equivalent of Semnur issuing stock for the net assets of Denali,

accompanied by a recapitalization whereby the net assets of Denali will be stated at historical cost and no goodwill or other intangible assets are recorded.

Due to the changes in ownership structure related to the above transactions, the Company reevaluated Semnur under the VIE model in accordance with ASC 810. The Company concluded that Semnur is a VIE because it lacked sufficient equity at risk to finance its activities without additional subordinated support. Due to the Company's power to direct key activities through its majority board representation and its significant economic exposure, it was determined that the Company was the primary beneficiary of Semnur. As a result, the Company continues to consolidate Semnur and records the interest that the Company does not own as noncontrolling interest in the consolidated financial statements.

The Company's unaudited condensed consolidated balance sheet at March 31, 2026 includes balances for Semnur of \$0.1 million for cash and cash equivalents, \$0.7 million property and equipment, net, \$6.4 million accounts payable, \$1.2 million accrued expenses, and \$2.8 million note payable. For the three months ended March 31, 2026, net loss from Semnur attributable to the noncontrolling interest was \$0.9 million.

13. Commitments and Contingencies

Securities Purchase Agreement (the "PIPE SPA")

On August 20, 2025, the Company and Legacy Semnur entered into a securities purchase agreement ("PIPE SPA") with the investor named therein, pursuant to which the investor agreed to purchase 1,250,000 shares of Common Stock at a price of \$16.00 per share, for an aggregate purchase price of \$20.0 million following the consummation of the Semnur Business Combination. On September 22, 2025, the PIPE SPA was amended to provide that unless such agreement was terminated pursuant to its terms (or otherwise by mutual agreement of the parties thereto), the closing of the transactions contemplated thereby would occur not later than the 14th business day following the closing of the Semnur Business Combination, subject to the satisfaction or waiver of the closing conditions set forth therein. As of March 31, 2026, the transaction had not closed and accordingly, the shares had not been issued and the funds had not been received. As described in Note 15, on April 20, 2026, the Company and Semnur Inc. delivered written notice terminating the PIPE SPA pursuant to Section 8 thereof. The PIPE SPA terminated as of April 20, 2026 and is no longer in effect and the transactions contemplated thereby will not be consummated (see Note 15).

Product Development Agreement

In February 2013, Scilex Pharma became a party to a product development agreement (as amended, the "Product Development Agreement") with Itochu and Oishi Koseido Co., Ltd. ("Oishi," and together with Itochu, the "Developers"), pursuant to which the Developers will manufacture and supply lidocaine tape products, including ZTlido and SP-103 (the "Products"), for Scilex Pharma. The Developers initially developed and have intellectual property rights relating to the Products. Pursuant to the Product Development Agreement, Scilex Pharma acquired an exclusive right to develop and commercialize the Products worldwide except for Japan. The Developers are responsible for sourcing and supplying lidocaine for development and commercialization purposes.

Pursuant to the Product Development Agreement, Scilex Pharma is required to make aggregate royalty payments between 25% and 35% to the Developers based on net profits. Scilex Pharma made royalty payments in the amount of \$1.2 million and \$0.9 million for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026 and December 31, 2025, Scilex Pharma had ending balances of accrued royalty payables of \$1.8 million and \$2.1 million, respectively. Total royalty expense recorded within cost of revenue was \$0.9 million and \$0.7 million for the three months ended March 31, 2026 and 2025, respectively.

Net profits are defined as net sales, less cost of goods and marketing expenses. Net sales are defined as total gross sales of any Product, less all applicable deductions, to the extent accrued, paid or allowed in the ordinary course of business with respect to the sale of such Product, and to the extent that they are in accordance with GAAP. If Scilex Pharma were to sublicense the licensed technologies, the Developers will receive the same proportion of any sublicensing fees received therefrom. The Product Development Agreement will continue in full force and effect until October 2, 2028, the date that is ten years from the date of the first commercial sale of ZTlido. The Product Development Agreement will renew automatically for subsequent successive one-year renewal periods unless Scilex Pharma or the Developers terminate it upon six-months' written notice.

On February 16, 2017, Scilex Pharma entered into a Commercial Supply Agreement (as amended, the “Supply Agreement”) with the Developers to provide commercial supply of ZTlido and SP-103 to Scilex Pharma. The Supply Agreement contains standard terms regarding term, termination, payment, product quality and supply. In addition, the agreement provides additional terms regarding the calculation and amount of marketing expenses that may be deducted from net sales for purposes of determining the amount of net profit under the Product Development Agreement.

Sales Operations Services

In November 2014, Scilex Pharma entered into a project agreement with a vendor, pursuant to which the vendor has agreed to perform certain services in accordance with written work orders, which was subsequently superseded by a new project agreement entered into in May 2025 (the “Project Agreement”). In connection with the detailing services, the Project Agreement provides that the vendor will provide Scilex Pharma with full-time sales representatives who shall detail the Product by making calls pursuant to a call plan on targets. In connection with the sales operation services, the vendor will provide certain services required for the initial implementation and ongoing operation of the sales force.

In May 2025, Scilex Pharma and the vendor entered into a work order in which the parties agreed to convert substantially all of the sales representatives allocated under the Project Agreement to become employees of the vendor. The work order shall be in effect and remain in effect until the thirty-six months anniversary of the Deployment Date, as set forth in accordance with the terms of the Project Agreement, which is June 3, 2025, or until terminated in accordance with the terms of the Project Agreement or unless extended as provided therein (the “Term”). The Term may be extended for additional periods of one (1) year (each, an “Additional Term”) upon the mutual written agreement of the parties not less than sixty (60) days before the end of the Term or any Additional Term. Scilex Pharma paid a one-time implementation fee of \$72.0 thousand associated with the operational setup and the recruiting of the sales representatives and will pay fixed monthly fee of \$1.2 million for year one and \$1.3 million for each of year two and year three.

Pursuant to the terms set forth in the Project Agreement, either party may terminate this work order without cause upon ninety (90) days prior written notice to the other party; provided, however, that such termination by Scilex Pharma may not occur prior to the twelve (12) month anniversary of the Deployment Date.

PA OPS Investment Agreement

In August 2025, Scilex Bio entered into the Investment Agreement with Investor LLC.

Pursuant to the terms of the agreement, the Company committed to providing \$2.5 million (the “Committed Amount”) in future funding, contingent upon Investor LLC successfully identifying and acquiring an appropriate target company (“Target”) for investment using the Committed Amount by December 31, 2025. Although the arrangement was legally structured as if the Investor LLC had extended a \$2,500,000 loan (the “Loan”) to Scilex at an annual interest rate of 4.03%, no cash was exchanged between the Investor LLC and the Company on Day 1. Accordingly, the Company concluded that, in substance, the transaction does not represent a loan. In August 2025, the LLC acquired the Target which consists of certain assets of a nursing home. However, as the Company is yet to provide the full funding of the Committed Amount, the Company has no ownership interest in the LLC or in the nursing home as of December 31, 2025. On December 31, 2025, the Company made \$1.0 million in cash (the “Funding”) payment to Investor LLC out of the Committed Amount of \$2.5 million, this funding was treated as a partial repayment of the Loan, therefore, no equity ownership was granted to Scilex, as the Target has already been acquired, the Funding is no longer subject to a refund. The Company considered the consolidation models provided in ASC 810 to determine if the Company should consolidate Investor LLC as of December 31, 2025 and concluded that the Funding meets the definition of a VIE but are not in scope of ASC 810, as the Company has not yet received any equity ownership in the Investor LLC, does not hold a board seat, does not have the power to direct Investor LLC's significant activities and it does not have an obligation to absorb any of the VIE's losses, or rights to receive any benefits from the VIE, further, the Company assess and concludes it does not meet the definition of a derivative under ASC 815. The Company accounted for the Funding as an equity security under ASC 321 as it provides the Company with the right to acquire equity ownership in the future at a fixed price through the payment of the remaining Committed Amount. The Company recorded the Funding in equity investment in the Company balance sheet at cost, net of any impairment, there were no indicators of impairment as of March 31, 2026.

Commitment to Purchase QScan Common Stock

On January 29, 2026, the Company entered into a Common Stock Purchase Agreement (the “Commitment”) with QScan, pursuant to which QScan agreed to sell and the Company agreed to purchase 193,021,436 shares of QScan Common Stock at \$0.14247 per share for an aggregate purchase price of approximately \$27.5 million. The closing is conditioned on the prior conversion of the QScan Note. As of March 31, 2026, the acquisition of QScan Common Stock had not been completed and the Company holds no equity ownership interest in QScan.

In November 2025, the Company paid \$2.5 million to QScan as a non-refundable deposit toward the Commitment (the “QScan Fee”). The QScan Fee was classified as a prepayment as of December 31, 2025 and reclassified as the cost basis of the Commitment upon execution of the agreement in January 2026. The Commitment does not meet the definition of a derivative under ASC Topic 815 and is accounted for under ASC Topic 321 using the measurement alternative, carried at cost of \$2.5 million, less any impairment. No impairment was recorded as of March 31, 2026.

Litigation

In the normal course of business, the Company may be named as a defendant in one or more lawsuits. From time to time the Company may become involved in various legal proceedings, including those that may arise in the ordinary course of business. The Company evaluates each matter and assesses its potential financial exposure. If the potential loss from a legal proceeding is considered probable and the amount can be reasonably estimated, the Company records an accrual for the estimated loss. Because the outcome of legal proceedings is inherently uncertain, significant judgment is required in assessing the likelihood of a loss and whether the amount is reasonably estimable. The Company’s assessments and any recorded accruals are based on information available at the time of evaluation. As additional information becomes available, the Company re-evaluates its estimates and may adjust recorded liabilities accordingly.

Other than the following four lawsuits, the Company is not a party to any outstanding material litigation and management is not aware of any legal proceedings that, individually or in the aggregate, are deemed to be material to the Company’s financial condition or results of operations.

Former Employee Action

On March 12, 2021, Scilex Pharma and Sorrento (the “Plaintiffs”) filed an action (the “Former Employee Action”) in the Delaware Court of Chancery against the former President of Scilex Pharma, Anthony Mack, and Virpax Pharmaceuticals, Inc. (“Virpax”, and together with Mr. Mack, the “Defendants”), a company founded and then headed by Mr. Mack, alleging, among other things, breach by Mr. Mack of a restrictive covenant agreement with Sorrento related to his sale of his Scilex Pharma stock to Sorrento, tortious interference with that agreement by Virpax, breach of Mr. Mack’s fiduciary duties to Scilex Pharma, aiding and abetting of that breach by Virpax, and misappropriation of Scilex Pharma’s trade secrets by Mr. Mack and Virpax. Such lawsuit sought, among other relief, damages and various forms of injunctive relief. The case was tried from September 12, 2022 to September 14, 2022. On September 1, 2023, the court found in favor of the Plaintiffs on all but three counts deemed to have been waived. In its 95-page opinion, the court instructed the parties to submit supplemental briefing on the appropriate remedy to implement its rulings. On October 18, 2023, the Plaintiffs submitted a supplemental brief on remedies. On November 29, 2023, Defendants submitted a supplemental brief on remedies. On December 21, 2023, the Plaintiffs submitted a supplemental reply brief on remedies. On February 26, 2024, the Company and Virpax entered into a term sheet regarding a mutual release and settlement agreement, pursuant to which the parties have agreed to resolve the ongoing disputes. On February 29, 2024, the Company and Virpax entered into a definitive settlement agreement, which provides for, among other things, that Virpax would be obligated to make the following payments to the Company to settle the Former Employee Action: (i) \$3.5 million (the “Initial Payment”) by two business days after the Effective Date (as defined therein), which payment has been made; (ii) \$2.5 million by July 1, 2024, which payment has been made on July 8, 2024 and (iii) to the extent any of the following drug candidates are ever sold, royalty payments of (a) 6% of annual Net Sales (as defined therein) of Epoladerm; (b) 6% of annual Net Sales of Probudur and (c) 6% of annual Net Sales of Envelta during the Royalty Term (as defined therein). The Company and Virpax provided mutual releases of all claims that existed as of the Effective Date, whether known or unknown, arising from any allegations set forth in the Former Employee Action. Plaintiffs’ release relates to claims against Virpax only, which does not affect the Company’s claims against Mr. Mack. Plaintiffs have not released Mr. Mack, and litigation against him remains ongoing. The Court requested further briefing on the remedies solely as to the remaining defendant, Mr.

Mack. The parties filed further briefing and then presented oral argument on November 15, 2024. The Court's issued its decision on damages as to Mr. Mack on July 31, 2025, crediting Mr. Mack for settlement amounts previously paid to Plaintiffs by Virpax, on the count for which Mr. Mack was found liable, and assessing costs against Mr. Mack for one-third of Plaintiffs' attorneys fees. On April 2, 2026, the Court entered an order awarding Plaintiffs more than \$5.3 million in attorneys fees to be paid by Mr. Mack. The parties are awaiting the entry of final judgment.

ZTlido Patent Litigation

On June 22, 2022, the Company filed a complaint against Aveva Drug Delivery Systems, Inc. ("Aveva"), Apotex Corp., and Apotex, Inc. (together, "Apotex") in the U.S. District Court for the Southern District of Florida (the "ZTlido Patent Litigation") alleging infringement of certain Orange Book listed patents covering ZTlido (the "ZTlido Patents"). The ZTlido Patent Litigation was initiated following the submission by Apotex, in accordance with the procedures set out in the Hatch-Waxman Act, of an abbreviated new drug application ("ANDA"). Apotex's ANDA seeks approval to market a generic version of ZTlido prior to the expiration of the ZTlido Patents and alleges that the ZTlido Patents are invalid, unenforceable, and/or not infringed. The Company is seeking, among other relief, an order that the effective date of any FDA approval of Apotex's ANDA be no earlier than the expiration of the asserted patents listed in the Orange Book, the latest of which expires on May 10, 2031, and such further and other relief as the court may deem appropriate. Apotex and Aveva were subject to an automatic 30-month stay preventing them from selling a generic version of ZTlido during that time, which was extinguished by the U.S. District Court for the Southern District of Florida decision described below. Aveva received FDA approval for any generic version of ZTlido on March 25, 2025. The two Apotex entities were dismissed from the litigation without prejudice, as they no longer had an interest in the generic product that Aveva seeks to market. Before trial, Aveva dropped its challenge to the validity and enforceability of the Company's patents. Trial in the ZTlido Patent Litigation was held from July 8, 2024 to July 11, 2024. Final post-trial briefing was submitted by the parties on July 25, 2024, and the case was submitted to the U.S. District Court for the Southern District of Florida. On August 26, 2024, that court issued a decision finding that Aveva's product does not infringe the Company's ZTlido Patents. The Company is appealing that decision to the U.S. Court of Appeals for the Federal Circuit, and it filed a Notice of Appeal with the U.S. District Court for the Southern District of Florida on September 25, 2024. Briefing by the parties has been completed. Oral argument was held on May 11, 2026. The parties are awaiting a decision from the Federal Circuit.

Sorrento Equity Holders Litigation

On April 3, 2026, a complaint was filed in the United States District Court for the Southern District of California captioned Mevi et al. v. Ji et al., Case No. 3:26-cv-02113-DMS-DEB. The plaintiffs are former equity holders of Sorrento and have named as defendants, among others, the Company and Semnur. The complaint alleges, among other things, wrongful conduct relating to Sorrento's bankruptcy proceedings and subsequent transactions involving Sorrento's assets, and asserts claims including aiding and abetting breach of fiduciary duty and violation of California Penal Code Section 496. The complaint seeks unspecified compensatory damages, treble damages, disgorgement, punitive damages, attorneys' fees, costs, and other relief. The Company intends to defend the action vigorously. At this time, the Company cannot predict the outcome of this matter or reasonably estimate the possible loss or range of loss, if any.

Scilex-St. James Loan Lawsuit

On March 11, 2026, the Company filed a complaint against Marc Wade, St. James, Omega & Corinth Group Ltd., certain associates thereof (collectively, the "Wade Defendants"), and Bank of New York Mellon Corporation ("BNY") in the United States District Court for the Central District of California. The complaint asserts five causes of action: (1) federal securities fraud (against all defendants); (2) state securities fraud (against the Wade Defendants); (3) fraudulent inducement (against the Wade Defendants); (4) unlawful conversion (against all defendants); and (5) negligence (against BNY). The Company seeks money damages in excess of \$100 million, punitive damages, pre- and post- judgment interest, disgorgement of profits, and attorney fees.

Operating Leases

The Company leases administrative and research and development facilities under various non-cancelable lease agreements. Facility leases generally provide for periodic rent increases and may include options to extend. As of March 31, 2026, the Company's leases have remaining lease terms of approximately 1.5 years. The terms of the Company's leases, ranging from 1 to 13 years, include extension options that were reasonably certain to be exercised. Many of the Company's leases are subject to variable lease payments. Variable lease payments are recognized in the period in which the obligations for those payments are incurred, are not included in the measurement of the operating lease right-of-use ("ROU") assets or lease liabilities, and are immaterial. Additionally, the Company subleases certain properties to third parties. Sublease income is recognized on a straight-line basis and is immaterial.

As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The Company calculates the associated lease liability and corresponding ROU asset upon lease commencement using a discount rate based on a credit-adjusted secured borrowing rate commensurate with the term of the lease. As of March 31, 2026, the Company has no finance leases.

Lease expense was \$1.2 million and \$0.3 million for the three months ended March 31, 2026 and 2025 and was primarily comprised of operating lease costs. The lease expense included variable lease costs and sublease income, which were immaterial for the periods presented.

Supplemental quantitative information related to leases includes the following:

| | Three Months Ended March 31, | |
|---|------------------------------|----------|
| | 2026 | 2025 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases (in thousands) | \$ (1,105) | \$ (227) |
| Weighted average remaining lease term in years — operating leases | 10.4 | 2.5 |
| Weighted average discount rate — operating leases | 13.4% | 11.0% |

Approximate future minimum lease payments under operating leases were as follows (in thousands):

| | Amount |
|---|-----------|
| 2026 (Remainder of 2026) | \$ 2,930 |
| 2027 | 2,997 |
| 2028 | 2,081 |
| 2029 | 2,059 |
| 2030 | 2,131 |
| Thereafter | 17,323 |
| Total lease payments | 29,522 |
| Less imputed interest | 14,955 |
| Total lease liabilities | 14,567 |
| Less current portion of lease liability | 1,723 |
| Lease liability, net of current portion | \$ 12,686 |

14. Net Loss Per Share

The following table sets forth the reconciliation of basic and diluted loss per share for the three months ended March 31, 2026 and 2025 (in thousands except per share data):

| | Three Months Ended March 31, | |
|--|------------------------------|--------------------|
| | 2026 | 2025 |
| Net loss | \$ (45,650) | \$ (26,080) |
| Net loss attributable to noncontrolling interest | \$ (2,380) | \$ — |
| Net loss for basic and diluted loss per share available to common stockholders | <u>\$ (43,270)</u> | <u>\$ (26,080)</u> |
| Weighted average number of shares outstanding | 6,891 | 5,065 |
| Weighted average Common Stock warrants exercisable for nominal consideration | — | 6,500 |
| Weighted average number of shares, basic | 6,891 | 11,565 |
| Weighted average number of shares, diluted | 6,891 | 11,565 |
| Basic | \$ (6.28) | \$ (2.26) |
| Diluted | \$ (6.28) | \$ (2.26) |

Basic net loss per share is computed by dividing net loss by the weighted average number of shares of Common Stock outstanding during the period. Premium paid on redemption of Series A Preferred Stock was added to the net loss to arrive at loss available for common stockholders as it represents a dividend to the Series A preferred stockholder. Diluted earnings per share is computed using the weighted average number of Common Stock and, if dilutive, potential Common Stock outstanding during the period. Potential Common Stock consists of the incremental Common Stock issuable upon the exercise of stock options and warrants (using the treasury stock method or the reverse treasury stock method, as applicable).

In the computation of net loss per share, treasury shares are not included as part of the outstanding shares. Shares of the Dividend Stock, as declared by the Board on October 27, 2024 and not yet distributed as of March 31, 2026 and 2025, are also excluded from the computation of net loss per share because the associated Series 1 Preferred Stock is not considered to be a participating security. On February 2, 2026, the Board approved revocation of the declaration of the Dividend Stock. No shares of Series 1 Mandatory Exchangeable Preferred Stock had ever been issued or outstanding as of February 2, 2026.

On February 3, 2026, in connection with the Dividend Revocation, the Company filed the Certificate of Elimination of Dividend Stock with the Secretary of State of the State of Delaware. The Certificate of Elimination, which became effective immediately upon filing, eliminated the previously designated 5,000,000 shares of Dividend Stock and caused such shares to resume their status as undesignated shares of preferred stock of the Company. No shares of Dividend Stock were issued or outstanding upon the filing of the Certificate of Elimination.

In accordance with FASB ASC 260, *Earnings Per Share*, Penny Warrants are warrants that would be exercised for no or little consideration and therefore should be included in the calculation of weighted average shares outstanding for purposes of calculating basic and diluted net income (loss) per share. The Closing Penny Warrants become exercisable upon the passage of time and are included in basic and diluted net income (loss) per share from the closing date of September 21, 2023. The Subsequent Penny Warrants to purchase up to an aggregate of 8,500,000 shares of Common Stock were not vested as of the closing date of September 21, 2023 and the vesting was based on the passage of time, the Company's repayment of the Oramed Note or the occurrence of the Management Sale Trigger Date (as defined therein), therefore are included in the computation for basic and diluted net income per share once all other exercise contingencies were removed except for the passage of time.

The following potentially dilutive outstanding securities were excluded from the computation of diluted net loss per share because their effect would have been anti-dilutive for the periods presented:

| | March 31, 2026 | March 31, 2025 |
|---|---------------------------|---------------------------|
| Stock options | 1,494,241 | 1,022,353 |
| Retainer Shares | 399,999 | 399,999 |
| Public Warrants | 156,115 | 156,220 |
| Private Warrants | 28,572 | 28,572 |
| Shares issuable under the ESPP | 3,875 | 9,557 |
| Shares issuable under the SIPA | 8,571 | 8,571 |
| February 2024 BDO Firm Warrants | 108,686 | 108,686 |
| February 2024 BDO Representative Warrants | 13,446 | 13,446 |
| April 2024 RDO Common Warrants | — | 428,572 |
| April 2024 RDO Placement Agent Warrants | 34,286 | 34,286 |
| Deposit Warrants | 3,250,000 | 3,250,000 |
| October 2024 Noteholder Warrants | 107,142 | 214,284 |
| October 2024 Placement Agent Warrants | 104,848 | 104,848 |
| December 2024 RDO Common Warrants | 537,298 | 1,642,871 |
| StockBlock Warrants | 131,472 | 131,472 |
| Shares issuable under Tranche B Notes | 329,671 | 1,114,770 |
| Exchange Warrants | 500,000 | — |
| September 2025 Warrants | 275,000 | — |
| November 2025 Warrants | 1,356,594 | — |
| November 2025 Placement Agent Warrants | 72,352 | — |
| February 2026 Warrants | 100,000 | — |
| Total | <u>9,012,168</u> | <u>8,668,507</u> |

15. Subsequent Events

Oramed Debt Extension

Following the extension provided on March 29, 2026, on April 19, 2026, Oramed further extended the maturity of the Extended Payments from April 20, 2026 to April 30, 2026. In connection therewith, Scilex paid Oramed \$1.0 million in shares of Datavault Common Stock on May 7, 2026 as fees for the extension provided. Also under the Extended Payments, \$10.0 million was due on May 15, 2026, which was partially paid in Datavault shares with an outstanding balance of \$7.4 million. The remaining outstanding balance of the Oramed Note, including interest and paid in kind, is due on or before June 15, 2026.

Litigation

Sorrento Equity Holders Litigation

On April 3, 2026, a complaint was filed in the United States District Court for the Southern District of California captioned Mevi et al. v. Ji et al., Case No. 3:26-cv-02113-DMS-DEB. The plaintiffs are former equity holders of Sorrento and have named as defendants, among others, the Company and Semnur. The complaint alleges, among other things, wrongful conduct relating to Sorrento's bankruptcy proceedings and subsequent transactions involving Sorrento's assets, and asserts claims including aiding and abetting breach of fiduciary duty and violation of California Penal Code Section 496. The complaint seeks unspecified compensatory damages, treble damages, disgorgement, punitive damages, attorneys' fees, costs, and other relief. The Company intends to defend the action vigorously. At this time, the Company cannot predict the outcome of this matter or reasonably estimate the possible loss or range of loss, if any.

FSF Warrant Purchase Agreement

On April 16, 2026, Henry Ji, Ph.D, Chief Executive Officer and President of the Company and Stephen Ma, Chief Operating Officer and Chief Financial Officer of the Company, entered into a Warrant Purchase Agreement (the "FSF

Warrant Purchase Agreement”) with FSF Lender. Pursuant to the agreement, FSF Lender sold its warrant to purchase up to an aggregate of 3,250,000 shares of Common Stock (the “Deposit Warrant”) for \$0.5 million payable within two business days of the agreement date.

Vivasor Subscription Agreement

On April 16, 2026, Vivasor entered into a Subscription Agreement (the “Subscription Agreement”) with Datavault. Pursuant to the Subscription Agreement, Datavault will purchase an aggregate of 8,163,265 shares of Series A Common Stock of Vivasor shares at \$6.125 per share, for an aggregate purchase price equal to \$50 million, payable in 75,942,666 shares of Datavault Common Stock upon acceptance of the Subscription Agreement.

Datavault Loan

On April 26, 2026, the Company entered into a binding term sheet with Datavault (the “Datavault Term Sheet”).

Pursuant to the Datavault Term Sheet, and subject to the finalization of mutually agreeable definitive transaction documents and, ultimately, the satisfaction of certain customary closing conditions to be contained therein, it is expected that Scilex will make an upfront cash contribution to Datavault in the amount of \$120,000,000, to be paid in multiple closings, with the final closing to occur no later than December 31, 2026 (the “Upfront Payment”). Datavault will use the proceeds from the Upfront Payment exclusively to fund the deployment of Datavault’s quantum-ready graphics processing units infrastructure across an estimated 100 cities in the United States (the “Quantum-Ready Edge Network”), including build-out, equipment, related working capital, and reasonable overhead expenses directly attributable thereto. Pursuant to the Datavault Term Sheet, the Company will make an upfront cash contribution to Datavault in the amount of \$120.0 million at the closing of the Datavault Term Sheet transaction. The Upfront Payment is to fully fund the deployment of Datavault’s Quantum-Ready Edge Network Graphics Processing Units (“GPU”) infrastructure across the United States. The Upfront Payment is securitized by the total GPUs in stock. As further consideration, Datavault will pay to the Company certain revenue shares recognized by Datavault attributable to Quantum-Ready Edge Network.

Dividend of Dream Bowl Meme Coin I Tokens

On April 20, 2026, the Board of Directors of the Company declared a dividend (the “Dividend”) of Dream Bowl Meme Coin I tokens (the “Dream Bowl Tokens”) to eligible record equity holders of common stock, par value \$0.0001 per share, the Common Stock and other equity securities. Such eligible holders are the holders of the following Company securities, in each case as of the close of business on April 30, 2026 (such date, the “Record Date”): (i) Common Stock (such record holders, the “Record Common Holders”), (ii) certain warrants to purchase Common Stock that have not been exercised and settled prior to the Record Date (and which have the right to participate in the Dividend pursuant to the terms of their respective warrants, other than, for the avoidance of doubt, any of the Company’s publicly traded warrants to purchase Common Stock with an exercise price of \$11.50 per share (or \$402.50 on a post-reverse stock split basis)) (such record holders, the “Record Warrant Holders”), (iii) certain Tranche B senior secured convertible notes of the Company that have not been converted and settled prior to the Record Date (and which have the right to participate in the Dividend pursuant to the terms of their respective notes) (such record holders, the “Record Note Holders”), and (iv) the Company’s Series A Preferred Stock such record holder, the “Record Preferred Holder” and together with the Record Common Holders, the Record Warrant Holders and the Record Note Holders, the “Record Holders”). The Dividend will be (i) made on the basis of five (5) Dream Bowl Tokens for each one (1) share of Common Stock held (or underlying the applicable Securities held) by such Record Holders on the Record Date and (ii) paid beginning on May 26, 2026 the “Payment Date”).

Definitive Agreement with Phoenix Asia Holdings Limited

On May 04, 2026, the Company announced that its indirect subsidiary, ACEA Therapeutics, ACEA Pharma, Inc., an exempted company incorporated with limited liability in the Cayman Islands and wholly owned subsidiary of ACEA Therapeutics (“ACEA Pharma”), and Phoenix Asia Holdings Limited, a company organized under the laws of the Cayman Islands (“Phoenix”) (Nasdaq: PHOE), entered into a stock acquisition agreement pursuant to which ACEA Therapeutics agreed to transfer and sell, and Phoenix agreed to purchase, 100% of the issued and outstanding equity interests of ACEA Pharma in exchange for the delivery to ACEA Therapeutics of 100,000,000 newly-issued ordinary shares of Phoenix at \$10.00 per share, par value \$0.00001 per share, at \$10.00 per share (the “PHOE

Acquisition”), the value of which was as agreed by the parties to be \$1,000,000,000.

Upon the closing of the PHOE Acquisition, Phoenix will be renamed ACEA Pharma, Inc. (the “Go-Forward Company”), and its common stock is expected to be listed on the Nasdaq Capital Market. The boards of directors of ACEA Therapeutics, ACEA Pharma and Phoenix have unanimously approved the proposed transaction. The closing of the PHOE Acquisition, which is expected to occur by the end of the second quarter of 2026, is subject to certain customary closing conditions, including applicable regulatory and stock exchange approval. Upon the closing of the PHOE Acquisition, ACEA Therapeutics anticipates that it will own approximately 82% of the Go-Forward Company.

Wellgistics Health Inc, Agreement

On May 19, 2026, the Company, Datavault and EOS entered into a fully binding term sheet with Wellgistics Health, Inc. (“Wellgistics”), a health information technology leader, integrating proprietary pharmacy dispensing optimization artificial intelligence platform into its patented blockchain-enabled smart contracts platform, to build Wellgistics into DelivMeds AI, a healthcare company that will focus on improving data driven outcomes following the completion of three concurrent transactions, one of which is the acquisition of the QOLPOM intellectual property from EOS and the Company that enables wearables-driven biometric confirmation of pharmacodynamic drug effect and biometric confirmation named-patient to receive home drug delivery.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with the unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our consolidated financial statements and related notes appearing in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission (the "SEC") on April 10, 2026 (the "Annual Report on Form 10-K"). In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this Quarterly Report on Form 10-Q, including those set forth in the sections of this Quarterly Report on Form 10-Q titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." As a result of these risks, you should not place undue reliance on these forward-looking statements. We assume no obligation to revise or update any forward-looking statements for any reason, except as required by law.

On April 15, 2025, we effected a reverse stock split of our Common Stock at a ratio of 1-for-35 (the "Reverse Stock Split"). Unless otherwise noted, the share and per share information in this Quarterly Report on Form 10-Q reflects the effect of the Reverse Stock Split.

Overview

We are an innovative revenue-generating company focused on acquiring, developing and commercializing non-opioid pain management products for the treatment of acute and chronic pain. We believe that our innovative non-opioid product portfolio has the potential to provide effective pain management therapies that can have a transformative impact on patients' lives. We target 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. We launched our first commercial product in October 2018, in-licensed two commercial products in 2022 and 2023, and are developing our late-stage pipeline. Our commercial product, ZTlido (lidocaine topical system) 1.8% ("ZTlido"), is a prescription lidocaine topical product approved by the U.S. Food and Drug Administration ("FDA") for the relief of neuropathic pain associated with post-herpetic neuralgia ("PHN"), which is a form of post-shingles nerve pain. ZTlido possesses novel delivery and adhesion technology designed to address many of the limitations of current prescription lidocaine patches by providing significantly improved adhesion and continuous pain relief throughout the 12-hour administration period. We market ZTlido through a third-party dedicated sales force of about 29 people, targeting 10,000 primary care physicians, pain specialists, neurologists and palliative care physicians who we believe treat the majority of PHN patients. We also in-licensed the exclusive right to commercialize GLOPERBA (colchicine USP) oral solution ("GLOPERBA"), an FDA-approved prophylactic treatment for painful gout flares in adults, in the United States of America ("U.S." or the "United States"). We launched GLOPERBA in June 2024 and believe we are well-positioned to market and distribute the product. In January 2025, we in-licensed the rights to commercialize GLOPERBA outside of the U.S. In February 2023, we acquired the rights to patents, trademarks, regulatory approvals and other rights related to ELYXYB (celecoxib oral solution) ("ELYXYB") and its commercialization in the U.S. and Canada. In April 2023, we launched ELYXYB in the U.S. for the treatment of acute migraine, with or without aura, in adults. In January 2025, we received approval from Health Canada's Pharmaceutical Drugs Directorate, Bureau of Cardiology, Allergy and Neurological Sciences for ELYXYB for the acute treatment of migraine with or without aura in Canada.

Our development pipeline consists of three product candidates, (i) SP-102 ("SEMDEXA") (10 mg, dexamethasone sodium phosphate viscous gel), a novel, viscous gel formulation of a widely used corticosteroid for epidural injections to treat lumbosacral radicular pain or sciatica, which is in the second Phase 3 study initiated in September 2025, (ii) SP-103 (lidocaine topical system) 5.4% ("SP-103"), a Phase 2, next-generation, triple-strength formulation of ZTlido, for the treatment of chronic neck pain associated with muscle spasms and for which we have completed a Phase 2 trial in acute low back pain ("LBP"), and (iii) SP-104 (4.5 mg, low-dose naltrexone hydrochloride delayed-release capsules) ("SP-104"), a novel low-dose delayed-release naltrexone hydrochloride formulation for the treatment of fibromyalgia, for which Phase 1 trials were completed.

SEMDEXA has been granted fast track designation by the FDA and, if approved, could become the first FDA-approved alternative to off-label epidural steroid injections, which are administered over 12 million times annually in the United States. We have completed a pivotal Phase 3 study with final results received in March 2022, which results

reflected achievement of primary and secondary endpoints, and initiated the second Phase 3 study in September 2025. SP-103 has also been granted fast track designation by the FDA for LBP. 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 LBP associated with muscle spasms. SP-103 was safe and well tolerated. The 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 an investigator study of ZTlido in patients with neck pain completed in the second half of 2023, which also has shown promising top-line efficacy and safety results. SP-103, if approved, could become the first FDA-approved lidocaine topical product for the treatment of chronic neck pain associated with muscle spasms. SP-103 is a triple-strength lidocaine topical system designed to deliver a dose of lidocaine three times higher than any lidocaine topical product that we are aware of, either approved or in development. We are examining SP-103 as a treatment for chronic neck pain associated with muscle spasms, a condition with high unmet need which we expect could affect over 20 million patients in the United States as of 2023. On October 20, 2024, we announced the successful end of a Phase 2 meeting with the FDA, leading to an agreed path forward to a new drug application (including other marketing applications, an “NDA”) for our product candidate, SP-103.

We currently contract with third parties for the manufacture, assembly, testing, packaging, storage and distribution of our products. We obtain our commercial supply of certain of our products, the clinical supply of our product candidates and certain of the raw materials used in our product candidates from sole or single source suppliers and manufacturers. Prior to April 2022, we relied on a single third-party logistics distribution provider, Cardinal Health 105, for ZTlido distribution in the United States. Cardinal Health 105 purchased and shipped ZTlido to customer wholesale distribution centers. Cardinal Health 105 also performed order management services on our behalf. On April 2, 2022, we announced the expansion of our direct distribution network to national and regional wholesalers and pharmacies. Cardinal Health 105 will continue to provide traditional third-party logistics functions for us.

Since our inception, we have invested substantial efforts and financial resources into acquiring product and technology rights while building our intellectual property portfolio and infrastructure. In June 2022, we in-licensed the exclusive right to commercialize GLOPERBA oral solution, an FDA-approved prophylactic treatment for painful gout flares in adults, in the U.S. In February 2023, we acquired rights to FDA-approved ELYXYB in the U.S. and Canada for the acute treatment of migraine. We intend to continue to explore and evaluate additional opportunities such as these to grow our business. We have incurred significant operating losses as a result of such investment efforts, including the development of SEMDEXA, conducting of Phase 3 trials for SEMDEXA, and the development of SP-103 and SP-104. Our ability to generate sufficient revenue to achieve profitability will depend on the successful commercialization of our products, ZTlido, GLOPERBA and ELYXYB, and the development of our product candidates. We had a net loss of \$45.6 million and \$26.1 million for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, we had an accumulated deficit of \$965.1 million. As of March 31, 2026, we had cash and cash equivalents of approximately \$3.4 million. Our management has concluded that there is substantial doubt about our ability to continue as a going concern for one year after the date that the unaudited condensed consolidated financial statements are issued. See Note 2 titled “*Liquidity and Going Concern*” to our unaudited condensed consolidated financial statements and our independent registered public accounting firm report included elsewhere in this Quarterly Report on Form 10-Q for additional information.

We expect to continue to make investments in our marketing organization and expand digital marketing efforts to broaden awareness of ZTlido, GLOPERBA and ELYXYB and in research and development, clinical trials and regulatory affairs to develop our product candidates, SEMDEXA, SP-103 and SP-104. As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue, if ever, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, government contracts or other strategic transactions. We may be unable to raise additional funds or enter into such agreements or arrangements when needed on favorable terms, or at all. If adequate funds on acceptable terms are not available when needed, we may be required to reduce the scope of the commercialization of ZTlido, GLOPERBA and ELYXYB or delay, scale back or discontinue the development of one or more of our product candidates.

As discussed in our Annual Report on Form 10-K, we have adopted a cryptocurrency treasury strategy in which we intend to invest in Bitcoin, Ethereum and other blockchain-linked cryptocurrencies. We intend to accumulate such cryptocurrencies as a long-term treasury asset. Our goal is to acquire and grow our overall cryptocurrency position and utilize professional treasury strategies to both increase our cryptocurrency holdings, while driving revenue via a

range of staking and related yield-generating activities. In the future, we plan to evaluate additional cryptocurrency holdings and transactions, including but not limited to strategic investments and/or acquisitions of operating companies that we view as aligned with our cryptocurrency treasury strategy.

The Company plans to continue to adopt treasury strategy during the year 2026, under which the principal holding in its treasury reserve on the balance sheet will be allocated to cryptocurrency, and specifically a long-term strategy of holding Ethereum, Bitcoin, BNB, Doge and/or other blockchain-linked cryptocurrencies. Additionally, we intend to monitor ongoing developments in the regulatory environment around cryptocurrencies, including pending federal legislation, and may modify or expand our treasury strategy to the extent we determine compliant with federal rules and regulations and not giving rise to a requirement that the Company register as an investment company under the 1940 Act. Although we believe that Ethereum, Bitcoin, BNB, Doge, and/or other blockchain-linked cryptocurrencies in which we have invested or may invest are based on proven blockchain technology and supported by established infrastructure pertaining to custody and transacting in such cryptocurrencies, our cryptocurrency treasury strategy will be subject to the risks described in the section of the Annual Report on Form 10-K titled “Risk Factors” under the heading “Risks Related to Cryptocurrency”.

Recent Developments

Quantum Scan Holdings Investment

On January 29, 2026, we entered into a convertible promissory note (the “QScan Note”) with Quantum Scan Holdings, Inc. (“QScan”). Pursuant to the QScan Note, the Company loaned QScan an aggregate of \$20 million. The agreement contains certain conditions, and if met the \$20 million can be converted into 140,379,226 shares of common stock of QScan. As of March 31, 2026, the note has not converted into shares of common stock. The QScan Note has a maturity date of October 29, 2026, and will commence accruing interest at a rate of 3.66% per annum commencing on April 29, 2026. In November 2025, the Company paid \$2.5 million to QScan as a non-refundable service fee (the “QScan Fee”). The QScan Fee was classified as a prepayment as of December 31, 2025 and reclassified as the cost basis of the Commitment upon execution of the agreement in January 2026.

The Company and QScan also entered into a common stock purchase agreement, dated January 29, 2026 (the “QScan Stock Purchase Agreement”). Pursuant to the QScan Stock Purchase Agreement, QScan agreed to sell to the Company, and the Company agreed to purchase from QScan, an aggregate of 193,021,436 shares of common stock of QScan (the “QScan Stock Purchase”) for an aggregate purchase price of approximately \$27.5 million. The closing of the QScan Stock Purchase shall occur within five business days of written notice delivered by QScan to the Company. The QScan Stock Purchase Agreement contains customary representations, warranties and covenants of the Company and QScan.

PA OPS Investor LLC Investment

In August 2025, Scilex Bio entered into an Investment Commitment Agreement (the “Investment Agreement”) with PA OPS Investor LLC (“Investor LLC”). Pursuant to the terms of the agreement, the Company committed to providing \$2.5 million (the “Committed Amount”) in future funding, contingent upon Investor LLC successfully identifying and acquiring an appropriate target company (“Target”) for investment using the Committed Amount by December 31, 2025. As of March 31, 2026, the Company made \$1.2 million in cash (the “Funding”) payment to Investor LLC out of the Committed Amount of \$2.5 million, this funding was treated as a partial repayment of the Loan, therefore, no equity ownership was granted to Scilex. The Company recorded the Funding in equity investment in the Company balance sheet at cost.

Components of Our Results of Operations

Net Revenue

Net revenue primarily consists of product sales of ZTlido, ELYXYB and GLOPERBA in the United States and contract service revenue. For product sales of ZTlido, ELYXYB and GLOPERBA, we record gross-to-net sales adjustments for government and commercial rebates, chargebacks, wholesaler and distributor fees, sales returns,

special marketing programs, and prompt payment discounts. We expect that any net revenue we generate will fluctuate from year to year as a result of the unpredictability of the demand for our product.

Operating Costs and Expenses

Cost of Revenue

Cost of revenue primarily consists of the cost of purchasing ZTlido, ELYXYB and cost of fulfilling custom orders such as raw materials, and labor to develop drug compounds that can be developed further to be used at clinical trials by our customers, inventory write-downs related to expiration dates for on-hand inventory, cost of shipments, and royalty payments to our manufacturers. We expect the cost of revenue to fluctuate with related net sales revenue.

Research and Development

Research and development expenses are expensed when incurred and consist primarily of costs incurred for our research activities, including the development of our product candidates, and include:

- costs related to clinical trials;
- salaries, benefits and other related costs, including stock-based compensation expense for personnel engaged in research and development functions; and
- costs related to outside consultants.

We expect our research and development expenses to increase, as we will incur incremental expenses associated with our product candidates that are currently under development and in clinical trials. Product candidates in later stages of clinical development generally have higher development costs, primarily due to the increased size and duration of later-stage clinical trials. Accordingly, we expect to incur significant research and development expenses in connection with our clinical trials for SEMDEXA, SP-103 and SP-104.

Selling, General and Administrative

Selling, general and administrative expenses consist primarily of costs related to our contract sales force, salaries and other related costs, including stock-based compensation, for personnel in our executive, marketing, finance, corporate and business development and administrative functions. Selling, general and administrative expenses also include professional fees for legal, patent, accounting, auditing, tax and consulting services, travel expenses and facility-related expenses, which include direct depreciation costs.

We expect that our selling, general and administrative expenses will vary year-over-year in the future as we adapt our commercial strategies to changes in the business environment. We also expect to incur increased expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC, listing standards applicable to companies listed on a national securities exchange, additional insurance expenses, investor relations activities and other administrative and professional services. We also expect to adjust the size of our administrative, finance and legal functions to adapt to the changes above and the anticipated growth of our business.

Goodwill Impairment

Goodwill impairment is recorded in connection with the impairment testing of our goodwill, and is performed at least annually and more frequently if changes in facts and circumstances indicate that the fair value of our reporting units may be less than their carrying amount.

Intangible Amortization

Intangible amortization expense consists of the amortization expense of intangible assets recognized on a straight-line basis over the estimated useful lives of the assets. Our intangible assets, excluding goodwill, are composed of patent rights, acquired technology, acquired licenses and assembled workforce.

Other (Income) Expense

Gain on Derivative Liability

Gain on derivative liability includes the remeasurement of the derivative warrant liability and Scilex-St. James compound derivative. See Note 5 titled “Fair Value Measurements” to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Change in Fair Value of Debt and Liability Instruments

Change in fair value of debt and liability instruments includes the remeasurement of (i) the senior secured promissory note the Company issued to Oramed Pharmaceuticals, Inc. (“Oramed”) in September 2023 in the principal amount of \$101.9 million (the “Oramed Note”) with \$7.7 million principal amount outstanding as of March 31, 2026, (ii) the senior secured convertible notes issued in October 2024 in the principal amount of \$50.0 million (the “Tranche B Notes”) with \$12.0 million principal amount outstanding as of March 31, 2026, and (iii) the purchased revenue liability associated with the Purchase and Sale Agreement (the “ZTlido Royalty Purchase Agreement”) that we entered into in October 2024 with certain institutional investors (collectively, the “ZTlido Royalty Investors”) and Oramed and (iv) the purchased revenue liability associated with the Purchase and Sale Agreement (the “Gloperba-Elyxyb Royalty Purchase Agreement”) that we entered into in February 2025 with certain institutional investors (collectively, the “Gloperba-Elyxyb Royalty Investors”) and Oramed. See Note 5 titled “Fair Value Measurements” to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Other Expense, Net

Other expense, net for the three months ended March 31, 2026, primarily consists of interest on Vivator debts, interest on the balances due for government and commercial rebate programs and interest related to the deferred consideration for GLOPERBA license acquired from Romeg in 2022. Government rebate programs include state Medicaid drug rebate programs and commercial rebate programs relate to contractual agreements with commercial healthcare providers, under which we pay rebates for access to and position on that provider’s patient drug formulary and the change in the AARDVARK contingent consideration liability. Other expense, net for the three months ended March 31, 2025 consists of interest on the balances due for government and commercial rebate programs and interest related to the deferred consideration for GLOPERBA license acquired from Romeg in 2022.

Loss on Foreign Currency Exchange

Loss on foreign currency exchange relates to foreign exchange (gains) losses on payments made to our foreign supplier, Itochu Chemical Frontier Corporation (“Itochu”), a manufacturer and supplier of lidocaine tape products, including ZTlido and SP-103.

Gain on Debt Extinguishment

Gain on debt extinguishment related to gains on debt extinguishment during the period. See Note 5 titled “Fair Value Measurements” to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Unrealized Loss on Digital Assets, net

Unrealized Loss on digital assets related to unrealized losses on our digital assets held during the period. See Note 5 titled “Fair Value Measurements” to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Unrealized Loss on Equity Method Investments, net

Unrealized loss on equity method investments (or “EMI”) related to unrealized losses on our investment in Datavault accounted for using the equity method. See Note 5 titled “Fair Value Measurements” to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Realized (Gain) on Equity Method Investments, net

Realized gain on equity method investments (or “EMI”) related to realized gains on our investment in Datavault accounted for using the equity method. See Note 5 titled “Fair Value Measurements” to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Realized Loss on Securities

Realized loss on securities related to realized losses on AARDVARK Therapeutics series B preferred securities sold during the period.

Results of Operations for the Three Months ended March 31, 2026 and 2025

The following tables summarize our results of operations for the three months ended March 31, 2026 and 2025 (in thousands):

| | Three Months Ended March 31, | | Changes |
|---|------------------------------|--------------------|--------------------|
| | 2026 | 2025 | |
| Statements of Operations Data: | | | |
| Net revenue | \$ 8,613 | \$ 5,004 | \$ 3,609 |
| Net operating costs and expenses: | | | |
| Cost of revenue | 4,447 | 1,384 | 3,063 |
| Research and development | 3,210 | 2,456 | 754 |
| Selling, general and administrative | 31,033 | 28,060 | 2,973 |
| Intangible amortization | 2,092 | 1,002 | 1,090 |
| Total net operating costs and expenses | <u>40,782</u> | <u>32,902</u> | <u>7,880</u> |
| Loss from operations | (32,169) | (27,898) | (4,271) |
| Other (income) expense, net: | | | |
| Gain on warrant derivative liabilities | (25,709) | (10,409) | (15,300) |
| Loss on compound derivative of Scilex-St. James Loans | 21,829 | — | 21,829 |
| Change in fair value of debt and liability instruments | 2,797 | 6,114 | (3,317) |
| Other expense, net | 3,779 | 2,481 | 1,298 |
| (Gain) Loss on foreign currency exchange | 279 | (4) | 283 |
| Unrealized loss on digital assets, net | 18,064 | — | 18,064 |
| Unrealized loss on equity method investments carried at fair value, net | 31,710 | — | 31,710 |
| Realized (gain) on equity method investments carried at fair value, net | (42,338) | — | (42,338) |
| Realized loss on securities | 3,071 | — | 3,071 |
| Total other expense, net | <u>13,481</u> | <u>(1,818)</u> | <u>15,300</u> |
| Loss before income taxes | <u>(45,650)</u> | <u>(26,080)</u> | <u>(19,571)</u> |
| Net loss | <u>\$ (45,650)</u> | <u>\$ (26,080)</u> | <u>\$ (19,571)</u> |

Comparison of the Three Months Ended March 31, 2026 and 2025

Net Revenue

The following table summarizes net revenue by product for the three months ended March 31, 2026 and 2025 (in thousands):

| | Three Months Ended March 31, | | |
|---------------------------------|------------------------------|-----------------|------------------------|
| | 2026 | 2025 | Increase (Decrease) |
| ZTlido | | | |
| Net Revenue | 5,122 | \$ 3,986 | \$ 1,136 |
| ELYXYB | | | |
| Net Revenue | 1,131 | 840 | 291 |
| GLOPERBA | | | |
| Net Revenue | — | 178 | (178) |
| Vivasor Contract Revenue | | | |
| Net Revenue | 2,359 | — | 2,359 |
| Total Net Revenue | <u>\$ 8,613</u> | <u>\$ 5,004</u> | <u>\$ 3,609</u> |

Net revenue for the three months ended March 31, 2026 and 2025 was \$8.6 million and \$5.0 million, respectively. The increase of \$3.6 million was primarily related to a \$1.1 million increase in net product sales of ZTlido, Vivasor Contract revenue increased by \$2.4 million due to increase in net service revenue, \$0.3 million in net product sales of Elyxyb and a \$0.2 million decrease in net product sales of Gloperba. The increase in net sales for our commercial products was mainly driven by an increase in sales demand.

Cost of Revenue

| | Three Months Ended March 31, | | |
|---------------------------------|------------------------------|-----------------|------------------------|
| | 2026 | 2025 | Increase (Decrease) |
| ZTlido | | | |
| Cost of Revenue | \$ 1,854 | \$ 571 | \$ 1,283 |
| Cost of Revenue - Royalties | 895 | 702 | 193 |
| Other Cost of Revenue | 7 | 9 | (2) |
| Total ZTlido | 2,756 | 1,282 | 1,474 |
| ELYXYB | | | |
| Cost of Revenue | 52 | 30 | 22 |
| Cost of Revenue - Royalties | 91 | 67 | 24 |
| Total ELYXYB | 143 | 97 | 46 |
| GLOPERBA | | | |
| Cost of Revenue | — | 5 | (5) |
| Total GLOPERBA | — | 5 | (5) |
| Vivasor Contract Revenue | | | |
| Cost of Revenue | 1,548 | — | 1,548 |
| Total Vivasor Contract Revenue | 1,548 | — | 1,548 |
| Total Cost of Revenue | <u>\$ 4,447</u> | <u>\$ 1,384</u> | <u>\$ 3,063</u> |

Cost of revenue for the three months ended March 31, 2026 and 2025 was \$4.4 million and \$1.4 million, respectively. Cost of revenue increased by \$1.5 million for Vivasor Contract Revenue and for ZTlido increased by \$1.5 million, primarily driven by an increase in shipping cost and increase in gross product sales due to an increase in sales demand.

Research and Development Expenses

The following table summarizes research and development expenses by project for the three months ended March 31, 2026 and 2025 (in thousands):

| | Three Months Ended March 31, | | |
|--|------------------------------|-----------------|------------------------|
| | 2026 | 2025 | Increase (Decrease) |
| SP-102 | | | |
| Contracted R&D | \$ 755 | \$ 75 | \$ 680 |
| Personnel | 359 | 104 | 255 |
| Other | 152 | 8 | 144 |
| Total SP-102 | 1,266 | 187 | 1,079 |
| SP-103 | | | |
| Contracted R&D | 147 | 288 | (141) |
| Personnel | 207 | 299 | (92) |
| Other | 50 | 46 | 4 |
| Total SP-103 | 404 | 633 | (229) |
| SP-104 | | | |
| Contracted R&D | 2 | 24 | (22) |
| Personnel | 9 | 61 | (52) |
| Other | 8 | 9 | (1) |
| Total SP-104 | 19 | 94 | (75) |
| GLOPERBA | | | |
| Contracted R&D | 38 | 72 | (34) |
| Personnel | 126 | 222 | (96) |
| Other | 5 | 590 | (585) |
| Total GLOPERBA | 169 | 884 | (715) |
| ELYXYB | | | |
| Contracted R&D | 201 | 77 | 124 |
| Personnel | 169 | 286 | (117) |
| Other | 64 | 146 | (82) |
| Total ELYXYB | 434 | 509 | (75) |
| R&D Discovery Project | | | |
| Contracted R&D | 88 | 35 | 53 |
| Personnel | 491 | 107 | 384 |
| Other | 339 | 7 | 332 |
| Total R&D Discovery Project | 918 | 149 | 769 |
| Total Research and Development Expenses | \$ 3,210 | \$ 2,456 | \$ 754 |

Research and development expenses for the three months ended March 31, 2026 and 2025 were \$3.2 million and \$2.5 million, respectively. The increase was primarily attributed to higher development cost related to SP-102 and additional expenses related to KDS2010 to Scilex Bio.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 2026 and 2025 were \$31.0 million and \$28.1 million, respectively. The increase of approximately \$2.9 million was primarily due to a \$2.8 million increase in advisory and financing expenses, a \$1.1 million increase in facility expense, a \$0.7 million increase in contract service, a \$0.1 million increase in insurance cost, and a \$0.1 million increase in bad debts, a \$1.4 million increase in other expenses, partially offset by a \$1.7 million decrease in personnel cost, a \$0.6 million decrease in legal fees, a \$0.7 million decrease in travel cost and a \$0.3 million decrease in product promotions in the three months ended March 31, 2026.

Intangible Amortization Expense

Intangible amortization expense for each of the three months ended March 31, 2026 and 2025 was \$2.1 million and \$1.0 million, respectively. The increase of \$1.1 million is related to the amortization of the Datavault acquired license (see Note 7 titled “Goodwill and Intangible Assets” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

Gain on Warrant Derivative Liabilities

Gain on derivative liability for the three months ended March 31, 2026 and 2025 were (\$25.7) million and (\$10.4 million), respectively. The gain recognized during the three months ended March 31, 2026 was attributed to the change in the fair value of the derivative warrant liability associated with the Private Warrants, the February 2024 BDO Firm Warrants, the Deposit Warrant, the October 2024 Noteholder Warrants, the December 2024 RDO Common Warrants, the Exchange Warrants (as defined below), September 2025 Warrants, November 2025 Warrants, February 2026 Warrants (each as defined below). The gain recognized during the three months ended March 31, 2025 was attributed to the change in the fair value of the derivative warrant liability associated with the Private Warrants, the February 2024 BDO Firm Warrants, the April 2024 RDO Warrant, the Deposit Warrant, the October 2024 Noteholder Warrants and the December 2024 RDO Common Warrants.

Loss on compound derivative of Scilex-St. James Loans

Loss on compound derivative of Scilex-St. James Loans for the three months ended March 31, 2026 and 2025 was \$21.8 million and nil, respectively. Compound derivative of \$21.8 million for the three months ended March 31, 2026 was attributed to the termination of Scilex-St. James Loan Agreement on March 16, 2026.

Change in Fair Value of Debt and Liability Instruments

Change in fair value of debt and liability instruments for the three months ended March 31, 2026 and 2025 was \$2.8 million and \$6.1 million, respectively. The loss recognized during the three months ended March 31, 2026 was attributed to losses of \$1.2 million for the Oramed Note, \$0.7 million for the purchased revenue liability pursuant to the ZTlido Royalty Purchase Agreement, \$0.1 million for the purchased revenue liability pursuant to the Gloperba-Elyxyb Royalty Purchase Agreement, a \$0.8 million in change in fair value of the Tranche B Notes. The loss recognized during the three months ended March 31, 2025, was attributed to losses of \$2.8 million for the Oramed Note, \$0.8 million for the purchased revenue liability pursuant to the ZTlido Royalty Purchase Agreement and \$2.5 million in change in fair value of the Tranche B Notes.

Other Expense, Net

Other expense, net for the three months ended March 31, 2026 and 2025 was \$3.8 million and \$2.5 million, respectively. Other expense, net of \$3.8 million for the three months ended March 31, 2026 primarily consists of interest on Vivasor debts, interest on the balances due for government and commercial rebate programs, and interest related to the deferred consideration for GLOPERBA license acquired from Romeg in 2022. Government rebate programs include state Medicaid drug rebate programs and commercial rebate programs relate to contractual agreements with commercial healthcare providers, under which we pay rebates for access to and position on that provider’s patient drug formulary. Other expense, net also includes the reduction of the \$3.0 million AARDVARK contingent consideration liability as of December 31, 2025 by \$1.5 million due to a change in fair value during the three months ended March 31, 2026. The remaining \$1.5 million obligation, now fixed and determinable, was reclassified from contingent consideration to accounts payable as of March 31, 2026. Interest expense of \$2.5 million for the three months ended March 31, 2025 primarily consists of the interest on the balances due for government and commercial rebate programs.

Unrealized Loss on Digital Assets, net

Unrealized loss on digital assets for the three months ended March 31, 2026 and 2025 was \$18.1 million, and nil, respectively. The unrealized loss during the three months ended March 31, 2026, was attributed to the unrealized loss on digital assets held, which had depreciated in value.

Unrealized Loss on Equity Method Investments carried at fair value, net

Unrealized loss on equity method investments for the three months ended March 31, 2026 and 2025 was \$31.7 million and nil, respectively. The unrealized loss during the three months ended March 31, 2026 was attributed to the unrealized loss on Datavault investment held that had depreciated in value.

Realized (Gain) on Equity Method Investments carried at fair value, net

Realized gain on equity method investments for the three months ended March 31, 2026 and 2025 was \$42.3 million and nil, respectively. The realized gain during the three months ended March 31, 2026 was attributed to the realized gain on Datavault investment sold that had appreciated in value.

Realized Loss on Security

Loss on securities for the three months ended March 31, 2026 and 2025 was \$3.1 million and nil, respectively. The loss during the three months ended March 31, 2026 was related to realized losses on AARDVARK Therapeutics series B preferred securities sold during the period.

Liquidity and Capital Resources

As of March 31, 2026, we had cash and cash equivalents of approximately \$3.4 million.

We have funded our operations in the three months ended March 31, 2026 primarily through equity and debt financings pursuant to the Oramed Note and Tranche B Notes, various registered direct offerings and private placements, the Scilex-St. James Loans (as defined below), as well as deferred consideration related to the GLOPERBA license acquired from Romeg in 2022. During the three months ended March 31, 2025, we have funded our operations primarily through the financing pursuant to the ATM Sales Agreement (as defined below). We also have indebtedness pursuant to the Oramed Note and Tranche B Notes as well as deferred consideration related to the GLOPERBA license acquired from Romeg in 2022. The following table summarizes the aggregate carrying value of indebtedness of these issuances as of March 31, 2026 and December 31, 2025 (in thousands):

| | March 31, 2026 | December 31, 2025 |
|---|-----------------------|------------------------------|
| Oramed Note (outstanding principal balance and paid in kind interest: \$29.0 million and \$28.2 million as of March 31, 2026 and December 31, 2025, respectively) | \$ 28,862 | \$ 27,688 |
| Tranche B Notes (outstanding principal balance: \$12.0 million and \$17.9 million as of March 31, 2026 and December 31, 2025, respectively) | 12,010 | 17,500 |
| Promissory Notes | 2,767 | 3,517 |
| Purchased Revenue Liability | 8,400 | 8,400 |
| Deferred Consideration with Romeg | 2,343 | 2,448 |
| Vivator Related Debt (outstanding principal balance: \$46.9 million and \$47.0 million as of March 31, 2026 and December 31, 2025, respectively) | 46,893 | 46,967 |
| Total indebtedness | <u>\$ 101,275</u> | <u>\$ 106,520</u> |

The Oramed Note

As of March 31, 2026, the fair value of the Oramed Note outstanding was \$28.9 million pursuant to the Scilex-Oramed SPA (see Note 8 titled “Debt” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

Tranche B Notes

As of March 31, 2026, the fair value of the Tranche B Notes outstanding was \$12.0 million pursuant to the Tranche B Securities Purchase Agreement (see Note 8 titled “Debt” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

Promissory Notes

As of March 31, 2026, the carrying value of the Promissory Notes outstanding was \$2.8 million pursuant to the Promissory Notes (see Note 8 titled “Debt” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

Purchased Revenue Liability

As of March 31, 2026, the fair value of the purchased revenue liability was \$8.4 million pursuant to the ZTlido Royalty Purchase Agreement and Gloperba-Elyxyb Royalty Purchase Agreement (see Note 8 titled “Debt” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

Deferred Consideration

As of March 31, 2026, we have \$2.3 million of deferred consideration related to minimum royalty payments that were included in the initial measurement of consideration transferred for the GLOPERBA license. Deferred consideration minimum royalty payments began in July 2023.

Vivasor Related Debt

As of March 31, 2026, the aggregated outstanding principal balance of the Vivasor-related debt was \$46.9 million pursuant to the Vivasor-related debt agreement (see Note 8 titled “Debt” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

Scilex-St. James Loans

On December 1, 2025, the Company entered into a Non-Recourse Loan and Securities Pledge Agreement (the “Scilex-St. James Loan Agreement”) with St. James Bank & Trust Company Ltd., a corporation existing under the laws of the Bahamas (“St. James” or the “Lender”), pursuant to which the Lender agreed to loan the Company an aggregate principal amount of up to \$50 million in one or more tranches (the “Scilex-St. James Loans”). As of March 31, 2026, the carrying value of the Scilex-St. James Loans outstanding was nil (see Note 8 titled “Debt” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

ZTlido, ELYXYB and GLOPERBA Royalties

In February 2013, Scilex Pharma became a party to a product development agreement (as amended, the “Product Development Agreement”) with Itochu and Oishi Koseido Co., Ltd. (“Oishi”) and together with Itochu, the “Developers”), pursuant to which the Developers will manufacture and supply lidocaine tape products, including ZTlido and SP-103, for Scilex Pharma. Pursuant to the Product Development Agreement, Scilex Pharma is required to make aggregate royalty payments between 25% and 35% to the Developers based on net profits. During each of the three months ended March 31, 2026 and 2025, Scilex Pharma made royalty payments in the amount of \$1.2 million and \$0.9 million, respectively. As of March 31, 2026 and December 31, 2025, Scilex Pharma had ending balances of accrued royalty payables of \$1.8 million and \$3.8 million, respectively.

In February 2023, we entered into an asset purchase agreement to acquire the rights to certain patents, trademarks, regulatory approvals, data, contracts, and other rights related to ELYXYB and its commercialization in the United States and Canada (the “ELYXYB Territory”). We are obligated to make quarterly royalty payments on net sales of ELYXYB in the ELYXYB Territory that range from high single digits to low double digits on net sales based on the volume of sales. In April 2023, we launched ELYXYB in the U.S. During the three months ended March 31, 2026 and 2025, we made royalty payments in the amount of nil and \$0.1 million, respectively. As of each of March 31, 2026 and December 31, 2025, we had ending balances of accrued royalty payables of \$0.1 million and \$0.2 million.

On June 14, 2022, the Company entered into a License and Commercialization Agreement with RxOmeg Therapeutics, LLC (a/k/a Romeg Therapeutics, Inc.) (“Romeg”) for the in-licensing of certain intellectual property rights from Romeg with respect to the commercialization of GLOPERBA, which was amended by that First Amendment to License and Commercialization Agreement, dated as of January 16, 2025 (such agreement, as amended, the “Romeg License Agreement”) to acquire certain rights to GLOPERBA and the exclusive license to use the trademark “GLOPERBA®”. As consideration for the license under the Romeg License Agreement, we are obligated to make royalty payments on net sales of GLOPERBA that range from low single digit to mid-single digit percentages based on annual net sales. During each of the three months ended March 31, 2026 and 2025, we made royalty payments in the amount of \$0.2 million.

Contingent Consideration

We have \$280.0 million, \$13.0 million and \$23.0 million in aggregate contingent consideration obligations in connection with the SEMDEXA, GLOPERBA and SP-104 acquisitions, respectively, that are contingent upon achieving certain specified milestones or the occurrence of certain events. Contingent consideration obligations are comprised of regulatory milestones and additional payments that will be due upon the achievement of certain amounts of net sales (see Note 3 titled “Acquisitions” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information).

At-the-Market Sales Agreement

On December 22, 2023, the Company entered into a Sales Agreement (the “ATM Sales Agreement”) with B. Riley Securities, Inc., Cantor Fitzgerald & Co. and H.C. Wainwright & Co., LLC (the “Sales Agents”), which agreement was voluntarily terminated by the Company effective as of March 5, 2025. Pursuant to the ATM Sales Agreement, we were able to offer and sell (the “Offering”) up to \$170,000,000 of ATM Shares, through or to the Sales Agents. We had no obligation to sell any shares of Common Stock under the ATM Sales Agreement and could suspend offers at any time. The ATM Shares offered and sold in the Offering were issued pursuant to our Shelf S-3 Registration Statement. The ATM Shares were offered by means of a prospectus forming a part of the Shelf S-3 Registration Statement. The Sales Agents were entitled to a commission equal to 3.0% of the gross proceeds from each sale of shares of Common Stock. We also agreed to reimburse the Sales Agents for certain expenses and have agreed to provide indemnification and contribution to the Sales Agents against certain civil liabilities, including liabilities under the Securities Act. During the three months ended March 31, 2026 and 2025, no sales of Common Stock had been made under the ATM sales Agreement.

February 2024 Bought Deal Offering Underwriting Agreement

On February 29, 2024, the Company entered into an underwriting agreement (the “February 2024 BDO Underwriting Agreement”) with Rodman & Renshaw LLC and StockBlock Securities LLC (“StockBlock”), as representatives of

the underwriters. Pursuant to the February 2024 BDO Underwriting Agreement, we sold, in an underwritten offering (the "February 2024 BDO"), 168,068 shares (the "February 2024 BDO Firm Shares") of the Common Stock, and accompanying common warrants to purchase up to an aggregate of 168,068 shares of Common Stock (the "February 2024 BDO Firm Warrants"). Each February 2024 BDO Firm Share was sold together with a February 2024 BDO Firm Warrant at a combined public offering price of \$59.50. The combined price per Firm Share and accompanying February 2024 BDO Firm Warrant paid by the February 2024 Underwriters was \$54.74, which amount reflects the combined public offering price of \$59.50, less underwriting discounts and commissions.

Subject to certain ownership limitations, the February 2024 BDO Common Warrants are exercisable immediately, will expire on the five-year anniversary of the date of issuance and have an exercise price of \$59.50 per share. The exercise price of the February 2024 BDO Common Warrants is subject to certain adjustments, including (but not limited to) stock dividends, stock splits, combinations and reclassifications of the Common Stock.

In connection with the February 2024 BDO, pursuant to the February 2024 BDO Underwriting Agreement, the Company issued the February 2024 BDO Representative Warrants to the February 2024 BDO StockBlock, allowing them to purchase up to an aggregate of 13,446 shares of Common Stock (which represents 8.0% of the aggregate number of February 2024 BDO Firm Shares sold in the February 2024 BDO). The February 2024 BDO Representative Warrants are immediately exercisable and have the same terms as the February 2024 BDO Common Warrants described above, except that the exercise price of the February 2024 BDO Representative Warrants is \$74.38 per share, which represents 125% of the combined public offering price per February 2024 BDO Firm Shares and accompanying February 2024 BDO Firm Warrants. We also agreed to pay certain expenses of the February 2024 BDO Representatives in connection with the February 2024 BDO, including their legal fees and out-of-pocket expenses up to \$200,000 and up to \$15,950 for clearing expenses.

The February 2024 BDO Shares, the February 2024 BDO Warrants and the shares of Common Stock issuable upon exercise of the February 2024 BDO Warrants were offered and sold by us pursuant to an effective shelf registration statement on Form S-3 (which was initially filed with the SEC on December 22, 2023, as amended, and was declared effective on January 11, 2024 (File No. 333-276245) (the "Shelf S-3 Registration Statement")), a base prospectus dated January 11, 2024 and a prospectus supplement dated February 29, 2024.

April 2024 Registered Direct Offering

On April 23, 2024, the Company entered into a securities purchase agreement (the "April 2024 RDO Purchase Agreement") with the investor named therein, pursuant to which we sold and issued, in a registered direct offering (the "April 2024 RDO"): (i) an aggregate of 34,286 shares (the "April 2024 RDO Shares") of Common Stock, and (ii) common warrants to purchase up to 34,286 shares of Common Stock (the "April 2024 RDO Common Warrants"). The offering price per share and accompanying April 2024 RDO Common Warrant to purchase one share of Common Stock was \$35.00, for aggregate gross proceeds to us of \$15,000,000, before deducting the placement agent fees and other offering expenses.

Subject to certain ownership limitations, the April 2024 RDO Common Warrants are exercisable on the six-month anniversary from the date of issuance, will expire on the five-year anniversary of the date of issuance and have an exercise price of \$38.50 per share. The exercise price of the April 2024 RDO Common Warrants is subject to certain adjustments, including stock dividends, stock splits, combinations and reclassifications of the Common Stock.

StockBlock and its affiliate, Rodman & Renshaw LLC, acted as exclusive placement agents (the "April 2024 RDO Placement Agents") in connection with the April 2024 RDO. As compensation for such placement agent services, we paid the April 2024 RDO Placement Agents an aggregate cash fee equal to 8.0% of the gross proceeds actually received by us from the April 2024 RDO. We also reimbursed the April 2024 RDO Placement Agents \$100,000 for actual, reasonable and documented fees and expenses, inclusive of fees and expenses of legal counsel and out-of-pocket expenses and \$15,950 for clearing expenses. We also issued to the April 2024 RDO Placement Agents or their respective designees common warrants, substantially in the form of the April 2024 RDO Common Warrants, to purchase up to 3,250,000 shares of Common Stock (the "April 2024 RDO Placement Agent Warrants") and together with the April 2024 RDO Common Warrants, the April 2024 RDO Warrants, representing up to 8.0% of the total number of the April 2024 RDO Shares issued in the April 2024 RDO. The April 2024 RDO Placement Agent Warrants have an exercise price of \$43.75 per share (which represents 125% of the combined offering price per share of Common Stock and the April 2024 RDO Common Warrant sold in the April 2024 RDO), will become exercisable on

the six-month anniversary of the date of issuance and expire five years from the commencement of sales in the April 2024 RDO.

The April 2024 RDO Shares, the April 2024 RDO Warrants, and the shares of Common Stock issuable upon exercise of such warrants were offered and sold by us pursuant to the Shelf S-3 Registration Statement, a base prospectus dated January 11, 2024 and a prospectus supplement dated April 23, 2024. The April 2024 RDO closed on April 25, 2024.

Tranche B Notes

On October 7, 2024, the Company entered into a securities purchase agreement (the "Tranche B Securities Purchase Agreement") with certain institutional investors (collectively, "the Tranche B Investors") and Oramed (together with, the Tranche B Investors, the "Tranche B Noteholders"), to refinance a portion of the Oramed Note and pay off certain other indebtedness. Pursuant to the Tranche B Securities Purchase Agreement, we agreed to issue and sell, in a registered offering directly to the Tranche B Noteholders: (i) the Tranche B Notes, which notes will mature on the two-year anniversary of the issuance date and will be convertible into shares of our Common Stock at a conversion price equal to \$38.15 per share (which was automatically reduced to \$36.40 per share of Common Stock subsequent to the December 2024 RDO (as defined below) in accordance with the terms of such notes) and (ii) warrants to purchase up to 214,284 shares of our Common Stock (the "October 2024 Noteholder Warrants").

In exchange for the issuance of the Tranche B Notes to the Tranche B Investors, the Company has received an aggregate amount in cash of \$22,500,000, excluding fees and expenses payable by the Company. In consideration for the Tranche B Notes issued to Oramed, the Company has received from Oramed an exchange and reduction of the principal balance under the Oramed Note of \$22,500,000.

The October 2024 Noteholder Warrants are immediately exercisable for cash at a current exercise price equal to \$36.40 per share and will expire five years from the issuance date. The October 2024 Noteholder Warrants issued to the Tranche B Investors are initially exercisable for 107,142 shares of Common Stock in the aggregate.

Pursuant to the terms and conditions contained in the Tranche B Securities Purchase Agreement, we also agreed to reimburse the Tranche B Investors for all reasonable costs and expenses incurred by it or its affiliates in connection with the Tranche B Securities Purchase Agreement, the Tranche B Notes, the October 2024 Noteholder Warrants, the ZTlido Royalty Purchase Agreement and certain other transaction documents, and an aggregate amount of \$950,000 non-accountable legal fees of outside counsel and special finance and collateral counsel, which shall be withheld by the Tranche B Investors from its purchase price at the closing of the transaction, less \$20,000 previously paid by us. We shall also be responsible for the payment of a \$2,000,000 fee to the placement agent in addition to the payment of any placement agent's reasonable fees, financial advisory fees relating to or arising out of the transactions contemplated by the Tranche B Securities Purchase Agreement. In addition, in conjunction with and pursuant to the letter agreement we entered into with Oramed, dated as of October 2, 2024 (the "Tranche B Letter Agreement"), we are also responsible for the payment of legal fees of outside counsel for Oramed relating to or arising out of the transactions contemplated hereby and the payment date extensions described under the Tranche B Letter Agreement. We shall also be responsible for the payment of any fees of the placement agents and the legal fees incurred thereby relating to or arising out of the transactions contemplated by the Tranche B Securities Purchase Agreement.

In connection with the offering of the Tranche B Notes, the Company issued to StockBlock and its affiliate, Rodman & Renshaw LLC (the "October 2024 Placement Agents") or their respective designees, (i) 62,794 shares of Common Stock (the "October 2024 Placement Agent Shares") and (ii) warrants to purchase up to 104,848 shares of Common Stock (the "October 2024 Placement Agent Warrants"). The October 2024 Placement Agent Shares were subject to a 120-day lock-up, which is now expired. In addition, during such 120-day period, the October 2024 Placement Agents (whether directly or indirectly through their respective affiliates) are prohibited from hedging, pledging or similar transactions and from short-selling our securities, subject to certain exceptions. The October 2024 Placement Agent Warrants will have the same terms as the October 2024 Noteholder Warrants, except that the October 2024 Placement Agents have agreed not to exercise the October 2024 Placement Agent Warrants for a period of 180 days following the date of issuance, which is now expired.

Pursuant to the Tranche B Notes, commencing on January 2, 2025, we were required to redeem in cash (the "First Amortization Payment") such portion of the principal amount of the Tranche B Notes equal to each Tranche B

Noteholder's Holder Pro Rata Amount (as defined in the Tranche B Notes) of \$6,250,000 per fiscal quarter at a redemption price equal to 100% of such Amortization Amount (as defined in the Tranche B Notes).

On January 2, 2025, we entered into a deferral and consent letter with each of (i) Nomis Bay Ltd and BPY Limited (the "Nomis Bay Consent"), (ii) Oramed (the "Oramed Consent") and (iii) 3i, LP (the "3i Consent" and, collectively with the Nomis Bay Consent and the Oramed Consent, the "Tranche B Consents"), respectively, pursuant to which the Tranche B Noteholders agreed to defer our obligation to make the First Amortization Payment until January 31, 2025 and then further to October 8, 2026. In consideration of such deferral, (i) SCLX Stock Acquisition JV LLC, a single purpose bankruptcy-remote entity that is the Company's indirect wholly owned subsidiary ("SCLX JV") delivered to the Tranche B Noteholders an aggregate of 142,855 shares of Common Stock held by SCLX JV, (ii) we paid an aggregate of \$1.1 million in respect of a portion of the First Amortization Payment and related make-whole interest, and (iii) we entered into the Gloperba-Elyxyb Royalty Purchase Agreement.

Oramed Warrant

Pursuant to the Tranche B Notes, we were required to make an amortization payment on October 1, 2025 (the "Second Amortization Payment") to Oramed. On December 31, 2025, the Company entered into a commitment letter with Oramed to purchase 50,000 shares of common stock of Scilex, par value 0.0001 per share, with an exercise price of \$20.00 per share (in each case subject to adjustment for recapitalizations, stock splits, stock dividends and similar types of transactions) and a verbal commitment for Oramed to purchase an additional 50,000 shares for a total of 100,000 shares of Common Stock to which Oramed deferred its right to receive this amortization payment. On February 19, 2026, the Company issued to Oramed a new warrant to purchase an aggregate of 100,000 shares of Common Stock (the "February 2026 Warrant") at an initial exercise price of \$20.00 per share. The deferred amortization payment was made to Oramed in November 2025.

December 2024 Registered Direct Offering

On December 11, 2024, we entered into a securities purchase agreement (the "December 2024 RDO Purchase Agreement") with the investors named therein, pursuant to which we agreed to sell and issue, in a registered direct offering (the "December 2024 RDO"): (i) an aggregate of 68,604 shares of Common Stock, (ii) pre-funded warrants to purchase up to 92,857 shares of Common Stock (the "December 2024 RDO Pre-Funded Warrants") and (iii) common warrants to purchase up to 1,642,871 shares of Common Stock (the "December 2024 RDO Common Warrants" and together with the December 2024 RDO Pre-Funded Warrants and the warrants issued to StockBlock pursuant to certain contractual obligations between us and StockBlock (the "StockBlock Warrants"), the "December 2024 RDO Warrants"). The combined offering price (a) per share of Common Stock and accompanying December 2024 RDO Common Warrants was \$20.65 and (b) per December 2024 RDO Pre-Funded Warrant and accompanying December 2024 RDO Common Warrants was \$20.6499. We received approximately \$17.0 million in gross proceeds from the December 2024 RDO, before deducting offering fees and expenses. We intend to use the net proceeds from the December 2024 RDO for working capital and general corporate purposes, which may include capital expenditures, commercialization expenditures, research and development expenditures, regulatory affairs expenditures, clinical trial expenditures, acquisitions of new technologies and investments, business combinations and the repayment, refinancing, redemption or repurchase of indebtedness or capital stock.

Amendment to Common Stock Purchase Warrant

On December 11, 2024, we entered into a warrant amendment (the "Warrant Amendment") with one of the investors to exercise the outstanding amount of certain warrants that we issued to such investor in the February 2024 BDO on March 5, 2024. Pursuant to the Warrant Amendment, the investor agreed to exercise outstanding warrants to purchase an aggregate of 1,764,706 shares of Common Stock in cash at an amended exercise price of \$0.59 per share. The gross proceeds to us from such exercise was approximately \$1.0 million.

Tumim Purchase Agreement

In July 2025, we entered into a common stock purchase agreement (the "Tumim Purchase Agreement") and a related registration rights agreement (the "Tumim Registration Rights Agreement") with Tumim Stone Capital, LLC ("Tumim"). Pursuant to the Tumim Purchase Agreement, we had the right but not the obligation, to sell, from time to

time, to Tumim up to \$100.0 million in aggregate gross purchase price of shares of Common Stock in our sole discretion, subject to certain conditions and limitations, during the term of 24 months.

In connection with the Tumim Purchase Agreement, we incurred an obligation to issue 150,000 shares of Common Stock (“Commitment Shares Obligation”) to Tumim. The Commitment Shares Obligation was determined to be an equity-linked contract and met all the conditions for equity classification. We recognized an amount of \$3.0 million in expense and in accrued expenses. The Tumim Purchase Agreement terminated on December 31, 2025 and as part of the termination, no shares were issued and instead Tumim was paid an aggregate of \$2.7 million.

Warrant Exchange Agreements

On July 22, 2025, the Company entered into Warrant Exchange Agreements (each, a “Warrant Exchange Agreement” and collectively, the “Warrant Exchange Agreements”) with certain holders of the Company’s then-existing Tranche B warrants (such certain holders (excluding Oramed), the “Exchanging Warrant Holders”) to purchase shares of Common Stock (such Tranche B warrants held by the Exchanging Warrant Holders, the “Existing Tranche B Warrants”). Pursuant to the Warrant Exchange Agreements, the Company and the Exchanging Warrant Holders effected a voluntary securities exchange whereby the Exchanging Warrant Holders exchanged the Existing Tranche B Warrants, which were then exercisable for an aggregate of 107,142 shares of Common Stock at an exercise price of \$36.40 per share, originally issued pursuant to the Tranche B Securities Purchase Agreement, for warrants to purchase an aggregate of 500,000 shares of Common Stock (the “Exchange Warrants”) at an exercise price of \$40.00 per share (the “Exchange Warrant Exercise Price”).

Warrant Exercise Agreement

On September 30, 2025, we entered into a Warrant Exercise Agreement (the “Warrant Exercise Agreement”) with certain holders of the December 2024 RDO Common Warrants, pursuant to which, among other things, such holders exercised the December 2024 RDO Common Warrants to purchase 179,236 shares and deferred, for a deferral fee of \$7.72 per share being exercised, their right to receive an amortization payment scheduled to be paid by us on October 1, 2025 as set forth in the amortization schedule included in the Tranche B Notes in exchange for our agreement to issue new warrants to purchase an aggregate of 275,000 shares of Common Stock (the “September 2025 Warrants”) at an exercise price of \$20.00 per share.

Warrant Inducement Agreement

On November 23, 2025, we entered into a warrant inducement agreement (the “Warrant Inducement Agreement”) with a certain institutional investor, pursuant to which the investor agreed to exercise (the “Exercise”) (i) a warrant to purchase shares of Common Stock issued to the investor on April 25, 2024, which was then exercisable for 428,572 shares and has an exercise price of \$38.50 per share (the “Existing April 2024 Warrants”) and (ii) a warrant to purchase shares of Common Stock issued to the investor on December 13, 2024, which was then exercisable for 475,824 shares and has an exercise price of \$22.72 per share (together with the Existing April 2024 Warrants, the “Existing Warrants”). As consideration for the Exercise, the Company agreed to (i) reduce the exercise price of the Existing Warrants to \$22.51 per share and (ii) issue to the investor the “November 2025 Investor Warrant”) to purchase up to an aggregate of 1,356,594 shares of Common Stock with an exercise price of \$29.00 per share (the “November 2025 Investor Warrant Exercise Price”) in a private placement pursuant to Section 4(a)(2) of the Securities Act. The November 2025 Investor Warrant shall be immediately exercisable and in certain circumstances may be exercised on a cashless basis. The November 2025 Investor Warrant shall expire five years from the date of its issuance. The November 2025 Investor Warrant Exercise Price shall be subject to adjustment for any stock split, stock dividend, stock combination, recapitalization or similar event. Further, in connection with a warrant inducement agreement and pursuant to the terms of an engagement agreement by and between the Company and StockBlock, dated as of March 22, 2024 (as amended and supplemented from time to time, the “Engagement Agreement”), the Company has agreed to issue the placement agents or their designees, warrants to purchase up to an aggregate of 72,352 shares of Common Stock (the “November 2025 Placement Agent Warrants”) and, together with the November 2025 Investor Warrant, the “November 2025 Warrants”). The April 2024 RDO Placement Agent Warrants have substantially the same terms of the November 2025 Warrant, including exercise price and expiration.

Future Liquidity Needs

We have based our anticipated operating capital requirements on assumptions that may prove to be incorrect and we may use all our available capital resources sooner than we expect. The amount and timing of our future funding requirements will depend on many factors, some of which are outside of our control, including but not limited to:

- the costs and expenses associated with our ongoing commercialization efforts for ZTlido, GLOPERBA and ELYXYB;
- the degree of success we experience in commercializing ZTlido, GLOPERBA and ELYXYB;
- the revenue generated by sales of ZTlido, GLOPERBA, ELYXYB and other products that may be approved, if any;
- the scope, progress, results and costs of conducting studies and clinical trials for our product candidates, SEMDEXA, SP-103 and SP-104;
- the timing of, and the costs involved in, obtaining regulatory approvals for our product candidates;
- the costs of manufacturing ZTlido, GLOPERBA, ELYXYB and our product candidates;
- the timing and amount of any milestone, royalty or other payments we are required to make pursuant to any current or future collaboration or license agreements;
- our ability to maintain existing, and establish new, strategic collaborations, licensing or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- the extent to which ZTlido, GLOPERBA, ELYXYB or any of our product candidates, if approved for commercialization, is adopted by the physician community;
- our need to expand our research and development activities;
- the costs of acquiring, licensing or investing in businesses, product candidates and technologies;
- the effect of competing products and product candidates and other market developments;
- the number and types of future products we develop and commercialize;
- any product liability or other lawsuits related to our products;
- the expenses needed to attract, hire and retain skilled personnel;
- the costs associated with being a public company;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems;
- the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property-related claims;
- the costs related to servicing of our debt; and
- the extent and scope of our general and administrative expenses.

Should our sales of ZTlido, GLOPERBA, ELYXYB and other product candidates not materialize at the anticipated rate contemplated in our business plan, we will need to raise additional capital in order to continue to fund our research and development, including our plans for clinical and preclinical trials and new product development, as well as to fund operations generally. We will seek to raise additional funds through various potential sources, such as equity and debt financings and license agreements.

However, our ability to generate proceeds will depend on the market price of our Common Stock. In addition to the liquidity provided by revenue generating products, as of March 31, 2026, we would receive up to an aggregate of approximately \$74.4 million from the exercise of the “Private Warrants” and public warrants to purchase Common Stock (the “Public Warrants”, and together with the Private Warrants, the “SPAC Warrants”) (at an exercise price of \$402.50 per whole share of Common Stock), assuming the exercise in full of all of the SPAC Warrants for cash, but will not receive any proceeds from the sale of the shares of our Common Stock issuable upon such exercise. If the price of our Common Stock remains below \$402.50 per share, we believe warrant holders will be unlikely to cash exercise their SPAC Warrants, resulting in little or no cash proceeds to us. To the extent any of the February 2024 BDO Firm Warrants, February 2024 BDO Representative Warrants, April 2024 RDO Placement Agent Warrants, Deposit Warrant, October 2024 Noteholder Warrants, October 2024 Placement Agent Warrants, December 2024 RDO Common Warrants, StockBlock Warrants, the Exchange Warrants, the September 2025 Warrants, the November 2025 Warrants and the February 2026 Warrants is exercised, we will receive additional proceeds.

We can give no assurances that we will be able to secure additional sources of funds to support our operations on acceptable terms, or at all, or, if such funds are available to us, that such additional financing will be sufficient to meet our needs. These conditions, among others, raise substantial doubt about our ability to continue as a going concern. If we raise additional funds by issuing equity or convertible debt securities or as we have done pursuant to the Oramed Note and the Tranche B Notes, it could result in dilution to our existing stockholders or increased fixed payment obligations. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. If we incur additional indebtedness, we could become subject to covenants that would restrict our operations and potentially impair our competitiveness, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Additionally, any future collaborations we enter into with third parties may provide capital in the near term but we may have to relinquish valuable rights to ZTlido, GLOPERBA, ELYXYB, or our product candidates or grant licenses on terms that are not favorable to us. Any of the foregoing could significantly harm our business, financial condition and results of operations. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may be required to reduce the scope of the commercialization of ZTlido, GLOPERBA or ELYXYB or delay, scale back or discontinue the development of one or more of our product candidates.

We may also need to take certain other actions to allow us to maintain our projected cash and projected financial position including but not limited to, additional reductions in general and administrative costs, sales and marketing costs, suspension or winding down of clinical development programs for SP-102, SP-103 and SP-104 and other discretionary costs. Although we believe such plans, if executed and coupled with the above described sources of liquidity, should provide us with financing to meet our needs, successful completion of such plans is dependent on factors outside of our control.

We anticipate that we will continue to incur net losses into the foreseeable future as we support our clinical development to expand approved indications, continue our development of, and seek regulatory approvals for, our product candidates, and expand our corporate infrastructure. As a result, we have concluded that there is substantial doubt about our ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued. See Note 2 titled “*Liquidity and Going Concern*” to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information. Our existing cash and cash equivalents may be insufficient to enable us to fund our operating expenses, capital expenditure requirements, and to service our debt obligations (whether under the Oramed Note, the Tranche B Notes or otherwise) for at least the next 12 months. If these sources are insufficient to satisfy our liquidity requirements, we may seek to raise additional funds through equity offerings, debt financings, collaborations, government contracts or other strategic transactions.

Cash Flows

The following table summarizes our cash flows for each of the periods presented (in thousands):

| | Three Months Ended March 31, | |
|--|-------------------------------------|-----------------|
| | 2026 | 2025 |
| Cash Flow Data: | | |
| Net cash (used for) proceeds from operating activities | \$ (1,107) | \$ 6,007 |
| Net cash used for investing activities | (9,160) | (395) |
| Net cash provided by (used for) financing activities | 9,144 | (3,084) |
| Foreign currency translation adjustment | (481) | — |
| Net change in cash and cash equivalents | <u>\$ (1,604)</u> | <u>\$ 2,528</u> |

Cash Flows from Operating Activities

For the three months ended March 31, 2026, net cash used in operating activities was approximately \$1.1 million, attributable to our net loss of \$45.7 million, partially offset by the changes in operating assets and liabilities that provided \$25.9 million of cash and other non-cash reconciling items of \$18.7 million related to transaction costs expensed related to amortization of debt issuance costs and debt discount, stock-based compensation, provision for losses on accounts receivable, gain on derivative liability, losses on sale of securities, change in fair value of debt and liability instruments, change in fair value of digital assets and equity investments, financing costs, depreciation and amortization and non-cash operating lease cost and change on fair value of derivative liabilities.

For the three months ended March 31, 2025, net cash proceeds from operating activities were approximately \$6.0 million, attributable to the changes in operating assets and liabilities that provided \$27.2 million of cash and other non-cash reconciling items of \$4.9 million related to stock-based compensation, change in fair value of debt and liability instruments, financing costs, depreciation and amortization and non-cash operating lease cost and change on fair value of derivative liabilities, partially offset by our net loss of \$26.1 million.

Cash Flows from Investing Activities

For the three months ended March 31, 2026, net cash used for investing activities was approximately \$9.2 million and was related to the issuance of convertible note receivable for QScan of \$20.0 million, purchase of digital asset of \$18.7 million, payments made for intangible asset of \$2.9 million, repayment of promissory note of \$0.8 million, payment made for Datavault license of \$0.5 million, purchase of preferred shares of Vivasor \$0.3 million, payment made for PA OPS Investment \$0.2 million and \$0.2 million related to payments of deferred consideration for the Romeg intangible asset acquisition under the Romeg License Agreement, partially offset by sale of Datavault shares for cash of \$31.4 million, net and sale of marketable securities of \$2.9 million.

For the three months ended March 31, 2025, net cash used for investing activities was approximately \$0.4 million and was related to the \$0.2 million purchase of Gloperba Ex-U.S. rights in-process research and development assets and \$0.2 million related to payments of deferred consideration for the Romeg intangible asset acquisition under the Romeg License Agreement.

Cash Flows from Financing Activities

For the three months ended March 31, 2026, net cash provided by (used for) financing activities was approximately \$9.1 million and was primarily related to \$15.5 million of proceeds from issuance of Tranche 3 of the Scilex-St. James Loans and \$1.5 million related to the Acquisition of controlling interest in Vivasor, partially offset by a \$6.4 million repayment of borrowings under the Tranche B Notes, a \$0.8 million payment under the ZTlido Royalty Purchase Agreement and Gloperba-Elyxyb Royalty Purchase Agreement, a \$0.7 million repayment of borrowings under the Vivasor related debt.

For the three months ended March 31, 2025, net cash used for financing activities was approximately \$3.1 million and was primarily related to a \$1.6 million repayment of borrowings under the Tranche B Notes, a \$0.8 million payment under the ZTlido Royalty Purchase Agreement, a \$0.4 million payment of transaction costs in connection with the share repurchase, a \$0.2 million payment of excise tax on the share repurchase and a \$0.1 million payment of deferred transaction costs related to the Semnur Business Combination.

Critical Accounting Estimates

This management's discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements which are prepared in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. We continually evaluate our estimates and judgments and base them on historical experience and other factors that we believe to be reasonable

under the circumstances. Materially different results can occur as circumstances change and additional information becomes known.

There have been no material changes in our critical accounting estimates as compared to the critical accounting estimates disclosed in the section titled “*Management’s Discussion and Analysis of Financial Condition and Operations*” included in the Annual Report on Form 10-K.

Recent Accounting Pronouncements

See Note 1 titled “*Nature of Operations and Basis of Presentation*” of the Notes to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

Emerging Growth Company

An “emerging growth company” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), is eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, changes in U.S. GAAP or their interpretation, the adoption of new guidance or the application of existing guidance to changes in Scilex’s business could significantly affect our business, financial condition and results of operations.

In addition, we are in the process of evaluating the benefits of relying on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an emerging growth company, we may take advantage of certain exemptions from various reporting requirements and other burdens that are otherwise applicable generally to public companies. These provisions include, but are not limited to:

- an exemption from compliance with the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”);
- an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation or golden parachute arrangements.

Scilex qualifies and will remain as an emerging growth company until the earlier of (i) the last day of the fiscal year (a) following the fifth anniversary of the closing of the IPO, (b) in which Scilex has a total annual gross revenue of at least \$1.235 billion, or (c) in which Scilex is deemed to be a large accelerated filer, which means the market value of the common equity of Scilex that is held by non-affiliates equals or exceeds \$700 million as of the last business day of its most recently completed second fiscal quarter; and (ii) the date on which Scilex has issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” have the meaning associated with it in the JOBS Act.

Smaller Reporting Company

Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. Scilex qualifies and will remain a smaller reporting company until the last day of the fiscal year in which (i) Scilex has annual revenue of at least \$100 million and a public

float that equals or exceeds \$700 million as of the last business day of its most recently completed second fiscal quarter or (ii) Scilex has a public float that equals or exceeds \$250 million as of the last business day of its most recently completed second fiscal quarter.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in our market risk during the three months ended March 31, 2026 compared to the disclosures in Part II, Item 7A of the Annual Report on Form 10-K.

Item 4. Controls and Procedures.***Evaluation of Disclosure Controls and Procedures***

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's regulations, rules and forms and that such information is accumulated and communicated to our management, including our principal officers, as appropriate, to allow for timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. As required by Rule 13a-15(b) promulgated by the SEC under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Inherent Limitations on Effectiveness of Controls

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Accordingly, our controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our control system are met. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information set forth under the caption “*Litigation*” in Note 13 “*Commitments and Contingencies*” of the Notes accompanying the Unaudited Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors.

Investing in our Common Stock involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described herein, as well as the risks and uncertainties discussed above under “Cautionary Note Regarding Forward-Looking Statements”, before deciding whether to invest in our Common Stock. Our Annual Report on Form 10-K, in Part I–Item 1A, Risk Factors, describes important risk factors that could cause our business, financial condition, liquidity, results of operations and growth prospects to differ materially from those indicated or suggested by forward-looking statements made in this Quarterly Report on Form 10-Q or presented elsewhere by management from time to time. Except as set forth below, there have been no material changes in the risk factors that appear in Part I–Item 1A of our Annual Report on Form 10-K. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business.

Risks Related to our Limited Operating History, Financial Condition and Capital Requirements

We have a limited operating history and have incurred significant losses since our inception. We anticipate that we will incur continued losses for the foreseeable future.

We have a limited operating history. Prior to March 2019, our operations were conducted through Scilex Pharma, which was formed in September 2012 and is now our wholly owned subsidiary. In March 2019, we effected a corporate reorganization and acquired Semnur Pharmaceuticals, Inc., then a majority-owned subsidiary of our company (“Legacy Semnur”), which was formed in June 2013. Since our inception, we have focused on organizing and staffing our company, business planning, raising capital, identifying potential non-opioid pain therapy candidates, undertaking preclinical studies and clinical trials of our product candidates and establishing research and development and manufacturing collaborations. Most of our revenue to date is attributable to sales of ZTlido, and we expect that sales of ZTlido will account for most of our revenue for at least the near term. Our relatively short operating history as a company makes any assessment of our future success and viability subject to significant uncertainty.

Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect or an acceptable safety profile, gain regulatory approval and become commercially viable. We will encounter risks and difficulties frequently experienced by early-stage biopharmaceutical companies in rapidly evolving fields, and we have not yet demonstrated an ability to overcome such risks and difficulties successfully. Our ability to execute on our business model and generate revenues depends on a number of factors including our ability to:

- successfully complete ongoing clinical trials and obtain regulatory approvals for our current and future product candidates;
- identify new acquisition or in-licensing opportunities;
- successfully identify new product candidates and advance those product candidates into pre-clinical studies and clinical trials;
- raise additional funds when needed and on terms acceptable to us;
- attract and retain experienced management and advisory teams;
- add operational, financial and management information systems and personnel, including personnel to support clinical, manufacturing and planned future commercialization efforts and operations;
- launch commercial sales of our product candidates, whether alone or in collaboration with others;
- initiate and continue relationships with third-party suppliers and manufacturers and have commercial quantities of product candidates manufactured at acceptable cost and quality levels and in compliance with the FDA, and other regulatory requirements;
- set acceptable prices for product candidates and obtain coverage and adequate reimbursement from third-party payors;
- achieve market acceptance of product candidates in the medical community and with third-party payors and consumers; and
- maintain, expand and protect our intellectual property portfolio.

If we cannot successfully execute any one of the foregoing, our business may not succeed or become profitable.

Since our inception, we have incurred significant net losses, with net losses of \$374.0 million and \$72.8 million for the years ended December 31, 2025 and 2024, respectively. For the three months ended March 31, 2026 and 2025, we had net losses of \$45.7 million and \$26.1 million, respectively. As of March 31, 2026 and December 31, 2025, we had an accumulated deficit of \$965.1 million and \$921.8 million, respectively. For the foreseeable future, we expect to continue to incur significant expenses related to the commercialization of ZTlido, GLOPERBA and ELYXYB and the research and development of our product candidates, SP-102 (10 mg dexamethasone sodium phosphate viscous gel) (“SEMDEXA”), SP-103 (lidocaine topical system) 5.4% (“SP-103”), and SP-104 (4.5 mg, low-dose naltrexone hydrochloride delayed-release capsules) (“SP-104”). We anticipate that our expenses will increase substantially due to any future trials related to SEMDEXA and SP-103 and initiation of the Phase 2 clinical trial for SP-104. Consequently, we expect to incur substantial losses for the foreseeable future and may never become profitable.

We are subject to risks incidental to the development of new biopharmaceutical products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations.

If we are unable to raise capital through a registered offering, we would be required to conduct our equity financing transactions on a private placement basis, which may be subject to pricing, size and other limitations imposed under the Nasdaq Listing Rules, or seek other sources of capital.

The terms of the Oramed Note and the Tranche B Notes impose certain operating and financial covenants that restrict our operating and financial flexibility and any failure to comply with such covenants could result in an event of default that could adversely affect our business, financial condition and results of operations.

On September 21, 2023 (the “Oramed Closing Date”), we issued and sold to Oramed the Oramed Note pursuant to that certain securities purchase agreement we entered into with Oramed, dated as of September 21, 2023 (the “Scilex-Oramed SPA”). Interest under the Oramed Note accrues at a fluctuating per annum interest rate equal to the sum of (1) greater of (x) four percent (4%) and (y) Term SOFR (as defined in the Oramed Note) and (2) eight and one-half percent (8.5%), payable in-kind on a monthly basis.

Pursuant to the Oramed Note, since the outstanding principal of the Oramed Note was not repaid in full on or prior to March 21, 2024, an exit fee of \$3,056,250 has been earned with respect to the Oramed Note, which shall be due and payable on the date the outstanding principal amount of the Oramed Note is paid in full. Upon the occurrence and during the continuance of an event of default under the Oramed Note, holders of more than 50% of the aggregate unpaid principal amount of the Oramed Notes may elect to cause all outstanding amounts under the Oramed Note to accrue interest at a default rate equal to the lesser of (i) Term SOFR plus fifteen percent (15%) or (ii) the maximum rate permitted under applicable law.

Any voluntary prepayments of the Oramed Note occurring prior to the one-year anniversary of the Oramed Closing Date are required to be paid together with a make-whole amount equal to 50% of the amount of additional interest that would accrue on the principal amount so prepaid under the Oramed Note from the date of such prepayment through and including the maturity date. The make-whole amount was waived by Oramed for our voluntary prepayments in March 2024. If the Oramed Note is accelerated upon an event of default, we are required to repay the principal amount of the Oramed Note at a mandatory default rate of 125% of such principal amount (together with 100% of accrued and unpaid interest thereon and all other amounts due in respect of the Oramed Note). The Oramed Note contains mandatory prepayment provisions requiring us and our subsidiaries to, following the earlier of (x) April 1, 2024, and (y) the date on which the Acceptable Indebtedness (as defined in the Oramed Note) is repaid in full, use 70% of the net cash proceeds of any Cash Sweep Financing (as defined in the Oramed Note) or advance under the ELOCs (as defined in the Oramed Note) to prepay the outstanding principal amount of the Oramed Note (the “Mandatory Prepayment Sweep”). Following each of the April 2024 RDO, the receipt of the FSF Deposit and the ATM Sales Agreement, we made mandatory prepayments of \$9,578,835, \$7,000,000 and \$1,760,796, respectively, to Oramed, which equals 70% of the net cash proceeds we received from each of the April 2024 RDO, the FSF Deposit and the sale of shares pursuant to the ATM Sales Agreement. Given such payment was not a voluntary prepayment, such prepayment did not trigger the make-whole amount under the Oramed Note.

On October 8, 2024 (the “Issuance Date”), we issued and sold in a registered offering to certain institutional investors (collectively, the “Tranche B Investors”) and Oramed (together with the Tranche B Investors, the “Tranche B Noteholders”) senior secured convertible notes in the aggregate principal amount of \$50,000,000 (the “Tranche B Notes”), which notes are convertible into shares of Common Stock, pursuant to the Tranche B Securities Purchase Agreement. In consideration for Tranche B Notes issued to Oramed, the outstanding principal balance of the Oramed Note was reduced by \$22,500,000, and additional principal payments of an aggregate amount of \$15,000,000 were made in November and December 2024. As of March 31, 2026, the outstanding principal amount, as well as the accrued interest and fees, of the Oramed Note was \$29.0 million, with the remaining amount due on March 21, 2025, which maturity date was extended to December 31, 2025 pursuant to an amendment letter we entered into with Oramed, dated as of January 21, 2025, and extended further to June 15, 2026, by our issuance of the February 2026 Warrants to Oramed in exchange for which Oramed deferred its right to receive an amortization payment. In September 2025 and December 2025, the Company fully exercised its option to repurchase an aggregate of 6,500,000 warrants related to the issuance of the Oramed Note (the “Penny Warrants”) and paid to Oramed the \$1.5 million consideration for such option (the “Option Payment Amount”) in full, extending the maturity date of the Oramed Note to March 31, 2026 and waiving any make-whole payment otherwise due thereunder upon prepayment. On March 29, 2026, the Company received notice from Oramed granting a one-time extension of certain payment obligations under existing debt arrangements. Pursuant to the extension, (i) the final payment due under Note A and (ii) the April 1, 2026 amortization payment due under Note B were extended to April 20, 2026. Subsequent to the period covered by these financial statements, Oramed further extended the maturity to June 15, 2026. See Note 8 titled “Debt” and Note 15 titled “Subsequent Events” to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q for additional information.

Unless earlier converted or redeemed, the Tranche B Notes mature on the two-year anniversary of the Issuance Date, subject to extension at the option of the holder in certain circumstances as provided therein. The Tranche B Notes bear interest at a rate of 5.5% per annum, payable in arrears on the first trading day of each calendar quarter, beginning January 2, 2025, payable, at our option, either in cash or in shares of Common Stock, subject to certain conditions. Pursuant to the amortization schedule included in the Tranche B Notes, an amortization payment that was scheduled to be paid to Oramed on October 1, 2025 was deferred until January 1, 2026 pursuant to the warrant agreement we entered into with Oramed on February 19, 2026, in exchange for the February 2026 Warrants (as defined in our Annual Report). The deferred amortization payment was made to Oramed in November 2025.

The Oramed Note and the Tranche B Notes contain affirmative and negative covenants binding on us and our subsidiaries which restrict, among other things, us and our subsidiaries from incurring indebtedness or liens, repaying certain indebtedness, or declaring or paying any cash dividends or distribution, selling or otherwise disposing of any assets, entering into transactions with affiliates, in each case as more fully set forth in, and subject to certain qualifications, exceptions, and “baskets” set forth in the Oramed Note and the Tranche B Notes. The Oramed Note also contains covenants requiring us to maintain a segregated bank account under specific terms and conditions, for purposes of receiving the Mandatory Prepayment Sweep, requiring SCLX JV, to comply with the separateness representations and covenants in its organizational documents, and requiring our subsidiary, SCLX DRE Holdings LLC, to maintain its status as a passive holding company. The Tranche B Notes also require us to, at the request of the holder, not more frequently than once per fiscal year, hire an independent, reputable investment bank to investigate whether any breach of the Tranche B Notes has occurred if an event constituting an event of default has occurred and is continuing or any holder reasonably believes that an event constituting an event of default has occurred or is continuing. In addition, the Tranche B Notes prohibit us from entering into specified fundamental transactions unless the successor entity assumes all of our obligations under the Tranche B Notes under a written agreement approved by the required holders of the Tranche B Notes before the transaction is completed. Upon consummation of specified fundamental transactions, the successor entity must confirm that upon conversion or redemption of the Tranche B Notes thereafter, shares of the successor entity will be issuable upon such conversion or redemption. The holders of the Tranche B Notes also have certain redemption rights upon a fundamental transaction constituting a change of control.

The Oramed Note and the Tranche B Notes contain certain customary events of default, including, without limitation, a cross-default to other specified indebtedness or any other indebtedness involving an obligation of a certain amount, a failure in payment of principal, as well as any bankruptcy, insolvency or reorganization event.

In addition, failure to comply with the covenants under the Oramed Note or Tranche B Notes could result in an event of default. The events of default under the Oramed Note include, among others, a change of control of our company

and under the Tranche B Notes include, among others, any material adverse effect on our business, properties, assets, liabilities, operation, condition or prospects. Upon an event of default under the Oramed Note or the Tranche B Notes, subject to notice requirements in the case of certain events of default, all amounts outstanding under the Oramed Note may become immediately due and payable and the holders of the Tranche B Notes are entitled to certain conversion and redemption rights, respectively. We may not have sufficient funds or may be unable to arrange for additional financing to repay such indebtedness or to make any accelerated or redemption payments, and Oramed and/or the Tranche B Noteholders could seek to enforce their security interests in the collateral securing such indebtedness or other remedies available to them under the Oramed Note or Tranche B Notes, respectively, or as provided by applicable law. Oramed could also seek to enforce the guaranty under the Subsidiary Guarantee entered into by us and each of our subsidiaries, dated as of September 21, 2023, to carry out our payment obligations under the Oramed Note. Any failure by us to comply with the obligations under the Oramed Note or the Tranche B Notes could have a negative effect on our business, financial condition and results of operations.

Our outstanding indebtedness and any future indebtedness we may incur, combined with our other financial obligations, could increase our vulnerability to adverse changes in general economic, industry and market conditions, limit our flexibility in planning for, or reacting to, changes in our business and the industry and impose a competitive disadvantage compared to our competitors that have less debt or better debt servicing options. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all.

Our operations have consumed substantial amounts of cash since inception. We expect to significantly increase our spending to continue our commercialization efforts for ZTlido, GLOPERBA and ELYXYB, advance development of our current product candidates and launch and commercialize any product candidates for which we receive regulatory approval. Furthermore, we expect to incur additional costs associated with operating as a public company. We will also require additional capital to fund our other operating expenses and capital expenditures.

As of March 31, 2026, our cash and cash equivalents were approximately \$3.4 million and we had an accumulated deficit of \$965.1 million. The amount and timing of our future funding requirements will depend on many factors, some of which are outside of our control, including but not limited to:

- the costs and expenses associated with our ongoing commercialization efforts for ZTlido, GLOPERBA and ELYXYB;
- the degree of success we experience in commercializing ZTlido, GLOPERBA and ELYXYB;
- the revenue generated by sales of ZTlido, GLOPERBA, ELYXYB and other products that may be approved, if any;
- the scope, progress, results and costs of conducting studies and clinical trials for our product candidates, SEMDEXA, SP-103 and SP-104;
- the timing of, and the costs involved in, obtaining regulatory approvals for our product candidates;
- the costs of manufacturing ZTlido, GLOPERBA, ELYXYB and our product candidates;
- the timing and amount of any milestone, royalty or other payments we are required to make pursuant to any current or future collaboration or license agreements;
- our ability to maintain existing, and establish new, strategic collaborations, licensing or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- the extent to which ZTlido, GLOPERBA, ELYXYB or any of our product candidates, if approved for commercialization, is adopted by the physician community;
- our need to expand our research and development activities;
- the costs of acquiring, licensing or investing in businesses, product candidates and technologies;
- the effect of competing products and product candidates and other market developments;
- the number and types of future products we develop and commercialize;
- any product liability or other lawsuits related to our products;
- the expenses needed to attract, hire and retain skilled personnel;
- the costs associated with being a public company;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems;

- the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property-related claims;
- the costs related to servicing of our debt;
- the costs of financing additional clinical, regulatory and commercial activities; and
- the extent and scope of our general and administrative expenses.

Until we are able to generate significant revenue, if ever, we expect to finance our operations through a combination of equity offerings, debt financings, collaborations, government contracts or other strategic transactions. We cannot be sure that any additional funding, if needed, will be available on terms favorable to us, or at all. Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. Furthermore, any additional equity or equity-related financing may be dilutive to our stockholders, and debt or equity financing, if available, may subject us to restrictive covenants and significant interest costs. If we raise additional funds through collaborations or strategic alliances with third parties, we may have to relinquish valuable rights to our product candidates, future revenue streams, research programs or technologies, or grant licenses on terms that may not be favorable to us. If we are unsuccessful in our efforts to raise additional financing on acceptable terms, we may be required to significantly reduce or cease our operations.

Our recurring losses from operations, negative cash flows and substantial cumulative net losses raise substantial doubt about our ability to continue as a going concern.

In Note 2 titled “*Liquidity and Going Concern*” of our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, we disclose that there is substantial doubt about our ability to continue as a going concern. We have negative working capital and have incurred significant operating losses and negative cash flows from operations and expect to continue incurring losses for the foreseeable future. Further, we had an accumulated deficit of \$965.1 million as of March 31, 2026 and \$921.8 million as of December 31, 2025. These conditions raise substantial doubt about our ability to continue as a going concern. Our unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our ability to become a profitable operating company is dependent upon our ability to generate revenue and obtain financing adequate to fulfill our development and commercialization activities, and achieve a level of revenue adequate to support our cost structure. We have plans to obtain additional resources to fund our currently planned operations and expenditures through additional debt and equity financing. We will need to seek additional financing to fund our current operations, including the commercialization of ZTlido, GLOPERBA and ELYXYB, as well as the development of our other material product candidates for the next 12 months. Our plans are substantially dependent upon the success of future sales of ZTlido, GLOPERBA and ELYXYB, among which GLOPERBA and ELYXYB are still in the early stages of commercialization, and are dependent upon, among other things, the success of our marketing of ZTlido, GLOPERBA and ELYXYB and our ability to secure additional payor contracts with terms that are consistent with our business plan. If we are unable to obtain sufficient funding, our financial condition and results of operations will be materially and adversely affected and we may be unable to continue as a going concern. Future financial statements may disclose substantial doubt about our ability to continue as a going concern. If we seek additional financing to fund our business activities in the future and there remains substantial doubt about our ability to continue as a going concern, investors or other financing sources may be unwilling to provide additional funding to us on commercially reasonable terms, or at all.

Risks Related to Ownership of our Common Stock

The market price of our Common Stock may fluctuate significantly, and investors in our Common Stock may lose all or a part of their investment.

The market prices for securities of biotechnology and pharmaceutical companies have historically been highly volatile, and the market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. For example, from November 11, 2022 (the first trading day following the closing of the Scilex Business Combination) to May 15, 2026, our closing stock price ranged from \$3.99 to

\$518.00. The market price of our Common Stock may fluctuate significantly in response to numerous factors, some of which are beyond our control, such as:

- our ability to commercialize ZTlido, GLOPERBA, ELYXYB or our product candidates, if approved;
- legal disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for ZTlido, GLOPERBA, ELYXYB or our product candidates, government investigations and the results of any proceedings or lawsuits, including, but not limited to, patent or stockholder litigation;
- announcements of the introduction of new products by our company and our competitors;
- issuances of debt or equity securities;
- market conditions and trends in the pharmaceutical and biotechnology sectors;
- overall performance of the equity markets and other factors that may be unrelated to our operating performance or the operating performance of our competitors, including changes in market valuations of similar companies;
- trading volume of our Common Stock;
- ineffectiveness of our internal controls; and
- other events or factors, many of which are beyond our control.

See the risk factor titled *“If our operations and performance do not meet the expectations of investors or securities analysts, the market price of our securities may decline”* in our Annual Report on Form 10-K for more factors affecting the trading price of our securities. The realization of any of the above risks or any of a broad range of other risks, including those described in these *“Risk Factors,”* could have a dramatic and material adverse impact on the market price of our Common Stock.

The equity markets in general have recently experienced extreme price and volume fluctuations. Continued market fluctuations could result in extreme volatility in the price of our Common Stock. Further, price volatility of our Common Stock might worsen if the trading volume of our Common Stock is low. Although we have had periods of high-volume daily trading in our Common Stock, generally our stock is thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our stockholders may disproportionately influence the price of those shares in either direction. If an active trading market for our Common Stock does not continue, the price of our Common Stock may be more volatile and it may be more difficult and time consuming to complete a transaction in our Common Stock, which could have an adverse effect on the realized price of our Common Stock. In addition, an adverse development in the market price for our Common Stock could negatively affect our ability to issue new equity to fund our activities.

Our Warrants are exercisable for our Common Stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

As of March 31, 2026, we have 6,958,204 outstanding SPAC Warrants (as defined below), which are currently exercisable for an aggregate of up to 198,807 shares of our Common Stock (on a post-Reverse Stock Split basis) in accordance with the terms of the Warrant Agreement (the “Warrant Agreement”), dated as of January 6, 2021, between Continental Stock Transfer & Trust Company, as warrant agent, and Vickers, governing those securities. The exercise price of these SPAC Warrants is \$402.50 per whole share (on a post-Reverse Stock Split basis). “SPAC Warrants” means (i) the redeemable warrants that were included in the Units (each of which consisted of one Vickers ordinary share and one-half of one redeemable warrant) that, following the Scilex Business Combination and the Reverse Stock Split, entitle the holder of each whole warrant to purchase 1/35th of a share of Common Stock at a price of \$402.50 per whole share (the “Public Warrants”), and (ii) the 6,840,000 warrants (which are currently exercisable for an aggregate of up to 195,429 shares of Common Stock, on a post-Reverse Stock Split basis) sold in a private placement to Vickers Venture Fund VI Pte Ltd and Vickers Venture Fund VI (Plan) Pte Ltd consummated on January 11, 2021 (of which 2,736,000 (which are currently exercisable for an aggregate of up to 78,172 shares of Common Stock) were subsequently forfeited and 3,104,000 (which are currently exercisable for an aggregate of up to 88,686 shares of

Common Stock, on a post-Reverse Stock Split basis) were transferred to Sorrento Therapeutics, Inc. (“Sorrento”), in each case in connection with the Scilex Business Combination) (the “Private Warrants”).

As of March 31, 2026, we have outstanding, (i) 3,803,447 February 2024 BDO Firm Warrants, which are currently exercisable for an aggregate of up to 108,686 shares of Common Stock, the exercise price of which is \$59.50 per share; (ii) 470,588 February 2024 BDO Representative Warrants, which are currently exercisable for an aggregate of up to 13,446 shares of Common Stock, the exercise price of which is \$74.38 per share; (iii) 3,250,000 Deposit Warrant, which is currently exercisable for an aggregate of up to 3,250,000 shares of Common Stock, the exercise price of which is \$1.20 per share, (iv) 15,000,000 April 2024 RDO Common Warrants, which are currently exercisable for an aggregate of up to 428,572 shares of Common Stock, the exercise price of which is \$38.50 per share and (v) 1,200,000 April 2024 RDO Placement Agent Warrants, which are currently exercisable for an aggregate of up to 34,286 shares of Common Stock, the exercise price of which is \$43.75 per share.

On October 8, 2024, we issued the October 2024 Noteholder Warrants to purchase an aggregate of 214,284 shares of Common Stock. On the same date, we also issued the October 2024 Placement Agent Warrants to purchase an aggregate of 104,848 shares of Common Stock, which became exercisable 180 days following the date of issuance. The current exercise price of both the October 2024 Noteholder Warrants and the October 2024 Placement Agent Warrants is \$36.40 per share. On July 22, 2025, we entered into the Warrant Exchange Agreements with the Tranche B Investors, pursuant to which the October 2024 Noteholder Warrants to purchase up to 107,142 shares of Common Stock were surrendered in exchange for the New Tranche B Warrants. Oramed waived its right to participate in the exchange.

On December 13, 2024, we issued the December 2024 RDO Pre-Funded Warrants (as defined below) to purchase an aggregate of 68,604 shares of Common Stock, which have been fully exercised as of the date of this Quarterly Report on Form 10-Q. On the same date, we also issued the December 2024 RDO Common Warrants (as defined below) to purchase an aggregate of 1,642,871 shares of Common Stock and the StockBlock Warrants (as defined below) to purchase an aggregate of 131,472 shares of Common Stock, which became exercisable 180 days following the date of issuance. The exercise price of both the December 2024 RDO Common Warrants and the StockBlock Warrants is \$22.72 per share and \$25.81 per share, respectively. On September 30, 2025, we entered into the Warrant Exercise Agreement with certain holders of the December 2024 RDO Common Warrants, pursuant to which, among other things, December 2024 RDO Common Warrants to purchase 179,236 shares were exercised and we issued such exercising holders new warrants (the “September 2025 Warrants”) to purchase an aggregate of 275,000 shares of Common Stock at an exercise price of \$20.00 per share.

To the extent the SPAC Warrants, the Penny Warrants, the February 2024 BDO Firm Warrants, the February 2024 BDO Representative Warrants, the Deposit Warrant, the Fee Warrant (as defined in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on April 10, 2026), the April 2024 RDO Common Warrants, the April 2024 RDO Placement Agent Warrants, the October 2024 Noteholder Warrants, the October 2024 Placement Agent Warrants, the December 2024 RDO Common Warrants, the StockBlock Warrants, the New Tranche B Warrants and the September 2025 Warrants (collectively, the “Warrants”) are exercised, additional shares of our Common Stock will be issued, which will result in dilution to the holders of our Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market, or the fact that such Warrants may be exercised, could adversely affect the prevailing market prices of our Common Stock. There is no guarantee that the Warrants will ever be in the money prior to their expiration, and as such, the Warrants may expire worthless. See below risk factor, “*The SPAC Warrants may never be in the money, they may expire worthless and the terms of the SPAC Warrants may be amended in a manner adverse to a holder if holders of a majority of the then-outstanding SPAC Warrants approve of such amendment. In addition, almost all of the other warrants to purchase shares of our Common Stock are out-of-the-money and may also expire worthless.*”

Risks Related to the Pending Transaction with Phoenix Asia Holdings Limited

As previously announced by the Company and as disclosed in the Notes to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, on May 4, 2026, ACEA Therapeutics, Inc. (“ACEA Therapeutics”), an indirect minority owned subsidiary of the Company, entered into a Stock Acquisition Agreement (the “ACEA-PHOE SAA”) with Phoenix Asia Holdings Limited, a company organized under the laws of the Cayman Islands (“Phoenix Asia”), and ACEA Pharma, Inc., a wholly owned subsidiary of ACEA Therapeutics and an exempted company incorporated with limited liability in the Cayman Islands (“ACEA Pharma”), pursuant to which

ACEA Therapeutics agreed to transfer and sell, and Phoenix Asia agreed to purchase, 100% of the issued and outstanding shares of common stock of ACEA Pharma in exchange for the delivery to ACEA Therapeutics of 100,000,000 newly-issued ordinary shares at \$10.00 per share, par value \$0.00001 per share, of Phoenix Asia (the “PHOE Acquisition” and such shares, the “PHOE Shares”), the value of which was agreed by the parties to be \$1,000,000,000.00. Upon the closing of the PHOE Acquisition, the Company anticipates that ACEA Therapeutics will own approximately 82% of Phoenix Asia.

Failure to complete the PHOE Acquisition could negatively impact our business, financial condition, results of operations or stock prices.

The completion of the PHOE Acquisition is subject to a number of conditions and there can be no assurance that the conditions to the completion of the PHOE Acquisition will be satisfied. If the PHOE Acquisition is not completed, we will be subject to several risks, including:

- the current price of our common stock may reflect a market assumption that the PHOE Acquisition will occur and/or that the actual valuation of the PHOE Shares is \$1.0 billion, meaning that a failure to complete the PHOE Acquisition could result in a decline in the price of our common stock;
- we would not realize any of the anticipated benefits of ACEA Therapeutics having completed the PHOE Acquisition; and
- under the ACEA-PHOE SAA, ACEA Pharma is subject to certain restrictions on the conduct of its business prior to completing the PHOE Acquisition, which restrictions could adversely affect its ability to realize certain of its business strategies.

If the PHOE Acquisition is not completed, these risks may materialize and materially and adversely affect our business, financial condition, results of operations or stock price.

Obtaining required approvals necessary to satisfy the conditions to the completion of the PHOE Acquisition may delay or prevent completion of the PHOE Acquisition.

The completion of the PHOE Acquisition is conditioned upon the receipt of certain governmental authorizations, consents, orders or other approvals. ACEA Therapeutics intends to pursue all required approvals in accordance with the ACEA-PHOE SAA, however, no assurance can be given that the required approvals will be obtained and, even if all such approvals are obtained, no assurance can be given as to the terms, conditions and timing of the approvals or that they will satisfy the terms of the ACEA-PHOE SAA. A failure to obtain such approvals may result in the PHOE Acquisition not being completed.

The agreed equity value of \$1.0 billion set forth in the ACEA-PHOE SAA may not reflect the actual value of the equity consideration described therein.

The parties to the ACEA-PHOE SAA agreed to an equity value of \$1.0 billion for the PHOE Shares to be issued to ACEA Therapeutics in the PHOE Acquisition. No assurance can be given that such value reflects the actual current or future value of such shares. If such valuation is not actually realized, it could have a material and adverse effect on our business, financial condition, results of operations or stock price.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Except as previously reported in our Current Reports on Form 8-K, we did not undertake any unregistered sales of our equity securities during the quarter ended March 31, 2026.

We did not repurchase any shares or other units of any class of our equity securities registered under Section 12 of the Exchange Act during the quarter ended March 31, 2026.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the fiscal quarter ended March 31, 2026, none of our directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement,” as defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

| Exhibit Number | Description |
|-----------------------|--|
| 2.1# | <u>Agreement and Plan of Merger, dated as of March 18, 2019, by and among Scilex Holding Company, Sigma Merger Sub, Inc., Semnur Pharmaceuticals, Inc., Fortis Advisors LLC, solely as the representative of the Equityholders and, solely with respect to Section 1.8(a), Section 3.11 and Article X, Sorrento Therapeutics, Inc. (incorporated by reference to Exhibit 2.1 of Amendment No. 1 of Vickers's Form S-4 (File No. 333-264941), filed with the SEC on June 27, 2022).</u> |
| 2.2 | <u>Amendment No. 1 to Agreement and Plan of Merger, dated as of August 7, 2019, by and among Semnur Pharmaceuticals, Inc., Scilex Holding Company, Sigma Merger Sub, Inc., Fortis Advisors, LLC, solely as the representative of the Equityholders and, solely with respect to Section 1.8(a), 3.11 and Article X of the Agreement and Plan of Merger, Sorrento Therapeutics, Inc. (incorporated by reference to Exhibit 2.2 of Amendment No. 1 of Vickers's Form S-4 (File No. 333-264941), filed with the SEC on October June 27, 2022).</u> |
| 2.3# | <u>Bill of Sale and Assignment and Assumption Agreement, dated May 12, 2022, by and between Scilex Holding Company and Sorrento Therapeutics, Inc. (incorporated by reference to Exhibit 2.3 of Amendment No. 1 of Vickers's Form S-4 (File No. 333-264941), filed with the SEC on June 27, 2022).</u> |
| 2.4^# | <u>Asset Purchase Agreement, dated April 23, 2021, between Sorrento Therapeutics, Inc. and Aardvark Therapeutics, Inc., as assumed by Scilex Holding Company on May 12, 2022, pursuant to the Bill of Sale and Assignment and Assumption Agreement, dated as of such date, by and between Scilex Holding Company and Sorrento Therapeutics, Inc. (incorporated by reference to Exhibit 2.4 of Amendment No. 1 of Vickers's Form S-4 (File No. 333-264941), filed with the SEC on June 27, 2022).</u> |
| 2.5# | <u>Agreement and Plan of Merger, dated as of March 17, 2022, by and among Vickers Vantage Corp. I, Vickers Merger Sub, Inc. and Scilex Holding Company (incorporated by reference to Exhibit 2.1 of Vickers's Current Report on Form 8-K (File No. 001-39852), filed with the SEC on March 21, 2022).</u> |
| 2.6# | <u>Amendment No. 1 to Agreement and Plan of Merger, dated as of September 12, 2022, by and among Vickers Vantage Corp. I, Vickers Merger Sub, Inc. and Scilex Holding Company (incorporated by reference to Exhibit 2.1 of Vickers's Current Report on Form 8-K (File No. 001-39852), filed with the SEC on September 14, 2022).</u> |
| 2.7# | <u>Agreement and Plan of Merger, dated as of August 30, 2024, by and among Denali Capital Acquisition Corp., Denali Merger Sub Inc. and Semnur Pharmaceuticals, Inc. (incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on September 3, 2024).</u> |
| 2.8 | <u>Amendment No. 1 to Agreement and Plan of Merger, dated as of April 16, 2025, by and among Denali Capital Acquisition Corp., Denali Merger Sub Inc. and Semnur Pharmaceuticals, Inc. (incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on April 21, 2025).</u> |
| 2.9 | <u>Amendment No. 2 to Agreement and Plan of Merger, dated as of July 22, 2025, by and among Denali Capital Acquisition Corp., Denali Merger Sub Inc. and Semnur Pharmaceuticals, Inc. (incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on July 23, 2025).</u> |
| 3.1 | <u>Restated Certificate of Incorporation of Scilex Holding Company (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on November 17, 2022).</u> |
| 3.2 | <u>Certificate of Amendment to the Restated Certificate of Incorporation of Scilex Holding Company, filed with the Secretary of State of the State of Delaware on April 14, 2025 (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on April 15, 2025).</u> |
| 3.3 | <u>Certificate of Designations of Scilex Holding Company (incorporated by reference to Exhibit 3.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on November 17, 2022).</u> |
| 3.4 | <u>Certificate of Designation of Preferences, Rights and Limitations of Series 1 Mandatory Exchangeable Preferred Stock of Scilex Holding Company (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on October 28, 2024).</u> |
| 3.5 | <u>Certificate of Elimination of Series 1 Mandatory Exchangeable Preferred Stock of Scilex Holding Company (incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on February 3, 2026).</u> |

| Exhibit Number | Description |
|----------------|---|
| 3.6 | <u>Bylaws of Scilex Holding Company (incorporated by reference to Exhibit 3.3 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on November 17, 2022).</u> |
| 4.1 | <u>Warrant Agreement, dated as of January 6, 2021, by and between Vickers Vantage Corp. I and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 of Vickers's Current Report on Form 8-K (File No. 001-39852), filed with the SEC on January 11, 2021).</u> |
| 4.2 | <u>Specimen Warrant Certificate of Scilex Holding Company (f/k/a Vickers Vantage Corp. I) (incorporated by reference to Exhibit 4.3 of Vickers's Form S-1 (File No. 333-251352), filed with the SEC on December 15, 2020).</u> |
| 4.3 | <u>Senior Secured Promissory Note issued to Oramed Pharmaceuticals Inc. on September 21, 2023 (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on September 26, 2023).</u> |
| 4.4 | <u>Form of Scilex Holding Company Warrant to Purchase Common Stock (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on September 26, 2023).</u> |
| 4.5 | <u>Form of Common Warrant (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on March 5, 2024).</u> |
| 4.6 | <u>Form of Representative Warrant (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on March 5, 2024).</u> |
| 4.7 | <u>Form of Common Warrant (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on April 25, 2024).</u> |
| 4.8 | <u>Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on April 25, 2024).</u> |
| 4.9 | <u>Warrant to Purchase Common Stock, issued to FSF 33433 LLC on June 18, 2024 (incorporated by reference to Exhibit 4.8 of our Registration Statement on Form S-3 (File No. 333-280882), filed with the SEC on July 18, 2024).</u> |
| 4.10 | <u>Form of Tranche B Senior Secured Convertible Note issued by Scilex Holding Company. (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on October 8, 2024).</u> |
| 4.11 | <u>Form of Warrant to Purchase Common Stock issued by Scilex Holding Company. (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on October 8, 2024).</u> |
| 4.12 | <u>Form of Placement Agent Warrant issued by Scilex Holding Company (incorporated by reference to Exhibit 4.3 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on October 8, 2024).</u> |
| 4.13 | <u>Form of Pre-Funded Warrant issued by Scilex Holding Company (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on December 13, 2024).</u> |
| 4.14 | <u>Form of Common Warrant issued by Scilex Holding Company (incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on December 13, 2024).</u> |
| 4.15 | <u>Form of StockBlock Warrant issued by Scilex Holding Company (incorporated by reference to Exhibit 4.3 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on December 13, 2024).</u> |
| 4.16 | <u>Form of New Tranche B Warrant (incorporated by reference to Exhibit 10.6 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on July 23, 2025).</u> |
| 4.17 | <u>Amendment No. 1 to Common Stock Purchase Warrant, dated December 11, 2024, between Scilex Holding Company and the investor named therein (incorporated by reference to Exhibit 4.4 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on December 13, 2024).</u> |
| 4.18 | <u>Form of September 2025 Warrant (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on October 1, 2025).</u> |
| 4.19 | <u>Form of November 2025 Investor Warrant (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on November 24, 2025).</u> |

| Exhibit Number | Description |
|----------------|--|
| 4.20 | <u>Form of November 2025 Placement Agent Warrant (incorporated by reference to Exhibit 10.3 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on November 24, 2025).</u> |
| 4.21+ | <u>Convertible Promissory Note, dated January 29, 2026, issued by Quantum Scan Holdings, Inc. in favor of Scilex Holding Company.</u> |
| 10.1 | <u>Warrant Agreement, dated as of February 19, 2026, by and between the Company and Oramed Pharmaceuticals Inc. (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on February 20, 2026).</u> |
| 10.2+ | <u>Common Stock Purchase Agreement, dated January 29, 2026, by and between Scilex Holding Company and Quantum Scan Holding, Inc.</u> |
| 10.3+ | <u>Stock Acquisition Agreement, dated May 4, 2026, by and between the Company and ACEA Therapeutics, Inc. (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on May 5, 2026).</u> |
| 31.1+ | <u>Certification of Henry Ji, Ph.D., Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 31.2+ | <u>Certification of Stephen Ma, Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 32.1++ | <u>Certification of Henry Ji, Ph.D., Principal Executive Officer, and Stephen Ma, Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 101.INS+ | Inline XBRL Instance Document. |
| 101.SCH+ | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL+ | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF+ | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB+ | Inline XBRL Taxonomy Extension Labels Linkbase Document. |
| 101.PRE+ | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104+ | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

+ Filed herewith.

++ Furnished herewith.

^ Certain identified information has been omitted pursuant to Item 601(b)(10) of Regulation S-K because such information is both (i) not material and (ii) information that the Registrant treats as private or confidential. The Registrant hereby undertakes to furnish supplemental copies of the unredacted exhibit upon request by the SEC.

Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601. The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “*ACT*”), OR UNDER THE SECURITIES LAWS OF ANY STATES IN THE UNITED STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

CONVERTIBLE PROMISSORY NOTE

Date of Note: January 29, 2026

Principal Amount of Note: US\$20,000,000.00

For value received **Quantum Scan Holdings, Inc.**, a Delaware corporation (the “*Company*”), promises to pay to the undersigned holder or such party’s assigns (the “*Holder*”) the principal amount set forth above with simple interest on the outstanding principal amount at the rate of 3.66% per annum pursuant to the terms of this convertible promissory note (the “*Note*”). Interest shall commence on the date that is three (3) months after the date hereof and shall continue on the outstanding principal amount until paid in full or converted. Interest shall be computed on the basis of a year of 365 days for the actual number of days elapsed. All unpaid interest and principal shall be due and payable upon request of Holder on or after October 29, 2026 (the “*Maturity Date*”).

1. Basic Terms.

(a) **Payments**. All payments of interest and principal shall be in lawful money of the United States of America. All payments shall be applied first to accrued interest, and thereafter to principal.

(b) **Prepayment**. The Company may not prepay this Note without the written consent of Holder.

2. Conversion.

(a) **Automatic Conversion**. In the event that while this Note remains outstanding, the Company purchases and assumes the loan obligations of Epica International, Inc., Epica Human Health, Epica Medical Innovations, Epica Applied Technologies and Peregrine Radiology and any other borrowers, as applicable (collectively, the “*Borrowers*”) in favor of Avenue Venture Opportunities Fund, L.P. and Avenue Venture Opportunities Fund II, L.P. (collectively, the “*Lenders*”) in the aggregate amount of up to approximately US\$20,000,000, owing by the Borrowers to the Lenders pursuant to that certain Loan and Security Agreement, dated as of September 5, 2024 by and among the Borrowers and the Lenders (the “*LSA*”), as supplemented by that certain Supplement to the LSA among the Borrowers and the Lenders (such purchase and assumption, the “*Assumption*”), then the outstanding principal amount of this Note and any unpaid accrued interest shall automatically convert in whole without any further action by the Holder into 140,379,226 shares of Common Stock of the Company (“*Common Stock*”).

(b) **Optional Conversion**. At any time while this Note remains outstanding, Holder may elect, by delivering a written notice to the Company, to convert the outstanding principal amount of this Note and any unpaid accrued interest in whole into shares of Common Stock pursuant to the same terms and conditions as would otherwise apply to the conversion of this Note upon the Assumption in Section 2(a) above as if the Assumption has occurred.

(c) **Procedure for Conversion**. In connection with any conversion of this Note into capital stock, the Holder shall surrender this Note to the Company and deliver to the Company any documentation reasonably required by the Company (including a stock purchase agreement in a form reasonably satisfactory to the Company). The Company shall not be required to issue or deliver the capital stock into which this Note may convert until the Holder has surrendered this Note to the Company and delivered to the Company any such documentation. Upon the conversion of this Note into capital stock pursuant to the terms hereof, in lieu of any fractional shares to which the Holder would otherwise be entitled, the Company shall pay the Holder cash equal to such fraction multiplied by the price at which this Note converts.

(d) **Interest Accrual**. All interest on this Note shall be deemed to have stopped accruing as of a date selected by the Company that is up to 10 days prior to the signing of the definitive agreement in connection with the conversion of this Note.

3. Representations and Warranties.

(a) **Representations and Warranties of the Company**. The Company hereby represents and warrants to the Holder as of the date the first Note was issued as follows:

(i) Organization, Good Standing and Qualification . The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business (a “**Material Adverse Effect**”).

(ii) Corporate Power. The Company has all requisite corporate power to issue this Note and to carry out and perform its obligations under this Note. The Company’s Board of Directors (the “**Board**”) has approved the issuance of this Note based upon a reasonable belief that the issuance of this Note is appropriate for the Company after reasonable inquiry concerning the Company’s financing objectives and financial situation.

(iii) Authorization. All corporate action on the part of the Company, the Board and the Company’s stockholders necessary for the issuance and delivery of this Note has been taken. This Note constitutes a valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws. Any securities issued upon conversion of this Note (the “**Conversion Securities**”), when issued in compliance with the provisions of this Note, will be validly issued, fully paid, nonassessable, free of any liens or encumbrances and issued in compliance with all applicable federal and securities laws.

(iv) Governmental Consents All consents, approvals, orders or authorizations of, or registrations, qualifications, designations, declarations or filings with, any governmental authority required on the part of the Company in connection with issuance of this Note has been obtained.

(v) Compliance with Laws . The Company is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation of which would have a Material Adverse Effect.

(vi) Compliance with Other Instruments . The Company is not in violation or default of any term of its certificate of incorporation or bylaws, or of any provision of any mortgage, indenture or contract to which it is a party and by which it is bound or of any judgment, decree, order or writ, other than such violation(s) that would not have a Material Adverse Effect. The execution, delivery and performance of this Note will not result in any such violation or be in conflict with, or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, decree, order or writ or an event that results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties. Without limiting the foregoing, the Company has obtained all waivers reasonably necessary with respect to any preemptive rights, rights of first refusal or similar rights, including any notice or offering periods provided for as part of any such rights, in order for the Company to consummate the transactions contemplated hereunder without any third party obtaining any rights to cause the Company to offer or issue any securities of the Company as a result of the consummation of the transactions contemplated hereunder.

(vii) No “Bad Actor” Disqualification . The Company has exercised reasonable care to determine whether any Company Covered Person (as defined below) is subject to any of the “bad actor” disqualifications described in Rule 506(d)(1)(i) through (viii), as modified by Rules 506(d)(2) and (d)(3), under the Act (“**Disqualification Events**”). To the Company’s knowledge, no Company Covered Person is subject to a Disqualification Event. The Company has complied, to the extent required, with any disclosure obligations under Rule 506(e) under the Act. For purposes of this Note, “**Company Covered Persons**” are those persons specified in Rule 506(d)(1) under the Act; provided, however, that Company Covered Persons do not include (a) any Holder, or (b) any person or entity that is deemed to be an affiliated issuer of the Company solely as a result of the relationship between the Company and any Holder.

(viii) Offering . Assuming the accuracy of the representations and warranties of the Holder contained in subsection (b) below, the offer, issue and sale of this Note and the Conversion Securities (collectively, the “**Securities**”) are and will be exempt from the registration and prospectus delivery requirements of the Act, and have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws.

(ix) Use of Proceeds . The Company shall use the proceeds of this Note solely for the operations of its business, and not for any personal, family or household purpose.

(b) Representations and Warranties of the Holder . The Holder hereby represents and warrants to the Company as of the date hereof as follows:

(i) Purchase for Own Account . The Holder is acquiring the Securities solely for the Holder’s own account and beneficial interest for investment and not for sale or with a view to distribution of the Securities or any part thereof, has no

present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

(ii) Information and Sophistication . Without lessening or obviating the representations and warranties of the Company set forth in subsection (a) above, the Holder hereby: (A) acknowledges that the Holder has received all the information the Holder has requested from the Company and the Holder considers necessary or appropriate for deciding whether to acquire the Securities, (B) represents that the Holder has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and to obtain any additional information necessary to verify the accuracy of the information given the Holder and (C) further represents that the Holder has such knowledge and experience in financial and business matters that the Holder is capable of evaluating the merits and risk of this investment.

(iii) Ability to Bear Economic Risk the Holder acknowledges that investment in the Securities involves a high degree of risk, and represents that the Holder is able, without materially impairing the Holder's financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of the Holder's investment.

(iv) Further Limitations on Disposition. Without in any way limiting the representations set forth above, the Holder further agrees not to make any disposition of all or any portion of the Securities unless and until:

(1) There is then in effect a registration statement under the Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(2) The Holder shall have notified the Company of the proposed disposition and furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, the Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration under the Act or any applicable state securities laws; provided that no such opinion shall be required for dispositions in compliance with Rule 144 under the Act, except in unusual circumstances.

(3) Notwithstanding the provisions of paragraphs (1) and (2) above, no such registration statement or opinion of counsel shall be necessary for a transfer by the Holder to a partner (or retired partner) or member (or retired member) of the Holder in accordance with partnership or limited liability company interests, or transfers by gift, will or intestate succession to any spouse or lineal descendants or ancestors, if all transferees agree in writing to be subject to the terms hereof to the same extent as if they were the Holders hereunder.

(v) Accredited Investor Status. The Holder is an "accredited investor" as such term is defined in Rule 501 under the Act.

(vi) No "Bad Actor" Disqualification . The Holder represents and warrants that neither (A) the Holder nor (B) any entity that controls the Holder or is under the control of, or under common control with, the Holder, is subject to any Disqualification Event, except for Disqualification Events covered by Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Act and disclosed in writing in reasonable detail to the Company. The Holder represents that the Holder has exercised reasonable care to determine the accuracy of the representation made by the Holder in this paragraph, and agrees to notify the Company if the Holder becomes aware of any fact that makes the representation given by the Holder hereunder inaccurate.

(vii) Foreign Investors . If the Holder is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "*Code*")), the Holder hereby represents that the Holder has satisfied the Holder as to the full observance of the laws of the Holder's jurisdiction in connection with any invitation to subscribe for the Securities or any use of this Note, including (A) the legal requirements within the Holder's jurisdiction for the purchase of the Securities, (B) any foreign exchange restrictions applicable to such purchase, (C) any governmental or other consents that may need to be obtained, and (D) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of the Securities. The Holder's subscription, payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of the Holder's jurisdiction.

4. Events of Default.

(a) If there shall be any Event of Default (as defined below) hereunder, at the option and upon the declaration of Holder and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under subsection (ii) or (iii) below), this Note shall accelerate and all principal and unpaid accrued interest shall become due and payable. The occurrence of any one or more of the following shall constitute an "*Event of Default*":

(i) The Company fails to pay timely any of the principal amount due under this Note on the date the same becomes due and payable or any unpaid accrued interest or other amounts due under this Note on the date the same becomes due and payable;

(ii) The Company files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or

(iii) An involuntary petition is filed against the Company (unless such petition is dismissed or discharged within 60 days under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee or assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Company).

(b) In the event of any Event of Default hereunder, the Company shall pay all reasonable attorneys' fees and court costs incurred by the Holder in enforcing and collecting this Note.

5. Miscellaneous Provisions.

(a) **Waivers.** The Company hereby waives demand, notice, presentment, protest and notice of dishonor.

(b) **Further Assurances.** The Holder agrees and covenants that at any time and from time to time the Holder will promptly execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require in order to carry out the full intent and purpose of this Note and to comply with state or federal securities laws or other regulatory approvals.

(c) **Transfers of Notes.** This Note may be transferred only upon its surrender to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest shall be issued to, and registered in the name of, the transferee. Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Company's obligation to pay such interest and principal.

(d) **Market Standoff.** To the extent requested by the Company or an underwriter of securities of the Company, each Holder and any permitted transferee thereof shall not, without the prior written consent of the managing underwriters in the IPO (as hereafter defined), offer, sell, make any short sale of, grant or sell any option for the purchase of, lend, pledge, otherwise transfer or dispose of (directly or indirectly), enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (whether any such transaction is described above or is to be settled by delivery of Securities or other securities, in cash, or otherwise), any Securities or other shares of stock of the Company then owned by such Holder or any transferee thereof, or enter into an agreement to do any of the foregoing, for up to 180 days following the effective date of the registration statement of the initial public offering of the Company (the "*IPO*") filed under the Securities Act. For purposes of this paragraph, "*Company*" includes any wholly owned subsidiary of the Company into which the Company merges or consolidates. The Company may place restrictive legends on the certificates representing the shares subject to this paragraph and may impose stop transfer instructions with respect to the Securities and such other shares of stock of each Holder and any transferee thereof (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period. Each Holder and any transferee thereof shall enter into any agreement reasonably required by the underwriters to the IPO to implement the foregoing within any reasonable timeframe so requested. The underwriters for any IPO are intended third party beneficiaries of this paragraph and shall have the right, power and authority to enforce the provisions of this paragraph as though they were parties hereto. The provisions of this paragraph shall survive any conversion and/or repayment of this Note.

(e) **Amendment and Waiver.** Any term of this Note may be amended or waived with the written consent of the Company and the Holder.

(f) **Governing Law.** This Note shall be governed by and construed under the laws of the State of Delaware, as applied to agreements among Delaware residents, made and to be performed entirely within the State of Delaware, without giving effect to conflicts of laws principles.

(g) **Binding Agreement.** The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Note, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations or liabilities under or by reason of this Note, except as expressly provided in this Note.

(h) **Counterparts; Manner of Delivery.** This Note may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(i) Titles and Subtitles . The titles and subtitles used in this Note are used for convenience only and are not to be considered in construing or interpreting this Note.

(j) Notices . All notices and other communications given or made pursuant to this Note shall be in writing (including electronic mail as permitted in this Note) and shall be deemed effectively given upon the earlier of actual receipt, or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day; (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on the signature page, or to such e-mail address or address as subsequently modified by written notice given in accordance with this Section 5(j). Each party consents (including for purposes of Section 232 of the Delaware General Corporation Law if this Note converts into capital stock of the Company) to the delivery of any notice pursuant to this Note by electronic mail at the e-mail address set forth below on the signature page, as updated from time to time by notice to the other party. To the extent that any notice given by means of electronic mail is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected e-mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each party agrees to promptly notify the other party of any change in its e-mail address, and that failure to do so shall not affect the foregoing. The terms of this Section 5(j) shall survive any conversion and/or repayment of this Note.

(k) Expenses . Each of the Company and the Holder shall bear such party's respective expenses and legal fees incurred with respect to the negotiation, execution and delivery of this Note and the transactions contemplated herein.

(l) Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to the Holder, upon any breach or default of the Company under this Note shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character by the Holder of any breach or default under this Note, or any waiver by the Holder of any provisions or conditions of this Note, must be in writing and shall be effective only to the extent specifically set forth in writing and that all remedies, either under this Note, or by law or otherwise afforded to the Holder, shall be cumulative and not alternative. This Note shall be void and of no force or effect in the event that the Holder fails to remit the full principal amount to the Company within five calendar days of the date of this Note.

(m) Entire Agreement . This Note constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof, and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein.

(n) Exculpation among Holders . The Holder acknowledges that the Holder is not relying on any person, firm or corporation, other than the Company and its officers and Board members, in making the Holder's investment or decision to invest in the Company.

(o) Senior Indebtedness.

(i) The Company shall not incur Senior Indebtedness after the date of this Note without the prior written consent of Holder.

(ii) "**Senior Indebtedness**" shall mean, unless expressly subordinated to or made on a parity with the amounts due under this Note, all amounts due in connection with (i) indebtedness of the Company for borrowed money, and (ii) any such indebtedness or any debentures, notes or other evidence of indebtedness issued in exchange for such Senior Indebtedness, or any indebtedness arising from the satisfaction of such Senior Indebtedness by a guarantor.

(p) Waiver of Conflicts . Each party to this Note acknowledges that Paul Hastings LLP, counsel for the Company, may have in the past performed, and may continue to or in the future perform, legal services for Holder in matters that are similar, but not substantially related, to the transactions described in this Note, including the representation of Holder. Accordingly, each party to this Note hereby acknowledges that (i) they have had an opportunity to ask for information relevant to this disclosure, and (ii) Paul Hastings LLP represents only the Company with respect to this Note and the transactions contemplated hereby. The Company gives its informed consent to Paul Hastings LLP's existing and/or future representation of Holder in matters not substantially related to this Note, and Holder gives its informed consent to Paul Hastings LLP's representation of the Company in connection with this Note and the transactions contemplated hereby. Holder has been advised to consult with its separate counsel regarding this Note and the transactions contemplated hereby. Holder acknowledges that it has fully consulted, or has elected not to consult with its separate counsel regarding this Note and the transactions contemplated hereby.

(q) Broker's Fees . Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this subsection being untrue.

(r) California Corporate Securities Law . THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS NOTE HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION OR IN THE ABSENCE OF AN EXEMPTION FROM SUCH QUALIFICATION IS UNLAWFUL. PRIOR TO ACCEPTANCE OF SUCH CONSIDERATION BY THE COMPANY, THE RIGHTS OF ALL PARTIES TO THIS NOTE ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED OR AN EXEMPTION FROM SUCH QUALIFICATION BEING AVAILABLE.

[Signature pages follow]

The parties have executed this **Convertible Promissory Note** as of the date first noted above.

HOLDER:

Scilex Holding Company

By:

Name: Henry Ji, Ph.D.

Title: Chief Executive Officer

E-mail: hji@scilexholding.com

Address: 960 San Antonio Road
Palo Alto, CA 94303

SIGNATURE PAGE TO
QUANTUM SCAN HOLDINGS, INC.
CONVERTIBLE PROMISSORY NOTE

COMMON STOCK PURCHASE AGREEMENT

THIS COMMON STOCK PURCHASE AGREEMENT (this “**Agreement**”), is made as of January 29, 2026, by and between Quantum Scan Holdings, Inc., a Delaware corporation (the “**Company**”), and Scilex Holding Company, a Delaware corporation (the “**Purchaser**”).

The parties hereby agree as follows:

1. Purchase and Sale of Common Stock.

1.1 Sale and Issuance of Common Stock. Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase, and the Company agrees to sell and issue to Purchaser, at the Closing, 193,021,436 shares of Common Stock of the Company (the “**Common Stock**”), at a purchase price per share of \$0.14247 per share and an aggregate purchase price of \$27,499,763.99. The shares of Common Stock issued to the Purchaser pursuant to this Agreement shall be referred to in this Agreement as the “**Shares**.”

1.2 Closing; Delivery.

(a) The purchase and sale of the Shares shall take place remotely via the exchange of documents and signatures, within five (5) business days after the Company’s delivery of a written notice to Purchaser stating the Company’s intent to consummate the purchase and sale of the Shares, which notice shall not be delivered by the Company prior to the conversion of that certain Convertible Promissory Note, dated as of January 29, 2026, issued by the Company to Purchaser, into shares of Common Stock (as may be amended or restated from time to time) (which time and place are designated as the “**Closing**”).

(b) At the Closing, the Company shall deliver to the Purchaser an electronic stock certificate representing the Shares being purchased by the Purchaser (or a notice of issuance of the Shares if the Company’s shares are uncertificated) at the Closing against payment of the purchase price therefor by check payable to the Company, by contribution of cash, by wire transfer to a bank account designated by the Company or by any combination of such methods.

1.3 Defined Terms Used in this Agreement. In addition to the terms defined above, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

(a) “**Code**” means the Internal Revenue Code of 1986, as amended.

(b) The phrase “**to the Company’s knowledge**” shall mean the Officers’ actual knowledge after reasonable investigation and assuming such knowledge as the individual would have as a result of the reasonable performance of the individual’s duties in the ordinary course.

(c) “**Material Adverse Effect**” means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property or results of operations of the Company.

(d) “**Officer**” means the Chief Executive Officer, President, Chief Financial Officer and any other person who reports directly to the Board of Directors of the Company (the “**Board of Directors**”) or the Chief Executive Officer.

(e) “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(f) “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(g) “**Transaction Agreements**” means this Agreement and any other written agreement entered into between the Company and the Purchaser pursuant to this Agreement.

2. **Representations and Warranties of the Company.** The Company hereby represents and warrants to the Purchaser that the following representations are true and complete as of the date of the Closing, except as otherwise indicated.

2.1 **Organization, Good Standing, Corporate Power and Qualification.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

2.2 **Capitalization.**

(a) The authorized capital of the Company consists, immediately prior to the Closing, of 1,800,000,000 shares of Common Stock, of which (i) 200,023,540 shares are issued and outstanding immediately prior to the Closing (excluding shares of Common Stock issuable upon conversion of that certain Convertible Promissory Note dated on or around the date hereof, issued by the Company to Purchaser), and (ii) warrants to purchase 257,278,650 shares have been issued and are outstanding immediately prior to the Closing. All of the outstanding shares of the Company’s capital stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws.

(b) The Company has reserved 172,727,729 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2025 Equity Incentive Plan duly adopted by the Board of Directors and approved by the Company stockholders (as amended and/or restated to date, the “**Stock Plan**”). Of such reserved shares of Common Stock, (i) no shares have been issued pursuant to restricted stock purchase agreements and/or the exercise of options and are currently outstanding, (ii) no options to purchase shares have been granted or are currently outstanding and (iii) all 172,727,729 shares of Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the Stock Plan, all of which remain uncommitted and unallocated.

2.3 **Subsidiaries.** The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

2.4 **Authorization.** All corporate action required to be taken by the Board of Directors and the Company’s stockholders in order to authorize the Company to enter into the Transaction Agreements, and to issue the Shares at the Closing, has been taken or will be taken prior to the applicable Closing. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Agreements, the performance of all obligations of the Company under the Transaction Agreements to be performed as of the Closing, and the issuance and delivery of the Shares has been taken or will be taken prior to the applicable Closing. The Transaction Agreements, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws of general application relating to or affecting the enforcement of creditors’ rights generally; or (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.5 **Valid Issuance of Shares.** The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities laws and liens or encumbrances created by or imposed by the Purchaser. Assuming the accuracy of the representations of the Purchaser in **Section 3** of this Agreement and subject to the filings described in **Section 2.6** below, the Shares will be issued in compliance with all applicable federal and state securities laws.

2.6 **Governmental Consents and Filings.** Assuming the accuracy of the representations made by the Purchaser in **Section 3** of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except for the filings pursuant to applicable securities laws, which have been made or will be made in a timely manner.

2.7 **Compliance with Other Instruments.** The Company is not in violation or default (a) of any provisions of its Certificate of Incorporation or Bylaws; (b) of any instrument, judgment, order, writ or decree; (c) under any note, indenture or mortgage; (d) under any lease, agreement, contract or purchase order to which it is a party or by which it is bound; or (e) to the Company’s knowledge, of any provision of any federal or state statute, rule or regulation applicable to the Company, the violation of which would have a Material Adverse Effect. The execution, delivery and performance of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements will not result in any such violation or be in conflict with or constitute, with or without

the passage of time and giving of notice, either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement; or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture or nonrenewal of any material permit or license applicable to the Company.

3. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Company that:

3.1 Authorization. The Purchaser has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which the Purchaser is a party, when executed and delivered by the Purchaser, will constitute valid and legally binding obligations of the Purchaser, enforceable against such Purchaser in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.2 Purchase Entirely for Own Account. This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms, that the Shares to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Shares. The Purchaser has not been formed for the specific purpose of acquiring the Shares.

3.3 Disclosure of Information. The Purchaser has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Shares with the Company's management and has had an opportunity to review the Company's facilities. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Purchaser to rely thereon.

3.4 Restricted Securities. The Purchaser understands that the Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Shares are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Purchaser must hold the Shares indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Purchaser acknowledges that the Company has no obligation to register or qualify the Shares for resale. The Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Shares and on requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

3.5 No Public Market. The Purchaser understands that no public market now exists for the Shares, and that the Company has made no assurances that a public market will ever exist for the Shares.

3.6 Legends. The Purchaser understands that the Shares and any securities issued in respect of, or exchange for the Shares, may be notated with one or all of the following legends:

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

(a) Any legend set forth in, or required by, the other Transaction Agreements.

(b) Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate, instrument or book entry so legended.

3.7 Accredited Investor. The Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.8 Foreign Investors. If the Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Code), the Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Shares or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of the Shares. The Purchaser's subscription and payment for and continued beneficial ownership of the Shares will not violate any applicable securities or other laws of the Purchaser's jurisdiction.

3.9 No General Solicitation. Neither the Purchaser nor any of its officers, directors, employees, agents, stockholders or partners has either directly or indirectly, including, through a broker or finder (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Shares.

3.10 Residence. If the Purchaser is an individual, then the Purchaser resides in the state or province identified in the address of the Purchaser set forth on the Purchaser's signature page; if the Purchaser is a partnership, corporation, limited liability company or other entity, then the office or offices of the Purchaser in which it has its principal place of business is identified in the address of the Purchaser set forth on the Purchaser's signature page.

4. Conditions to the Purchasers' Obligations at Closing. The obligations of the Purchaser to purchase Shares at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

4.1 Representations and Warranties. The representations and warranties of the Company contained in Section 2 shall be true and correct in all respects as of the Closing.

4.2 Performance. The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company in all respects on or before the Closing.

4.3 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall be obtained and effective as of the applicable Closing.

4.4 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incidental thereto shall be reasonably satisfactory in form and substance to the Purchaser, and the Purchaser (or its respective counsel) shall have received all such original and certified counterparts or other copies of such documents as reasonably requested. Such documents may include good standing certificates.

5. Conditions of the Company's Obligations at Closing. The obligations of the Company to sell Shares to the Purchaser at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

5.1 Representations and Warranties. The representations and warranties of the Purchaser purchasing Shares in such Closing contained in Section 3 shall be true and correct in all respects as of the applicable Closing.

5.2 Performance. The Purchaser purchasing Shares in such Closing shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before the applicable Closing.

5.3 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall be obtained and effective as of the Closing.

6. "Market Stand-Off" Agreement. The Purchaser shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of or enter into any hedging or similar transaction with the same economic effect as a sale of, any Common Stock or other securities of the Company held by Purchaser (other than those included in the registration) (the "**Restricted Securities**"), during the 180-day period following the effective date of the Company's first firm commitment underwritten public offering of its Common Stock (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2241 or NYSE Member Rule 472 or any successor or similar rule or regulation). Purchaser agrees to execute and deliver such other agreements as may be reasonably requested by the Company and/or the managing underwriters that are consistent with the foregoing or that are necessary to give further effect to the foregoing provision. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to Purchaser's Restricted Securities until the end of such period. The underwriters of the Company's stock are intended third-party beneficiaries of this Section 6 and shall have the right, power and authority to enforce the provisions hereof as though they were a party to this Agreement.

7. Miscellaneous.

7.1 Survival of Warranties. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and the Purchaser contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of the Purchaser or the Company.

7.2 Successors and Assigns. 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.

7.3 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

7.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

7.5 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.

7.6 Notices.

(a) General. Unless otherwise provided herein, any notice required or permitted under this Agreement shall be given in writing (including email) and shall be deemed effectively given (i) at the time of personal delivery, if delivery is in person; (ii) one (1) business day after deposit with an express overnight courier for United States deliveries, or three (3) business days after deposit with an international express overnight air courier for deliveries outside of the United States, in each case with proof of delivery from the courier requested; or (iii) four (4) business days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries, when addressed to the party to be notified at the address indicated for such party on the signature page hereto, or at such other address as any party hereto may designate by giving ten (10) days' advance written notice to all other parties in accordance with the provisions of this Section 7.6. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Paul Hastings LLP, 1117 S. California Avenue, Palo Alto, CA 94304, Attn: Jeff Hartlin, jeffhartlin@paulhastings.com.

(b) Consent to Electronic Notice. The Purchaser consents to the delivery of any stockholder notice pursuant to the General Corporation Law of the State of Delaware (the "DGCL"), as amended or superseded from time to time, by electronic mail pursuant to the DGCL at the e-mail address set forth below such Purchaser's name on the signature page, as updated from time to time by notice to the Company. To the extent that any notice given by means of electronic mail is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected e-mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each party agrees to promptly notify the other parties of any change in its e-mail address, and that failure to do so shall not affect the foregoing.

7.7 No Finder's Fees. Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. The Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Purchaser or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless the Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (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.

7.8 Costs of Enforcement. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

7.9 Amendments and Waivers. Any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the Purchaser. Any amendment or waiver effected in accordance with this Section 7.9 shall be binding upon the Purchaser and each transferee of the Shares, each future holder of all such securities and the Company.

7.10 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

7.11 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

7.12 Entire Agreement. This Agreement (including the Exhibits hereto) and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

7.13 Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED UNLESS THE SALE IS SO EXEMPT.

7.14 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the United States District Court for the District of Delaware or any court of the State of Delaware having subject matter jurisdiction.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION AGREEMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALLENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS

WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

7.15 Waiver of Information Rights. Purchaser hereby acknowledges and agrees that, except for such information as required to be delivered to Purchaser by the Company pursuant to this Agreement, Purchaser shall have no right to receive any information from the Company by virtue of Purchaser's purchase of the Shares, Purchaser's ownership of the Shares or as a result of Purchaser being a holder of record of stock of the Company. Without limiting the foregoing, to the fullest extent permitted by law, Purchaser hereby waives Purchaser's inspection rights under Section 220 of the DGCL and all such similar information or inspection rights that may be provided under the law of any jurisdiction, or any federal, state or foreign regulation, that are, or may become, applicable to the Company, the Company's capital stock or the Shares (the "**Inspection Rights**"). Purchaser hereby covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer or cause to be commenced any claim, action, cause of action or other proceeding to pursue or exercise the Inspection Rights.

7.17 Waiver of Conflicts. Each party to this Agreement acknowledges that Paul Hastings LLP, counsel for the Company, may have in the past performed, and may continue to, or in the future, perform, legal services for the Purchaser in matters that are similar, but not substantially related, to the transactions described in this Agreement, including the representation of the Purchaser in venture capital financings and other matters. Accordingly, each party to this Agreement hereby acknowledges that (a) they have had an opportunity to ask for information relevant to this disclosure, and (b) Paul Hastings LLP represents only the Company with respect to the Agreement and the transactions contemplated hereby. The Company gives its informed consent to Paul Hastings LLP's existing and/or future representation of the Purchaser in matters not substantially related to this Agreement, and the Purchaser give its informed consent to Paul Hastings LLP's representation of the Company in connection with this Agreement and the transactions contemplated hereby. Purchaser has been advised to consult with its separate counsel regarding this Agreement and the transactions contemplated hereby. Purchaser acknowledges that it has fully consulted, or has elected not to consult, with its separate counsel regarding this Agreement and the transactions contemplated hereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Common Stock Purchase Agreement as of the date first written above.

COMPANY:

Quantum Scan Holdings, Inc.

By: _____
Name: Mustaq A. Patel
Title: Chief Executive Officer
Address: 960 San Antonio Road, Palo Alto, CA 94303
Email: ma@quantumscan.co

PURCHASER:

Scilex Holding Company

By: _____
Name: Henry Ji, Ph.D.
Title: Chief Executive Officer
Address: 960 San Antonio Road, Palo Alto, CA 94303
Email: hji@scilexholding.com

STOCK ACQUISITION AGREEMENT

by and among

PHOENIX ASIA HOLDINGS LIMITED, AS TRANSFEREE,

ACEA PHARMA, INC., AS THE COMPANY,

AND

ACEA THERAPEUTICS, INC., AS THE TRANSFEROR

Dated as of May 4, 2026

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STOCK ACQUISITION AGREEMENT

This **STOCK ACQUISITION AGREEMENT** (this “*Agreement*”) is made and entered into as of May 4, 2026 (the “*Execution Date*”), by and among ACEA Pharma, Inc., an exempted company incorporated with limited liability in the Cayman Islands (the “*Company*”), ACEA Therapeutics, Inc., an exempted company incorporated with limited liability in the Cayman Islands, as the holder of 100% of the Equity Interests of the Company (the “*Transferor*”), and Phoenix Asia Holdings Limited, a company organized under the laws of the Cayman Islands (the “*Transferee*”). Each of the parties named above may be referred to herein as a “*Party*” and collectively as the “*Parties*.” Capitalized terms used, but not otherwise defined, herein shall have the meanings set forth in Article XII below.

RECITALS

WHEREAS, the Transferor owns 100% of the issued and outstanding shares of common stock, par value \$0.00001 per share, of the Company (collectively, the “*Company Shares*”);

WHEREAS, the Transferee desires to purchase from the Transferor, and the Transferor desires to sell to the Transferee, the Company Shares, pursuant to the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, solely for the purposes of determining the aggregate agreed value of the Equity Consideration, the Parties have agreed that each Transferee Ordinary Share comprising the Equity Consideration shall be valued at the Reference Price.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I **ACQUISITION AND SALE OF THE COMPANY SHARES**

Section 1.1 Acquisition and Sale

Upon the terms and subject to the conditions of this Agreement, at the Closing, the Transferee shall acquire and accept the Company Shares from the Transferor, and the Transferor shall sell, convey, assign and transfer all right, title and interest in and to the Company Shares to the Transferee, free and clear of all Liens (other than Permitted Liens) for the consideration specified in Section 1.2.

Section 1.2 Closing

The closing of the acquisition and sale of the Company Shares (the “*Closing*”) shall take place as described in Article IX; provided, that the closing conditions set forth in Article VIII shall have been satisfied or waived in writing as provided therein at or prior to the Closing. The date

on which the Closing occurs shall be referred to in this Agreement as the “**Closing Date**.” Except as otherwise set forth herein, all proceedings to be taken and all documents to be executed and delivered by all Parties at the Closing will be deemed to have been taken and executed simultaneously.

ARTICLE II **CONSIDERATION AND MANNER OF PAYMENT**

Section 2.1 Payments at Closing

On the Closing Date, as consideration for the acquisition of the Company Shares, the Transferee shall, and shall cause its transfer agent to, issue and deliver to the Transferor one hundred million (100,000,000) newly-issued Transferee Ordinary Shares (the “**Equity Consideration**”) in book-entry form in the name of the Transferor (the “**Contribution**”). For the purposes of this Agreement, including, without limitation, any Required Nasdaq Filings, any SEC Reports filed or furnished by the Transferee in connection with the transactions contemplated hereby, any allocation required under Section 351 of the Code, and any determination of aggregate transaction consideration hereunder, the Equity Consideration shall be ascribed an aggregate agreed value of one billion Dollars (\$1,000,000,000.00), calculated by multiplying the Reference Price by the one hundred million (100,000,000) Transferee Ordinary Shares comprising the Equity Consideration (the “**Agreed Equity Value**”). The aggregate consideration payable by the Transferee to the Transferor pursuant to this Section 2.1 shall be ascribed the value of one billion Dollars (\$1,000,000,000.00). For the avoidance of doubt, the Reference Price is a contractual reference agreed between the Parties solely for the purposes described in this Section 2.1(a), including the determination of the Agreed Equity Value, and shall not be construed as a representation or warranty by either the Transferee or the Transferor as to the fair value or fair market value of the Transferee Ordinary Shares at the Execution Date, the Closing Date, or any other date, in each case for financial reporting, valuation, taxation, or any other purpose not expressly contemplated herein. The Parties agree that, as between the Parties, the Agreed Equity Value constitutes the binding, fixed purchase price for the Company Shares for all purposes under this Agreement and shall not be subject to adjustment, re-calculation, or re-determination except in the case of fraud. For all U.S. federal, state and local income tax purposes, the Contribution is intended to be a tax-deferred Contribution described in Section 351(a) of the Code.

ARTICLE III **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company hereby represents and warrants to the Transferee as of the Execution Date and as of the Closing Date (except where a representation or warranty speaks as of a specific date, in which case as of such date) as follows:

Section 3.1 Organization and Qualification

The Company is a company duly organized, validly existing and in good standing under the Laws of the Cayman Islands. The Company has no Subsidiaries. The Company has the requisite corporate power and authority to conduct the Business as it is now being conducted and to own and lease the Assets which it owns and leases. The Company is duly qualified to conduct

its business as a foreign entity and is in good standing under the Laws of the jurisdiction(s) listed on Schedule 3.1, which are all of the jurisdictions where the nature of its business or the ownership or leasing of its Assets requires such qualification, except where the failure to be so qualified or in good standing would not reasonably be expected to have a Material Adverse Effect. Set forth on Schedule 3.1 are all the names (*i.e.* “trading” or “doing business as” names) under which the Company is currently or has ever conducted its business.

Section 3.2 Authorization; Enforceability

The Company has the requisite power and authority to execute and deliver this Agreement and the Other Agreements to which it is a party, to perform its obligations under this Agreement and the Other Agreements to which it is a party, and to consummate the transactions contemplated by this Agreement and the Other Agreements to which it is a party, and such actions have been duly authorized by all necessary corporate action of the Transferor and of the Company’s board of directors. This Agreement has been duly executed and delivered by the Company, and the Other Agreements to which the Company is a party have been, or will be at the Closing, duly executed and delivered by the Company, and this Agreement and the Other Agreements constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms and conditions, except as limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar Laws relating to creditors’ rights generally and (b) general principles of equity, whether such enforceability is considered in a Legal Proceeding in equity or at law (clauses (a) and (b), collectively, the “**General Enforceability Exceptions**”).

Section 3.3 Capitalization

The Transferor is the record and beneficial holder of 10,000 Company Shares. All of such Company Shares have been duly authorized and are validly issued, fully paid and non-assessable, free and clear of all Liens (other than Permitted Liens), and have been issued in compliance with applicable Law. As of the Execution Date, the Company Shares constitute the only outstanding Equity Interests of the Company. No Equity Interests of the Company are subject to, or have been issued in violation of, preemptive or similar rights. All issuances, sales or repurchases by the Company of its Equity Interests have been effected in compliance with all applicable federal and state securities laws. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting Equity Interests of the Company. The Company does not own, directly or indirectly, or have any obligation to acquire, any Equity Interests of any Person.

Section 3.4 Options

Except as set forth on Schedule 3.4, there are no authorized or outstanding subscriptions, options, rights (conversion, preemptive or otherwise), warrants, calls, convertible securities or commitments or any other arrangements or agreements of any nature whatsoever to which the Company is a party requiring the issuance, conversion, registration, voting, sale or transfer of any Equity Interests of the Company, or any synthetic equity, including without limitation, phantom stock, profits participation or stock appreciation rights or any securities convertible, directly or indirectly, into Equity Interests of the Company, or evidencing the right to subscribe for any Equity Interests of the Company, or giving any Person (other than the Transferee) any rights with respect to any Equity Interests of the Company.

Section 3.5 No Violation

Subject to the receipt of the approvals and to the filing of notices as contemplated by Section 3.5, neither the execution and delivery of this Agreement or the Other Agreements to which it is a party, nor the performance by it of the transactions contemplated hereby or thereby will (a) constitute a default under the Organizational Documents of the Company, (b) result in a default, give rise to any right of termination, cancellation or acceleration, or require any Material Contract or Material Licenses and Permits, or (c) to the Company's Knowledge, conflict with or violate any Laws applicable to the Company or by which any of the Company's Assets are bound.

Section 3.6 Consents

(a) Third Party Consents. Except as set forth on Schedule 3.6(a), neither the execution and delivery of this Agreement or the Other Agreements to which the Company is a party, nor the performance by the Company of its obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby will (with or without the passage of time or the giving of notice) require any Consent (collectively, the "***Third Party Consents***") under any of the terms, conditions or provisions of any Material Contract to which the Company is a party or by which it is bound.

(b) Governmental Consents. Except for (i) the filing with the FTC and the Antitrust Division of the U.S. Department of Justice of a pre-merger notification and report form as required by the HSR Act, (ii) the expiration of any waiting periods provided for in the HSR Act, (iii) Consents required pursuant to the Licenses and Permits held by the Company and listed on Schedule 3.6(b), and (iv) any other filings listed on Schedule 3.6(b), no Consent of, permit or exemption from, or declaration, filing or registration with, any Person or Governmental Authority (collectively, the "***Governmental Consents***") is required to be made or obtained by the Company in connection with the execution, delivery and performance by the Company of this Agreement and the Other Agreements to which the Company is a party and the consummation of the transactions contemplated hereby and thereby, which, if not made or obtained, (A) would result in a material violation of any applicable Law or any Licenses and Permits, (B) would result in any material Liability to the Company, or (C) would prohibit the consummation of the transactions contemplated hereby and thereby.

Section 3.7 Absence of Certain Changes

Since March 4, 2026 (the "***Measurement Date***"), there has been no Material Adverse Effect on the Company or the Business.

Section 3.8 Taxes

Except as set forth on Schedule 3.8:

(a) The Company has timely filed, or will timely file (taking into account available extensions of time to file), all material Tax Returns required to be filed by it through the date hereof and through the Closing Date, with the appropriate Governmental Authority. Each such Tax Return is complete and correct and correctly reflects the taxable income or loss (or other measure of Tax) of the Company. The Company has paid and discharged all material Taxes

required to be paid by it. The Company has withheld, collected and paid over to the appropriate Taxing Authority, or is properly holding for such payment, all material Taxes required by Law to be withheld or collected.

(b) The Company is not (i) a member of an affiliated group within the meaning of Section 1504(a) of the Code (or any similar group defined under a similar provision of state, local, or foreign Law), (ii) filing a consolidated Federal income Tax Return with any other Person, or (iii) liable for the Taxes of any Person (other than the Company) under Treasury Regulation Section 1.1502-6 or any analogous or similar provision of Law.

(c) The Company has not been notified in writing that it is currently under audit by any Taxing Authority or that any Taxing Authority intends to conduct such an audit, and no action, suit, investigation, claim or assessment is pending or proposed with respect to any alleged deficiency in Taxes. Except as and to the extent shown on Schedule 3.8, all deficiencies asserted or assessments made as a result of any examinations by any Taxing Authority have been fully paid, and there are no other unpaid deficiencies asserted or assessments made by any Taxing Authority against the Company.

(d) The Company has not (and the Transferor has not, on its behalf) (i) waived any statute of limitations in respect of any Taxes, (ii) agreed to any extension of time with respect to any Tax assessment or deficiency, or (iii) executed any closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof, or any similar provision of foreign, state or local law.

(e) There are no Liens (other than Permitted Liens) relating to any Taxes existing with regard to any of the Assets of the Company.

(f) The Company has not participated in a "listed transaction" as defined in Section 1.6011-4(b)(2) of the Treasury Regulations.

(g) The Company will not be required to include any material items of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding provision of state, local or foreign income Tax Law) executed on or prior to the Closing Date, (iii) intercompany transactions or any excess loss account described the Treasury Regulations promulgated under Section 1502 of the Code (or any corresponding provision of state, local or foreign income Tax Law), (iv) installment sale or open transaction disposition made on or prior to the Closing Date, or (v) prepaid amount received on or prior to the Closing Date.

Notwithstanding any other provision of this Agreement, this Section 3.8 contains the sole and exclusive representations and warranties of the Company with respect to Taxes. Nothing in this Section 3.8 or otherwise in this Agreement shall be construed as a representation or warranty with respect to (i) the amount or availability in any taxable period (or portion thereof) beginning after the Closing Date of any net operating loss, capital loss, Tax credits, Tax basis or other Tax asset or attribute of the Company, or (ii) any Taxes attributable to, or any Tax position taken by

the Transferee or its Affiliates (including the Company) in, any taxable period (or portion thereof) beginning after the Closing Date.

Section 3.9 Material Contracts

Schedule 3.9 lists all material Contracts (the “**Material Contracts**”) to which the Company is a party or by which the Company is bound as of the Execution Date. Each such Contract is in full force and effect and constitutes the legal, valid, and binding obligation of, and is legally enforceable (subject to the General Enforceability Exceptions) against, the Company and, to the Knowledge of the Company, the other parties thereto. The Company has materially performed all of its obligations thereunder required to be performed by it to date. Neither the Company, nor, to the Knowledge of the Company, any other party thereto is in default in any respect under any of the Contracts set forth in Schedule 3.9, and there has not occurred any event which (whether with or without notice, lapse of time, or the happening or occurrence of any other event) would constitute such a default. Except as set forth in Schedule 3.9, to the Knowledge of the Company, no other party to any Material Contract intends to cancel, not to renew or extend, to rebid prior to potentially renewing or extending, or to terminate any of such Material Contracts.

Section 3.10 Real Property. The Company does not own any Real Property.

Section 3.11 Personal Property.

Except as set forth on Schedule 3.11, the Company has good title to, a valid leasehold interest in, or a valid license to use, all tangible Assets of the Company material to the operation of the Business, free and clear of any Liens (other than Permitted Liens). All tangible Assets used by the Company in the ordinary course of business are in good working condition and repair and sufficient for the operation of the Business as presently conducted (normal maintenance, wear and tear excepted).

Section 3.12 Intellectual Property.

Schedule 3.12 sets forth a complete and correct list of all Intellectual Property owned or used by the Company in the operation of the Business that is registered or applied for with a Governmental Authority (the “**Company Intellectual Property**”). For each item of Company Intellectual Property, Schedule 3.12 sets forth the registration, patent, serial and/or application number, if any. Except as set forth on Schedule 3.12:

(a) the Company owns all right, title and interest in and to the Company Intellectual Property, free and clear of all Liens (other than Permitted Liens);

(b) (i) to the Knowledge of the Company, the use of the Company Intellectual Property in the conduct of the Business does not infringe upon, dilute or misappropriate any intellectual property rights of any Person; (ii) the Company has not made any claims or written allegations of infringement or unauthorized use involving any Company Intellectual Property that are pending against a third party; and (iii) there are no pending claims or written allegations of infringement or unauthorized use of any third party Intellectual Property against the Company;

(c) to the Knowledge of the Company, the Company Intellectual Property, together with all of the other Intellectual Property owned by, licensed to, or which the Company otherwise has a right to use, constitutes all of the Intellectual Property reasonably necessary for the conduct of the Business;

(d) the Company has taken reasonable security measures to protect the secrecy of the confidential and proprietary information and materials of the Company that are material to the operation of the Business, and, to the Knowledge of the Company, there has not been any release, publication, disclosure or other dissemination of such confidential and proprietary information and materials except as permitted under confidentiality and non-disclosure agreements between the Company and its Representatives or third parties;

(e) the Company has delivered to the Transferee complete and correct copies of each license agreement granting to any third party and rights relating to any of the Company Intellectual Property or granting to the Company the right to use any Intellectual Property, in each case other than commercial software licenses, employee intellectual property assignment agreements, and other agreements entered into in the ordinary course (the “*IP License Agreements*”);

(f) each IP License Agreement is a legal and binding obligation of the Company which is a party, or are parties, to such IP License Agreement, and, to the Knowledge of the Company, no party to any IP License Agreement is in breach or default of such IP License Agreement, and no event has occurred which with notice or the passage of time would constitute a breach or default or permit termination, modification or acceleration thereunder;

(g) the Company is not obligated under any IP License Agreement or otherwise to pay royalty or license fees for the use of any Company Intellectual Property; and

(h) all Company Intellectual Property was created by (i) Representatives of the Company acting at the direction of the Company, within the scope of their employment, or (ii) by Representatives of the Company who have assigned all their rights in and to such Company Intellectual Property to the Company pursuant to written agreements.

Section 3.13 Insurance Policies

The Company has delivered to the Transferee complete and correct copies of all material policies and binders of insurance (each of which are listed on Schedule 3.13) maintained as of the Execution Date by the Company (collectively, the “*Insurance Policies*”). All Insurance Policies are in full force and effect. Except as set forth on Schedule 3.13, there have been no claims made under any Insurance Policies at any time since the Measurement Date. The Company has not received written notice under any Insurance Policy denying or disputing any claim (or coverage with respect thereto) made by the Company or regarding the termination, cancellation or amendment of, or material premium increase with respect to, any Insurance Policy, in each case, at any time since the Measurement Date. Since the Measurement Date, the Company has not been refused any insurance, nor has its coverage been suspended.

(a) Neither the Company nor any other party to any Insurance Policy is in material breach or default under such Insurance Policy. No party to any Insurance Policy has repudiated any provision thereof.

Section 3.14 Litigation

There is no claim, action, suit, litigation, arbitration, hearing, inquiry, audit, proceeding or investigation, whether civil, criminal, judicial or investigative, formal or informal, public or private, commenced, brought, conducted or heard by or before any Governmental Authority, judicial authority or arbitral panel (each, a “**Legal Proceedings**”) pending, or to the Company’s Knowledge, threatened, against the Company, nor is the Company subject to any judgment, order or decree of any court, judicial authority or Governmental Authority that would seek to prevent, delay or burden any of the transactions contemplated by this Agreement.

Section 3.15 Compliance with Applicable Laws

To the Company’s Knowledge, the Company has complied with all Laws applicable to it or to the operation of the Business and no facts or circumstances exist which would reasonably be expected to cause the Company to violate or fail to comply with any such Laws in the future. The Company has not received any written notice from any court, judicial authority or Governmental Authority asserting a failure, or possible failure, to comply with any such applicable Laws, the subject of which notice has not been conclusively resolved as required thereby or otherwise to the satisfaction of the party sending such notice. To the Company’s Knowledge, the Company is not under investigation with respect to violations of any such Laws.

Section 3.16 Regulatory Compliance

(a) Schedule 3.16 contains a complete and correct list of all Licenses and Permits issued to or maintained by the Company as of the Execution Date that are necessary to the conduct of the Business as the Business has been operated since the Measurement Date (collectively, the “**Material Licenses and Permits**”), along with the date of issuance and the current term thereof. All such Material Licenses and Permits are in full force and effect.

(b) The Company is in compliance in all respects with the terms and conditions of the Material Licenses and Permits and has received no written notices that it is in violation of any of the terms or conditions of any Material Licenses and Permits or alleging the failure to maintain any Licenses and Permits. The Company has not received written notice that any of the Material Licenses and Permits will not be renewed, and there are, to the Company’s Knowledge, no proceedings pending to revoke or withdraw any such Material Licenses and Permits.

Section 3.17 Compliance with Environmental, Health and Safety Requirements

Except as could not reasonably be expected to have a Material Adverse Effect, the Company has complied with all Laws and contractual obligations concerning public health and safety, worker health and safety, pollution, or protection of the environment, including without limitation those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or clean up of any hazardous materials, substances, or wastes, chemical

substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation.

Section 3.18 Employee Benefit Plans

The Company has no material Plans.

Section 3.19 Labor Matters

(a) No charge or complaint of employment discrimination or other similar charge or complaint has been made against the Company since the Measurement Date, or is pending or, to the Knowledge of the Company, threatened, nor does the Company know of any basis for any such allegation, charge or complaint.

(b) Except as set forth in Schedule 3.19(b), the Company is not a party to or bound by any collective bargaining agreement. No organizational effort is presently being made or, to the Knowledge of the Company, threatened by or on behalf of any labor union with respect to employees of the Company. The Company is not engaged in any unfair labor practice and there is (i) no unfair labor practice charge or complaint pending against the Company or, to the Knowledge of the Company, threatened against the Company before the National Labor Relations Board, and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Company, or to the Knowledge of the Company so threatened, (ii) no strike, labor dispute, slow down or work stoppage pending against the Company or, to the Knowledge of the Company threatened against the Company, and (iii) no union representation question, petition or proceeding existing with respect to the employees of the Company.

(c) Except as could not reasonably be expected to have a Material Adverse Effect or as set forth in Schedule 3.19(c), the Company has complied with all applicable Laws relating to labor, labor relations or employment, including, without limitation, any provisions thereof relating to equal employment opportunity, wages, hours, overtime regulation, employee safety, immigration control, drug testing, termination pay, vacation pay, fringe benefits, and collective bargaining. The Company is not, nor has the Company ever been, an enterprise subject to the Worker Adjustment and Retraining Notification Act or any similar state law.

Section 3.20 Employees

(a) Schedule 3.20(a) sets forth the following: a true, complete and accurate list of each employee of the Company as of the Execution Date.

(b) None of the Company's employees has informed the Company, either orally or in writing, of any plans to terminate their employment or relationship with the Company generally or as a result of the transactions contemplated hereby or otherwise.

(c) All employees of the Company are "employees at will" or otherwise employed such that the Company may lawfully terminate their employment at any time, with or without cause.

(d) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall cause the Company to be in breach of any Contract with any employee of the Company or cause the Company to be liable to pay any severance or other amount to any employee or individual service provider of the Company. The Company has not made any commitment to any of its employees in respect of any possible increases in compensation by the Transferee following the Closing.

Section 3.21 Affiliate Transactions

Schedule 3.21 sets forth all Contracts between the Company, on the one hand, and any Affiliates of the Company or the Transferor on the other hand (other than employment Contracts entered into in the ordinary course of business consistent with past practice) as of the Execution Date. Each Contract between the Company, on the one hand, and any Affiliate of the Company, on the other hand, is on commercially reasonable terms and entered into on an arms-length basis.

Section 3.22 Sufficiency of Assets

Except as set forth on Schedule 3.22, upon the consummation of the transactions contemplated by this Agreement, the Company will own or have the right to use all Assets necessary to continue to carry on the Business as currently conducted (consistent with past practice).

Section 3.23 Books and Records

The Company has maintained its books and records in the ordinary course of business consistent with past practice, consistent with professional business standards and practices customary for its industry. The Company makes and keeps books, records and accounts which, in reasonable detail, accurately and fairly reflect actual bona fide transactions of the Company. The books of account and other records of the Company previously delivered to the Transferee have been maintained in accordance with sound business practice, applicable Law and accounting best practices.

Section 3.24 Brokers

No broker, finder or agent is entitled to any brokerage fees, finder's fees or commissions in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

Section 3.25 Banks

Schedule 3.25 contains a complete and correct list of the names and locations of all banks or other financial institutions in which the Company has accounts or safe deposit boxes, and the names of all Persons authorized to draw thereon or to have access thereto. Schedule 3.25 sets forth the following information with respect to each such financial institution: (a) the name of the financial institution, (b) the location of the financial institution, (c) the identity of all accounts or safe deposit boxes, by number, at such financial institution, and (d) a list of all authorized signatories on such accounts or safe deposit boxes.

Section 3.26 Powers of Attorney

Except as set forth on Schedule 3.26, there are no outstanding powers of attorney executed on behalf of the Company.

Section 3.27 Product Warranty; Product Liability

The Company currently has no products.

Section 3.28 Computer and Technology Security

The Company has taken all commercially reasonable steps to safeguard the information technology systems utilized in the operation of the Business, including the implementation of procedures to ensure that such information technology systems are free from any disabling codes or instructions, timer, copy protection device, clock, counter or other limiting design or routing and any “back door,” “time bomb,” “Trojan horse,” “worm,” “drop dead device,” “virus,” or other software routines or hardware components that in each case permit unauthorized access or the unauthorized disablement or unauthorized erasure of data or other software by a third party, and to date there have been no successful unauthorized intrusions or breaches of the security of the information technology systems.

Section 3.29 Data Privacy

To the Company’s Knowledge, the Company has complied with and the Business, as currently conducted and as currently proposed to be conducted, is in compliance with, all Data Laws. The Company has complied with, and is presently in compliance with, its policies applicable to data privacy, data security, and/or personal information. Since the Measurement Date, the Company has not experienced any incident in which personal information or other sensitive data was stolen or improperly accessed.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE TRANSFEROR

The Transferor hereby represents and warrants to the Transferee as follows as of the Execution Date and as of the Closing Date (except where a representation or warranty speaks as of a specific date, in which case as of such date):

Section 4.1 Authorization; Enforceability

The Transferor has the requisite power and authority to execute and deliver this Agreement and the Other Agreements to which the Transferor is a party, to perform its obligations under this Agreement and the Other Agreements to which the Transferor is a party, and to consummate the transactions contemplated by this Agreement and the Other Agreements to which the Transferor is a party. This Agreement has been duly executed and delivered by the Transferor, and the Other Agreements to which the Transferor is a party will be duly executed and delivered by the Transferor at the Closing, and constitute, legal, valid and binding obligations of the Transferor enforceable in accordance with their respective terms and conditions, except as such enforceability may be limited by the General Enforceability Exceptions.

Section 4.2 Title to Company Shares

The Transferor is the holder of record and beneficial owner of the Company Shares and such Company Shares will, as of the Closing, be free and clear of any and all restrictions on transfer, Taxes or Liens (other than restrictions under the Securities Act or applicable state securities Law). The Transferor has the sole voting power and the sole power of disposition and sole power to agree to all matters set forth in this Agreement with respect to the Company Shares, with no limitations, qualifications or restrictions on such rights and powers, and the Transferor will not grant such rights and powers to any other Person prior to the Closing. There are no pending Legal Proceedings against the Transferor affecting its Company Shares or the right of the Transferor to execute, deliver and perform its obligations under this Agreement or the Other Agreements to which the Transferor is a party. At Closing, good and marketable title to the Company Shares held by the Transferor will be sold, assigned, conveyed, transferred and delivered to the Transferee, free and clear of any and all restrictions on transfer, Taxes or Liens (other than restrictions under the Securities Act or applicable state securities Law).

Section 4.3 No Consents

Other than the filing with the FTC and the Antitrust Division of the DOJ of a pre-merger notification and report form as required by the HSR Act, or as set forth on Schedule 4.3, no material Consent of, permit or exemption from, or declaration, filing or registration with, any Person or Governmental Authority is required to be made or obtained by the Transferor in connection with the execution, delivery and performance of this Agreement by the Transferor.

Section 4.4 Litigation

There are no Legal Proceedings pending, or to the Knowledge of the Transferor, threatened, against the Transferor, nor is the Transferor subject to any judgment, order or decree of any court, judicial authority or Governmental Authority that would seek to prevent any of the transactions contemplated by this Agreement and the Other Agreements.

Section 4.5 No Violation

Subject to the receipt of the approvals and to the filing of notices as contemplated by Section 4.3, neither the execution and delivery of this Agreement or the Other Agreements to which the Transferor is a party, nor the performance by the Transferor of the transactions contemplated hereby or thereby, will (a) constitute a default under the Organizational Documents of the Transferor, (b) to the Transferor's Knowledge, result in a default, give rise to any right of termination, cancellation or acceleration, or require any Consent under any of the terms, conditions or provisions of any material mortgage, loan, license, agreement, lease or other instrument or obligation to which the Transferor is a party, or (c) to the Transferor's Knowledge, conflict with or violate any Laws applicable to the Transferor or by which any of the Transferor's Assets are bound.

Section 4.6 Brokers

No broker, finder or agent is entitled to any brokerage fees, finder's fees or commissions in connection with the transactions contemplated by this Agreement and the Other Agreements.

Section 4.7 Transferor's Investment Intent

- (a) The Transferor is acquiring the Equity Consideration for the Transferor's own account, for investment and not for distribution or resale to others.
 - (b) The Transferor consents to the placement of a legend on any certificate or other document evidencing the Equity Consideration substantially in the form set forth in Section 6.7.
 - (c) The Transferor is not acquiring the Equity Consideration in a transaction (or an element of a series of transactions) that is part of any plan or scheme to evade the registration provisions of the Securities Act.
 - (d) The Transferor has sufficient knowledge and experience in finance, securities, investments and other business matters to be able to protect such person's or entity's interests in connection with the transactions contemplated by this Agreement.
 - (e) The Transferor has consulted, to the extent that it has deemed necessary, with its tax, legal, accounting and financial advisors concerning its investment in the Equity Consideration.
 - (f) The Transferor understands the various risks of an investment in the Equity Consideration and can afford to bear such risks for an indefinite period of time, including, without limitation, the risk of losing its entire investment in the Equity Consideration.
 - (g) The Transferor has had access to the Transferee's publicly filed reports with the SEC and has been furnished during the course of the transactions contemplated by this Agreement with all other public information regarding the Transferee that such person or entity has requested.
 - (h) The Transferor has been afforded the opportunity to ask questions of and receive answers concerning the Transferee and the terms and conditions of the issuance of the Equity Consideration.
 - (i) The Transferor is an "accredited investor" as that term is defined in Regulation D of the Exchange Act, and is able to protect its interests in connection with the acquisition of the Equity Consideration and can bear the economic risk of investment in such securities. The Transferor has such knowledge and experience in financial or business matters that the Transferor is capable of evaluating the merits and risks of the investment in the Equity Consideration.
 - (j) The Transferor is not a U.S. person and is not acquiring the Equity Consideration for the account or benefit of any U.S. person, or with a view towards distribution to any U.S. person, in violation of the registration requirements of the Securities Act.
 - (k) The Transferor will make all subsequent offers and sales of the Equity Consideration either (x) outside of the United States in compliance with Regulation S; (y) pursuant to a registration under the Securities Act; or (z) pursuant to an available exemption from
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registration under the Securities Act. Specifically, the Transferor will not resell the Equity Consideration to any U.S. person or within the United States prior to the expiration of a period commencing on the Closing Date and ending on the date that is one year thereafter (the “***Distribution Compliance Period***”), except pursuant to registration under the Securities Act or an exemption from registration under the Securities Act.

(l) The Transferor has no present intention to sell the Equity Consideration in the United States or to a U.S. person at any predetermined time, has made no predetermined arrangements to sell the Equity Consideration and is not acting as a distributor of such securities.

(m) The Transferor, its Affiliates nor any Person acting on behalf of such person or entity, has not entered into, does not have the intention of entering into, and will not enter into any put option, short position or other similar instrument or position in the U.S. with respect to the Equity Consideration at any time after the Closing Date through the Distribution Compliance Period.

ARTICLE V **REPRESENTATIONS AND WARRANTIES OF THE TRANSFEREE**

The Transferee hereby represents and warrants to the Transferor as of the Execution Date and as of the Closing Date (except where a representation or warranty speaks as of a specific date, in which case as of such date) as follows:

Section 5.1 Organization and Qualification

The Transferee is a company duly organized, validly existing and in good standing under the Laws of the Cayman Islands. Each Subsidiary of the Transferee is duly organized, validly existing and in good standing under the Laws of the State of its incorporation or organization, except where the failure to be so qualified or in good standing would not reasonably be expected to be material to the Transferee. The Transferee has the requisite corporate power and authority to conduct the business of the Transferee as it is now being conducted and is proposed to be conducted, to own and lease the Assets which it owns and leases and to perform all of its obligations under each Contract by which it is bound. The Transferee is duly qualified to conduct its business as a foreign entity and is in good standing under the Laws of the jurisdiction(s) listed on Schedule 5.1, which are all of the jurisdictions where the nature of its business or the ownership or leasing of its Assets requires such qualification, except where the failure to be so qualified or in good standing would not reasonably be expected to be material to the Transferee. Set forth on Schedule 5.1 are all the names (*i.e.* “trading” or “doing business as” names) under which the Transferee is currently or has ever conducted its business.

Section 5.2 Authorization; Enforceability

(a) The Transferee has the requisite corporate power and authority to execute and deliver this Agreement and the Other Agreements to which it is a party, to perform its obligations under this Agreement and the Other Agreements to which it is a party, and to consummate the transactions contemplated by this Agreement and the Other Agreements to which it is a party. This Agreement has been duly and validly executed and delivered by the Transferee, the Other Agreements to which the Transferee is a party will be duly executed and delivered by

the Transferee at the Closing, and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, will constitute, upon such execution and delivery in each case thereof, legal, valid and binding obligations of the Transferee, enforceable in accordance with their terms and conditions, except as such enforceability may be limited by the General Enforceability Exceptions.

(b) No vote, consent, or approval, notice or action with respect to, or meeting of, any class or series of capital stock of the Transferee is necessary or otherwise required under the Transferee's Organizational Documents, applicable Law, or the rules or requirements of Nasdaq to adopt, authorize and approve this Agreement and the Other Agreements to which Transferee is a party.

Section 5.3 Capitalization

(a) The Transferee is authorized to issue a maximum of 5,000,000,000 Transferee Ordinary Shares, of which 21,600,000 Transferee Ordinary Shares are issued and outstanding as of the date hereof. All of such issued and outstanding Transferee Ordinary Shares have been duly authorized and are validly issued, fully paid and non-assessable, free and clear of all Liens (other than Permitted Liens), and have been issued in compliance with applicable Law. As of the Execution Date, such issued and outstanding Transferee Ordinary Shares constitute the only outstanding Equity Interests of the Transferee. No Equity Interests of the Transferee are subject to, or have been issued in violation of, preemptive or similar rights. All issuances, sales or repurchases by the Transferee of its Equity Interests have been effected in compliance with all applicable federal and state securities laws. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting Equity Interests of the Transferee. The Transferee does not own, directly or indirectly, or have any obligation to acquire, any Equity Interests of any Person.

(b) Schedule 5.3 sets forth a complete and correct list of each Subsidiary of the Transferee, as well as the jurisdiction of incorporation or organization, the type of entity and the authorized and the issued and outstanding Equity Interests of each such Subsidiary. All of such issued and outstanding Equity Interests have been duly authorized and are validly issued, fully paid and non-assessable, free and clear of all Liens (other than Permitted Liens), and have been issued in compliance with applicable Law. As of the Execution Date, such issued and outstanding Equity Interests constitute the only outstanding Equity Interests of such Subsidiary. No Equity Interests of any such Subsidiary are subject to, or have been issued in violation of, preemptive or similar rights. All issuances, sales or repurchases by each Subsidiary of the Transferee of such Subsidiary's Equity Interests have been effected in compliance with all applicable federal and state securities laws. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting Equity Interests of such Subsidiaries. The Subsidiaries of the Transferee do not own, directly or indirectly, or have any obligation to acquire, any Equity Interests of any Person.

Section 5.4 No Consents

Other than the filing with the FTC and the Antitrust Division of the DOJ of a pre-merger notification and report form as required by the HSR Act, or as set forth on Schedule 5.4, no material

Consent of, permit or exemption from, or declaration, filing or registration with, any Governmental Authority is required to be made or obtained by the Transferee in connection with the execution, delivery and performance of this Agreement by the Transferee.

Section 5.5 Litigation

There are no Legal Proceedings pending, or to the Transferee's Knowledge, threatened, against the Transferee, nor is the Transferee subject to any judgment, order or decree of any court, judicial authority or Governmental Authority that would seek to prevent, delay or burden any of the transactions contemplated by this Agreement.

Section 5.6 No Violation

Subject to the receipt of the approvals and to the filing of notices as contemplated by Section 5.4, neither the execution and delivery of this Agreement or the Other Agreements to which it is a party, nor the performance by it of the transactions contemplated hereby or thereby will (a) violate, conflict with or constitute a default under the Organizational Documents of the Transferee, or (b) to the Transferee's Knowledge, result in a default, give rise to any right of termination, cancellation or acceleration, or require any Consent under any of the terms, conditions or provisions of any material mortgage, loan, license, agreement, lease or other instrument or obligation to which the Transferee is a party, or (c) to the Transferee's Knowledge, conflict with or violate any Laws applicable to the Transferee or by which any of its Assets is bound.

Section 5.7 CFIUS

Neither the Transferee nor any of its Subsidiaries is a "*TID U.S. business*" within the meaning of 31 C.F.R. § 800.248.

Section 5.8 Outbound Investment Security Program

The Transferee either is (a) not a "person of a country of concern"; or (b) not engaged in any "covered activity," as these terms are defined in 31 C.F.R. Part 850, as implemented or revised from time to time (the "*Outbound Investment Security Program*"). The Transferee has no intention of becoming a "person of a country of concern" that engages in any "covered activity". The Transferee is not, and does not intend to become, a person that directly or indirectly holds a board seat or a voting or equity interest in, or any contractual power to direct or cause the direction of the management of policies of, any "covered foreign person" as defined in the Outbound Investment Security Program.

Section 5.9 Issuance of the Equity Consideration

The Equity Consideration has been duly authorized and, when issued and paid for in accordance with the terms of this Agreement, will be duly and validly issued, fully paid and nonassessable and free and clear of all Liens, other than restrictions on transfer provided for in this Agreement and the Other Agreements or imposed by applicable securities laws, and shall not be subject to preemptive or similar rights.

Section 5.10 Nasdaq Listing; Foreign Private Issuer

(a) The Transferee Ordinary Shares are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Transferee has taken no action designed to terminate the registration of the Transferee Ordinary Shares under the Exchange Act nor has the Transferee received any notification that the SEC is contemplating terminating such registration. The Transferee has not, in the twelve (12) months preceding the Execution Date, received written notice from Nasdaq to the effect that the Transferee is not in compliance with the listing or maintenance requirements of the Nasdaq Capital Market. The Transferee is in compliance in all material respects with the listing and maintenance requirements for continued trading of the Transferee Ordinary Shares on Nasdaq. The Equity Consideration, upon the issuance thereof to the Transferor under this Agreement, will be duly authorized for listing on Nasdaq, subject to all necessary regulatory approvals.

(b) The Transferee is a “foreign private issuer” within the meaning of the Exchange Act and is permitted under Nasdaq Listing Rule 5615(a)(3) to follow the corporate governance practices of its home country in lieu of certain Nasdaq corporate governance requirements, except as to those Nasdaq rules that are expressly ineligible for such exemption. To the extent the Transferee elects to follow home country practice in lieu of any Nasdaq corporate governance requirement, the Transferee has made the disclosures required by Nasdaq Listing Rule 5615(a)(3) identifying each Nasdaq corporate governance requirement from which it departs and describing the home country practices it follows, provided, however, that the Transferee may be required by Nasdaq to make one or more disclosures, furnishings (including on Form 6-K) and/or website postings in connection with its reliance on home country practice under Nasdaq Listing Rule 5615(a)(3). The issuance of the Equity Consideration will be made in accordance with Transferee’s disclosed home country practices under Nasdaq Listing Rule 5615(a)(3).

(c) The Transferee has submitted to Nasdaq all required written statements from independent counsel in the Transferee’s home country certifying that the Transferee’s practices are not prohibited by such home country’s laws as provided by Nasdaq Listing Rule 5615-3.

Section 5.11 Indebtedness

The Transferee has no outstanding Indebtedness, other than (i) trade accounts payable and accrued expenses incurred in the ordinary course of business consistent with past practice and (ii) Indebtedness to be incurred pursuant to this Agreement.

Section 5.12 SEC Filings

The Transferee has filed all reports, schedules, forms, statements and other documents required to be filed by it under the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the Execution Date (or such shorter period as the Transferee was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “**SEC Reports**”), on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective filing dates, or to the extent corrected by a subsequent restatement, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act

and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. All material agreements to which the Transferee or any Subsidiary is a party or to which the property or assets of the Transferee or any of its Subsidiaries are subject are included as part of or specifically identified in the SEC Reports.

Section 5.13 Financial Statements

The financial statements of the Transferee included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing (or to the extent corrected by a subsequent restatement). Such financial statements have been prepared in accordance with GAAP applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Transferee and its consolidated subsidiaries taken as a whole as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments.

Section 5.14 Internal Accounting Controls

The Transferee and each of its Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (a) transactions are executed in accordance with management's general or specific authorizations, (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset and liability accountability, (c) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization, and (d) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any differences.

Section 5.15 Sarbanes-Oxley; Disclosure Controls

The Transferee is in compliance in all material respects with all of the provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it. The Transferee maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act).

Section 5.16 Personal Property

The Transferee has good title to, a valid leasehold interest in, or a valid license to use, all Assets material to the operation of its business, free and clear of any Liens, except for Permitted Liens. All tangible Assets used by the Transferee in the ordinary course of business are in good working condition and repair and sufficient for the operation of the Business as presently conducted (normal maintenance, wear and tear excepted).

Section 5.17 Compliance with Environmental, Health and Safety Requirements

The Transferee has complied with all Laws and contractual obligations concerning public health and safety, worker health and safety, pollution, or protection of the environment, including without limitation those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or clean up of any hazardous materials, substances, or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation.

Section 5.18 Books and Records

The Transferee has maintained its books and records in the ordinary course of business consistent with past practice, consistent with professional business standards and practices customary for its industry. The Transferee makes and keeps books, records and accounts which, in reasonable detail, accurately and fairly reflect actual bona fide transactions of the Transferee.

Section 5.19 Brokers

No broker, finder or agent is entitled to any brokerage fees, finder's fees or commissions in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Transferee.

Section 5.20 Computer and Technology Security

The Transferee has taken all commercially reasonable steps to safeguard the information technology systems utilized in the operation of the Transferee's business, including the implementation of procedures to ensure that such information technology systems are free from any disabling codes or instructions, timer, copy protection device, clock, counter or other limiting design or routing and any "back door," "time bomb," "Trojan horse," "worm," "drop dead device," "virus," or other software routines or hardware components that in each case permit unauthorized access or the unauthorized disablement or unauthorized erasure of data or other software by a third party, and to date there have been no successful unauthorized intrusions or breaches of the security of the information technology systems.

Section 5.21 Data Privacy

To the Transferee's Knowledge, the Transferee has complied with and the Transferee's business, as currently conducted and as currently proposed to be conducted, is in compliance with, all Data Laws. The Transferee has complied with, and is presently in compliance with, its policies applicable to data privacy, data security, and/or personal information. For the three (3) years preceding the Execution Date, the Transferee has not experienced any incident in which personal information or other sensitive data was stolen or improperly accessed.

Section 5.22 Taxes

Except as set forth on Schedule 5.22:

(a) The Transferee has timely filed, or will timely file (taking into account available extensions of time to file), all Tax Returns required to be filed by it through the date

hereof and through the Closing Date, with the appropriate Governmental Authority. Each such Tax Return is complete and correct and correctly reflects the taxable income or loss (or other measure of Tax) of the Transferee. The Transferee has paid and discharged all Taxes required to be paid by it. The Transferee has withheld, collected and paid over to the appropriate Taxing Authority, or is properly holding for such payment, all Taxes required by Law to be withheld or collected.

(b) The Transferee is not (i) a member of an affiliated group within the meaning of Section 1504(a) of the Code (or any similar group defined under a similar provision of state, local, or foreign Law), (ii) filing a consolidated Federal income Tax Return with any other Person, or (iii) liable for the Taxes of any Person (other than the Company) under Treasury Regulation Section 1.1502-6 or any analogous or similar provision of Law.

(c) The Transferee has not been notified in writing that it is currently under audit by any Taxing Authority or that any Taxing Authority intends to conduct such an audit, and no action, suit, investigation, claim or assessment is pending or proposed with respect to any alleged deficiency in Taxes. Except as and to the extent shown on Schedule 5.22, all deficiencies asserted or assessments made as a result of any examinations by any Taxing Authority have been fully paid, and there are no other unpaid deficiencies asserted or assessments made by any Taxing Authority against the Transferee.

(d) The Transferee has not (and its owners have not, on its behalf) (i) waived any statute of limitations in respect of any Taxes, (ii) agreed to any extension of time with respect to any Tax assessment or deficiency, or (iii) executed any closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof, or any similar provision of foreign, state or local law.

(e) The Transferee has timely paid, deducted, withheld and collected all amounts required to be paid, deducted, withheld or collected by any of them with respect to any payment owing to, or received from, their employees, creditors, independent contractors, customers and other third parties (and have timely paid over any amounts so withheld, deducted or collected to the appropriate Governmental Authority) and have otherwise complied in all respects with all applicable Laws relating to the payment, withholding, collection and remittance of Taxes (including information reporting requirements).

(f) There are no Liens (other than Permitted Liens) relating to any Taxes existing with regard to any of the Assets of the Transferee.

(g) The Transferee has not participated in a "listed transaction" as defined in Section 1.6011-4(b)(2) of the Treasury Regulations.

(h) Within the last two (2) years, the Transferee has not distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355(a) of the Code.

(i) The Transferee will not be required to include any material items of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a

taxable period ending on or prior to the Closing Date, (ii) “closing agreement” as described in Section 7121 of the Code (or any corresponding provision of state, local or foreign income Tax Law) executed on or prior to the Closing Date, (iii) intercompany transactions or any excess loss account described the Treasury Regulations promulgated under Section 1502 of the Code (or any corresponding provision of state, local or foreign income Tax Law), (iv) installment sale or open transaction disposition made on or prior to the Closing Date, or (v) prepaid amount received on or prior to the Closing Date.

ARTICLE VI
CERTAIN COVENANTS OF THE PARTIES

Section 6.1 Conduct of Business; Access

(a) From the Execution Date until the Closing, except as (i) set forth on Schedule 6.1, (ii) consented to in writing by Transferee (which consent shall not be unreasonably withheld, conditioned or delayed), or (iii) otherwise required or permitted under this Agreement or any of the Other Agreements, Transferor shall (y) cause the Company to conduct the Business in the ordinary course of business materially consistent with past practice and (z) preserve the goodwill, reputation and present relationships of the Business with suppliers, customers, licensors and Persons having material business relations with it.

(b) From the Execution Date until the Closing, except as (i) set forth on Schedule 6.1, (ii) consented to in writing by Transferee (which consent shall not be unreasonably withheld, conditioned or delayed), or (iii) otherwise required or permitted under this Agreement or any of the Other Agreements, Transferor shall use commercially reasonable efforts not to:

(i) except for salary increases pursuant to requirements of pre-existing Contracts (i) materially increase the wages, salary, bonus, profit-sharing or other compensation payable to, or enter into any new bonus or incentive agreement or arrangement with, any of its employees or individual service providers, (ii) enter into any new employment, severance, consulting, or other compensation agreement with, or change the job title or make any other material change in the position or job responsibilities of any of its current employees or individual service providers, (iii) materially amend or enter into a new Plan, or any employment policy relating to vacation pay, sick pay, disability, severance pay or otherwise relating to any employee or individual service provider, (iv) make or agree to make any bonus or profit sharing payments to any employee or individual service provider other than pursuant to requirements of pre-existing Contracts, or (v) hire any new employee or individual service provider (other than to fill a vacancy or replace a terminated employee or individual service provider) with annual base compensation above \$100,000;

(ii) make any change to its authorized or issued Equity Interests, or issue, deliver or sell, or authorize or propose the issuance, delivery, sale or grant of (i) any of its Equity Interests, (ii) any securities convertible into its Equity Interests, or (iii) any rights, warrants, calls, subscriptions or options to acquire its Equity

Interests or synthetic equity, or purchase, redeem, retire or make any other acquisition of any Equity Interests or other securities;

(iii) amend any of its Organizational Documents;

(iv) merge or consolidate with, or purchase substantially all of the Assets of, or otherwise acquire any business of any Person; or sell, lease, transfer, license, encumber or otherwise dispose of, or agree to sell, lease, license, encumber or otherwise dispose of, any of its Assets, all of which Assets shall be maintained in their current condition, ordinary wear and tear excluded, with insurance in such amounts and of such kinds comparable to that in effect on the Execution Date;

(v) make any capital expenditures in excess of \$100,000 individually or \$250,000 in the aggregate;

(vi) incur, assume or guarantee any Indebtedness or guarantee any Indebtedness, or issue or sell any debt securities or warrants or rights to acquire any debt securities, or guarantee any debt securities of others, or create any new Lien on any of its Assets, in each case other than ordinary course trade payables and intercompany advances between the Company, its Affiliates, or their respective Subsidiaries;

(vii) alter its cash management customs and practices (including, without limitation, the timing of collection of receivables and payment of payables and other current liabilities);

(viii) enter into, amend, modify, terminate or grant any waiver under any Material Contract, or enter into, amend, modify, terminate or grant any waiver under any Material License or Permit;

(ix) declare, set aside, or pay any dividends or otherwise make any distribution or payment, on or in respect of its Equity Interests, or redeem, purchase or otherwise acquire (i) its equity interests, (ii) any securities convertible into its equity interests or (iii) any rights, warrants, calls, subscriptions or options to acquire its equity interests;

(x) enter into any material Contract with the Transferor or any Affiliate or Representative thereof other than intercompany services agreements between the Company, its Affiliates, or their respective Subsidiaries; or

(xi) make or change any material Tax election, change any annual accounting period, change or adopt any accounting method for Taxes, file any material amended Tax Return, enter into any material closing agreement with respect to Taxes, settle any material Tax claim or assessment, surrender any material right to claim a refund for Taxes, consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment, or take any similar action related to the filing of any Tax Return or the payment of any Tax, if such action would have the effect of increasing the Tax Liability of the Company

for any taxable period ending on or after the Closing Date, or decreasing any Tax attribute of the Company otherwise existing on the Closing Date.

Nothing contained in this Agreement shall be deemed to give the Transferee, directly or indirectly, the right to control or direct the Company's Business or operations prior to the Closing. Further Assurances.

Each of the Parties hereby agrees to, and to cause their respective Affiliates to, without further consideration, execute and deliver such additional documents and other instruments of transfer and take such other action as may be reasonably required or as may be reasonably requested by the other Party or its counsel following the Closing in order to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the Other Agreements.

Section 6.2 Subsequent Events; Schedules Supplements

From time to time prior to the Closing, the Company and the Transferor shall have the right (but not the obligation) to supplement or amend the Schedules hereto with respect to any matter hereafter arising or of which it becomes aware after the Execution Date (each a "***Schedule Supplement***"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement; *provided, however*, that if as a result of matters disclosed in such Schedule Supplement, the Transferee has the right to, but does not elect to, terminate this Agreement within 10 Business Days of its receipt of such Schedule Supplement, then the Transferee shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter. No Schedule Supplement shall cure, modify or amend any representation, warranty, covenant or condition, or limit Transferee's remedies, unless Transferee expressly agrees in writing, and the condition in Section 8.2(a) shall be satisfied only if the representations and warranties of the Company are true and correct except where the failure to be so true and correct would not reasonably be expected to have a Material Adverse Effect on the Company.

Section 6.3 Regulatory Filings

The Company shall (a) make any filings required of it or any of its respective Affiliates under the HSR Act and other antitrust Laws applicable to the transactions contemplated hereby as promptly as practicable following the Execution Date, (b) comply at the earliest reasonably practicable date with any request under the HSR Act or other antitrust Laws for additional information, documents, or other materials received by it or any of its respective Affiliates from the FTC, or any other Governmental Authority in respect of such filings or such transactions, and (c) cooperate with the Transferee in connection with any such filing (including, to the extent permitted by applicable Law, providing copies of all such documents to the non-filing parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any of the FTC or other Governmental Authority under any antitrust Laws with respect to any such filing or such transaction. The Company shall furnish to the Transferee all information required for any application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated by this Agreement.

Section 6.4 Access

From the Execution Date until the Closing, the Company shall (a) provide the Transferee and its authorized representatives with reasonable access upon reasonable notice to the properties, assets, and books and records of the Company to the extent related to the Business; (b) instruct the Representatives of the Company to reasonably cooperate with the Transferee in its investigation of the Business; *provided, however*, that any such investigation shall be conducted during normal business hours upon reasonable advance written notice to the Transferor and the Company, under the supervision of the Transferor's personnel and in such a manner as not to interfere with the conduct of the Business or any other businesses of Transferor. All requests by the Transferee for access pursuant to this Section 6.4 shall be submitted or directed exclusively to Henry Ji, Ph.D. in accordance with Section 13.1 or such other individuals as the Transferor may designate in writing from time to time. Notwithstanding anything to the contrary in this Agreement and subject to the Transferor's obligations under Section 6.9, neither the Transferor nor the Company shall be required to disclose any information to the Transferee or any of its Representatives if such disclosure would reasonably be expected to: (a) cause competitive harm to the Transferor, the Company, or any of their respective businesses, including the Business, if the transactions contemplated by this Agreement are not consummated; (b) jeopardize any attorney-client or other privilege; or (c) contravene any applicable Law, fiduciary duty or binding agreement entered into prior to the Execution Date. Prior to the Closing, without the prior written consent of the Transferor, which may be withheld for any reason, the Transferee shall not contact any business relations of the Company.

Section 6.5 Press Releases and Public Disclosure

Prior to the Closing, none of the Company, the Transferor, nor the Transferee shall, without the prior written consent of the other Parties, or except as required by Law, issue any press release or otherwise make any public statement or other public disclosure regarding this Agreement, the Other Agreements or any of the transactions contemplated hereby or thereby. If the Company, the Transferor or the Transferee is required by Law to issue such press release or otherwise make such public statement or disclosure, the Parties will consult with each other regarding the content thereof and cooperate in the making of such press release, public statement or other public disclosure.

Section 6.6 Mutual Exclusivity; Proposed Acquisition Transactions

(a) Mutual Exclusivity. During the period from the Execution Date until the Closing or the earlier termination of this Agreement pursuant to Article XI hereof, none of the Parties, nor any of their respective Representatives (including without limitation their investment bankers, attorneys and accountants), shall take or permit any other Person on its behalf to take, directly or indirectly, any action to encourage, initiate or engage in discussions or negotiations with, or provide any information to, any Person (other than the other Parties or their respective Representatives) concerning any purchase of the Company Shares, any merger, acquisition, consolidation, recapitalization, liquidation, or dissolution involving the applicable Parties, any sale of all or substantially all of the assets of such Party or similar transaction involving the Parties (other than assets sold in the ordinary course of business) (each such transaction being referred to herein as a "***Proposed Acquisition Transaction***"). The Parties shall, and shall cause their respective Representatives to, terminate any and all negotiations or discussions with any third party

regarding any proposal concerning any Proposed Acquisition Transaction. Each of the Parties hereby represents that it is not now engaged in discussions or negotiations with any Person other than the other Parties or their respective Affiliates with respect to any Proposed Acquisitions Transaction. Each of the Parties agree not to release any third party from, or waive any provision of, any confidentiality or stand-still agreement to which they (or any of them) are party.

(b) Notification of Proposed Acquisition Transactions. Before responding to any offer of a Proposed Acquisition Transaction, the Party recipient thereto shall (i) immediately notify the other Parties (orally and in writing) if any offer is made, any discussions or negotiations are sought to be initiated, any inquiry or proposal is made, or any information is requested, with respect to any Proposed Acquisition Transaction, (ii) promptly notify the other Parties of the material economic terms of any proposal that it may receive in respect of any such Proposed Acquisition Transaction, including, without limitation, the identity of the prospective purchaser or soliciting party, (iii) promptly provide the other Party with a copy of any such offer, if written, or a written summary in reasonable detail of such offer, if not in writing, and (iv) keep the other Party reasonably informed of the status of such offer and the offeror's efforts and activities with respect thereto.

(c) Liability; Equitable Relief. The Parties hereby acknowledge and agree that they shall be liable for any actions taken by their Representatives or Affiliates in violation of this Section 6.6. Upon breach of any provisions of this Section 6.6, in addition to any other remedies to which the Parties may be entitled at law or in equity, the Parties shall be entitled to seek injunctive relief. For the purposes of this Section 6.6(c), the Parties agree that any breach of this Agreement would result in irreparable harm, no adequate remedy at law would exist for breach, and damages from breach would be difficult to ascertain.

Section 6.7 Legends

The Transferor acknowledges and understands that until such time as the same is no longer required under the requirements of the Securities Act or applicable state securities laws, the certificates representing the Equity Consideration, and all certificates representing any securities issued in exchange thereof or in substitution therefor, will bear the following legend:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THESE SECURITIES, AGREES FOR THE BENEFIT OF PHOENIX ASIA HOLDINGS LTD (THE “**CORPORATION**”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY: (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT (“**REGULATION S**”), (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (D) PURSUANT TO ANOTHER EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, AND IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS, AFTER, IN THE CASE OF TRANSFERS PURSUANT TO CLAUSE (C)(2) OR (D) (OR IF REQUIRED BY THE CORPORATION, OR ITS TRANSFER

AGENT, CLAUSE (B)) ABOVE, THE HOLDER HAS PROVIDED TO THE CORPORATION A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE SALE OF SUCH SECURITIES IS NOT REQUIRED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS.”

Section 6.8 Financial Statements

The Transferor shall use commercially reasonable efforts to prepare and deliver to the Transferee by the Closing Date unaudited financial statements of the Company for the three-month period ended March 31, 2026.

Section 6.9 Filing Cooperation

The Transferor shall, as promptly as reasonably practicable upon request, furnish to the Transferee all information and supporting documentation relating to the Transferor and its Affiliates, equity-holders, capitalization, business, financial statements, officers, directors and the transactions contemplated by this Agreement that is reasonably requested by the Transferee and required under applicable law or the Nasdaq listing rules in connection with the preparation, filing, supplementation or amendment of any filing required to be made by the Transferee with the SEC, the Required Nasdaq Filings or otherwise in connection with obtaining approval of Transferee's listing application with Nasdaq and the listing of the Ordinary Shares issuable as the Equity Consideration in accordance with this Agreement. The Transferor shall use its reasonable best efforts to cooperate with the Transferee in the preparation of such materials, to review and comment on drafts thereof promptly, and to provide such additional information, representations and confirmations as Nasdaq may reasonably request in connection therewith, in each case as promptly as reasonably practicable after such request. Notwithstanding anything to the contrary in this Agreement, any time period applicable to the Transferee for the preparation or filing of any Required Nasdaq Filings, or for taking any action in connection with obtaining Nasdaq approval contemplated by this Agreement, shall be automatically extended by the period of any delay resulting from the Transferor's failure to timely provide any such information, documentation, comments, representations or confirmations.

ARTICLE VII
COVENANTS OF THE TRANSFEE

Section 7.1 Further Assurances

The Transferee shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable in compliance with applicable Laws to consummate and make effective, as soon as reasonably practicable, the transactions contemplated hereby. Without limiting the generality of the foregoing, the Transferee shall cooperate with the Company to give all notices, make all material required filings with or applications to Governmental Authorities and use commercially reasonable efforts to obtain all material Third Party Consents and Governmental Consents necessary for the parties to consummate the transactions contemplated herein. The Transferee will use commercially reasonable efforts to promptly take, or cause to be taken, all actions, and to do, or cause to be done,

all things necessary, proper or advisable to promptly provide any Governmental Authority with any and all information reasonably requested in connection therewith.

Section 7.2 Regulatory Filings

The Transferee shall (a) make any filings required by the Transferee or any of its Affiliates under the HSR Act and other antitrust Laws applicable to the transactions contemplated hereby as promptly as practicable following the Execution Date, (b) comply at the earliest reasonably practicable date with any request under the HSR Act or other antitrust Laws for additional information, documents, or other materials received by the Transferee from the FTC, or any other Governmental Authority in respect of such filings or such transactions, and (c) cooperate with the Company in connection with any such filing (including, to the extent permitted by applicable Law, providing copies of all such documents to the non-filing parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any of the FTC or other Governmental Authority under any antitrust Laws with respect to any such filing or any such transaction. The Transferee shall use commercially reasonable efforts to furnish to the Company and the Transferor all information required for any application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated by this Agreement. The Transferee shall promptly inform the Company of any oral communication with, and provide copies of written communications with, any Governmental Authority regarding any such filings or any such transaction. Notwithstanding anything to the contrary contained herein, the Transferee shall not be required to accept any divestitures of its business or Assets, or the business or Assets of its Subsidiaries, its Affiliates or the Company or accept an argument to hold any such assets or businesses separately. Transferor will pay all filing fees associated with any filings required under the HSR Act applicable to the transactions contemplated hereby.

Section 7.3 Indebtedness

From the Execution Date until the Closing, the Transferee shall not incur any Indebtedness other than (a) trade payables incurred in the ordinary course of business consistent with past practice and (b) other unsecured Indebtedness expressly approved in writing by the Transferor.

Section 7.4 Nasdaq Listing

Within ten (10) calendar days immediately following the Execution Date (or, to the extent reasonably necessary, promptly following the Transferee's receipt of any information or documentation reasonably requested from the Transferor for such purpose), the Transferee shall prepare and file with Nasdaq all Required Nasdaq Filings. Transferee shall use its reasonable best efforts to cause (a) Transferee's listing application with Nasdaq in connection with the transactions contemplated by this Agreement to have been approved; (b) Transferee to satisfy all applicable initial and continuing listing requirements of Nasdaq and (c) the Ordinary Shares issuable as the Equity Consideration in accordance with this Agreement, to be approved for listing on Nasdaq, subject to official notice of issuance, in each case, as promptly as reasonably practicable after the date of this Agreement, and in any event prior to the Closing Date.

ARTICLE VIII
CONDITIONS PRECEDENT TO THE CLOSING

Section 8.1 Conditions Precedent to Each Party's Obligations

The respective obligations of each Party to consummate the transactions contemplated hereby will be subject to the satisfaction, as of the Closing, of all of the following conditions:

(a) No Legal Prohibition. No Law shall exist or be enacted or promulgated by any Governmental Authority which would prohibit the consummation by such Party of the transactions contemplated hereby.

(b) No Injunction. Such Party shall not be prohibited, by any order, ruling, consent, decree, judgment or injunction of any court, judicial authority or Governmental Authority from consummating the transactions contemplated hereby.

(c) HSR Act. All applicable waiting periods (and any extensions thereof) under the HSR Act and all other applicable antitrust or merger control Laws shall have expired or otherwise been terminated.

Section 8.2 Conditions Precedent to Obligations of the Transferee

The obligations of the Transferee under this Agreement to consummate the transactions contemplated hereby will be subject to the satisfaction, as of the Closing, of all of the following conditions, any one or more of which may be waived in writing at the option of the Transferee:

(a) Accuracy of Representations and Warranties; Performance of Covenants. Except as expressly contemplated by this Agreement or as set forth in any Schedule Supplement delivered by the Company or the Transferor pursuant to Section 6.2 with respect to which the Transferee has not elected to terminate this Agreement, the representations and warranties of the Company and the Transferor contained in this Agreement shall be true and correct in all material respects (other than representations and warranties that are qualified by materiality, Material Adverse Effect or correlative terms which shall be true and correct in all such respects) as of the Closing with the same force and effect as though made on and as of the Closing (other than those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be accurate as of such date or with respect to such period). The Company and the Transferor shall have performed and complied, in all material respects, with all covenants and agreements required by this Agreement to be performed or complied with by them on or prior to the Closing.

(b) No Material Adverse Effect. Since the Execution Date, no Material Adverse Effect has occurred that is continuing with respect to the Company.

(c) Closing Deliveries. The Transferee shall have received, or waived delivery of, the items to be delivered pursuant to Section 9.2

Section 8.3 Conditions Precedent to Obligations of the Transferor

The obligations of the Transferor under this Agreement to consummate the transactions contemplated hereby will be subject to the satisfaction, as of the Closing, of all the following conditions, any one or more of which may be waived in writing at the option of the Transferor:

(a) Accuracy of Representations and Warranties; Performance of Covenants. Except as expressly contemplated by this Agreement, the representations and warranties of the Transferee contained in this Agreement shall be true and correct in all material respects (other than representations and warranties that are qualified by materiality, Material Adverse Effect or correlative terms which shall be true and correct in all such respects) as of the Closing with the same force and effect as though made on and as of the Closing (other than those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be accurate as of such date or with respect to such period). The Transferee shall have performed and complied, in all material respects, with all covenants and agreements required by this Agreement to be performed or complied with by the Transferee on or prior to the Closing.

(b) No Material Adverse Effect. Since the Execution Date, no Material Adverse Effect has occurred that is continuing with respect to the Transferee.

(c) Closing Deliveries. The Transferor shall have received, or waived delivery of, the items to be delivered pursuant to Section 9.3.

(d) Nasdaq Listing. The Transferee Ordinary Shares shall be registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Transferee shall have taken no action designed to terminate the registration of the Transferee Ordinary Shares under the Exchange Act nor shall the Transferee have received any notification that the SEC is contemplating terminating such registration. The Transferee shall not have, since the date twelve (12) months preceding the Execution Date until the Closing Date, received written notice from The Nasdaq to the effect that the Transferee is not in compliance with the listing or maintenance requirements of the Nasdaq Capital Market. The Transferee shall be in compliance in all material respects with the listing and maintenance requirements for continued trading of the Transferee Ordinary Shares on Nasdaq. The Equity Consideration, upon the issuance thereof to the Transferor under this Agreement, shall be duly authorized for listing on Nasdaq, subject to all necessary regulatory approvals.

(e) Nasdaq Approval Matters. The Nasdaq Approval shall have been obtained and shall remain in full force and effect, and no notice of objection, deficiency, adverse determination, delisting concern, public interest concern, or similar communication shall have been issued by Nasdaq that would reasonably be expected to impair, limit, condition, delay, or prevent the consummation of the Closing or the continued listing of the Transferee Ordinary Shares immediately following the Closing. All Required Nasdaq Filings shall have been duly and timely prepared, completed, and submitted in all material respects, and all such Required Nasdaq Filings that must be accepted, cleared, acknowledged, or not objected to by Nasdaq as a condition to obtaining Nasdaq Approval shall have been so accepted, cleared, acknowledged, or not objected to. Any applicable waiting periods, notice periods, or shareholder approval seasoning periods under Nasdaq rules or interpretations that are prerequisites to the Closing shall have expired or been satisfied.

ARTICLE IX
CLOSING

Section 9.1 Time and Place

The Closing shall take place on the date that is two (2) Business Days after date on which all conditions set forth in Article VIII (other than those conditions that by their terms shall be or must necessarily be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing) have been satisfied or waived by the Party entitled to the benefit of the same, or such other date as the Transferee and the Transferor mutually agree. The Closing may also be consummated electronically or by other means satisfactory to the Transferee, the Transferor and their respective counsel. The Closing shall be deemed to occur as of 11:59 p.m. Eastern Time on the Closing Date.

Section 9.2 Deliveries by the Company and the Transferor

At the Closing, the Company and the Transferor shall deliver or cause to be delivered to the Transferee:

- (a) Instruments of Transfer. Certificates representing the Company Shares, duly endorsed in blank or accompanied by duly executed share transfer forms;
 - (b) Corporate Documents. A copy of the Certificate of Incorporation of the Company;
 - (c) Minute Books. All of the minute books, register of members and similar corporate records of the Company;
 - (d) Good Standing Certificate. A certificate of good standing with respect to the Company, issued by the Cayman Islands Registrar of Companies, as of a date not more than twenty (20) days prior to the Closing Date;
 - (e) Board Resolutions. A copy of the resolutions of the Company's board of directors authorizing the execution and delivery of this Agreement and the Other Agreements to which the Company is a party and the performance by the Company of its obligations hereunder (including the registration of the transfer of the Company Shares in the register of members of the Company) and thereunder;
 - (f) Transferor's Consent. A copy of the resolutions of the board of directors of the Transferor, in its capacity as the sole shareholder of the Company, authorizing the execution and delivery of this Agreement and the Other Agreements to which the Transferor is a party and the performance by the Transferor of its obligations hereunder and thereunder;
 - (g) Company and Transferor Certificate. A certificate, dated as of the Closing Date and executed by the Transferor and an executive officer of the Company, certifying the fulfillment of the conditions set forth in Section 8.2 as of the Closing Date;
-

(h) Tax Certificate. A duly completed and executed Internal Revenue Service Form W-8 executed by the Transferor; and

(i) Other Documents. Such other documents and instruments as the Transferee may reasonably request to consummate the transactions contemplated hereby.

Section 9.3 Deliveries by the Transferee

The Transferee will deliver or cause to be delivered to the Transferor:

(a) Equity Consideration. Electronic confirmation (or book entry statements) of the deposit of the Equity Consideration into electronic DRS account(s) maintained on behalf of the Transferor by the Transferee's transfer agent;

(b) Transferee Certificate. The certificate required by Section 8.3(a);

(c) Good Standing Certificate. A certificate of good standing with respect to the Transferee, issued by the Cayman Islands Registrar of Companies, as of a date not more than twenty (20) days prior to the Closing;

(d) Board Resolutions. A copy of the resolutions of the Transferee's board of directors, certified by the secretary of the Transferee as having been duly and validly adopted and being in full force and effect, authorizing the execution and delivery of this Agreement and the Other Agreements to which the Transferee is a party and the performance by the Transferee of its obligations hereunder and thereunder;

(e) Nasdaq Listing. Evidence that a form of Nasdaq Listing of Additional Shares with respect to the Equity Consideration was filed by Transferee at least fifteen (15) days before the Closing Date and Nasdaq has closed its review of such filing or otherwise has made no comments to such filing; and

(f) Other Documents. Such other documents and instruments as the Company or the Transferor, or their respective counsel, shall deem reasonably necessary to consummate the transactions contemplated hereby.

ARTICLE X **POST CLOSING COVENANTS**

Section 10.1 Tax Covenants

(a) Cooperation and Records Retention. The Transferor and the Transferee shall (i) each provide the other, and the Transferee shall cause the Company to provide the Transferor, with such assistance as may be reasonably requested by any of them in connection with the preparation of any Tax Return, audit, or other examination by any taxing authority or judicial or administrative proceedings relating to Liability for Taxes, (ii) each retain and provide the other, and the Transferee shall cause the Company to retain and provide the Transferor with, any records or other information that may be relevant to such Tax Return, audit or examination, proceeding, or determination, and (iii) each provide the other with any final determination of any

such audit or examination, proceeding, or determination that affects any amount required to be shown on any Tax Return of the other or the Company for any period. Without limiting the generality of the foregoing, the Transferee shall retain, and shall cause the Company to retain, and the Transferor shall retain, until the applicable statutes of limitations (including any extensions) have expired, copies of all Tax Returns, supporting work schedules, and other records or information that may be relevant to such returns for all Tax periods or portions thereof ending on or before the Closing Date and shall not destroy or otherwise dispose of any such records without first providing the other Party with a reasonable opportunity to review and copy the same. Each Party shall bear its own expenses in complying with the provisions of this Section 10.1(a).

(b) Transfer Taxes. All Transfer Taxes arising out of the sale of Equity Interests contemplated by this Agreement shall be borne and paid by Transferor.

Section 10.2 General

In case at any time after the Closing any further actions are necessary or desirable to carry out the purposes of this Agreement, each of the Parties shall take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party.

ARTICLE XI

TERMINATION

Section 11.1 Termination

This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of the Transferee and the Transferor;

(b) by the Transferee or the Transferor after November 2, 2026 (the “**Outside Date**”), if (i) the Closing shall not have occurred on or before the Outside Date, and (ii) the terminating Party has not materially breached any provision of this Agreement; provided, however, that (A) the Transferor may in its sole discretion elect to extend the Outside Date by up to 180 days in one or more extensions if as of the then-current Outside Date either or both of (x) the condition set forth in Section 8.1(c) has not been satisfied or (y) any other condition set forth in Section 8.1 or Section 8.3 (other than those conditions that by their terms or nature are to be satisfied at the Closing) has not been waived or satisfied as a result of the effectiveness of any Order (whether preliminary, temporary or permanent) preventing the consummation of the transactions contemplated by this Agreement arising with respect to the HSR Act; and (B) that the right to terminate this Agreement pursuant to this Section 11.1(b) shall not be available to any Party during the pendency of any Legal Proceeding for specific performance of this Agreement, and in such case, the Outside Date shall automatically be extended until and following the completion of such Legal Proceeding such that the Outside Date shall be five (5) Business Days following the completion of such Legal Proceeding; or

(c) by the Transferee, if (i) a breach of any representation, warranty, covenant or agreement on the part of the Transferor set forth in this Agreement shall have occurred which

(A) would give rise to the failure of a condition specified in Section 8.1 or Section 8.2 to be satisfied and (B) is incapable of being cured on or before the Outside Date or, if capable of being cured, shall not have been cured prior to the earlier of (x) forty-five (45) days after receipt by the Transferor of written notice from the Transferee stating the Transferee's intention to terminate this Agreement pursuant to this Section 11.1(c) and (y) the Outside Date and (ii) Transferee has not materially breached any provision of this Agreement;

(d) by the Transferor, if (i) a breach of any representation, warranty, covenant or agreement on the part of Transferee set forth in this Agreement shall have occurred which (A) would give rise to the failure of a condition specified in Section 8.1 or Section 8.3 to be satisfied and (B) is incapable of being cured on or before the Outside Date or, if capable of being cured, shall not have been cured prior to the earlier of (x) forty-five (45) days after receipt by Transferee of written notice from the Transferor stating the Transferor's intention to terminate this Agreement pursuant to this Section 11.1(d) and (y) the Outside Date and (ii) the Transferor has not materially breached any provision of this Agreement; and

(e) by any Party if any court, judicial authority or Governmental Authority of competent jurisdiction shall have enacted, promulgated, enforced or entered any Legal Proceeding which, in any such case, has become final and non-appealable and has the effect of making the consummation of the transactions contemplated by this Agreement illegal, or otherwise preventing or prohibiting consummation of such transactions; provided, however, that the provisions of this Section 11.1(e) shall not be available to any Party unless such Party shall have used commercially reasonable efforts to oppose any such action or to have such action vacated or made inapplicable to the transactions contemplated by this Agreement.

Section 11.2 Effect of Termination

In the event of the valid termination of this Agreement in accordance with Section 11.1, all rights and obligations under this Agreement shall terminate and shall be of no further force or effect and there shall be no liability on the part of the Transferee, the Company or the Transferor to one another; provided, however, that (a) the rights and obligations of the Parties set forth in Article XI, this Section 11.2, Article XII and Article XIII, inclusive, shall survive such termination, and (b) no termination of this Agreement shall release, or be construed as releasing, any Party from any Liability to any other Party which may have arisen under this Agreement prior to termination.

ARTICLE XII **DEFINITIONS**

Definitions. As used in this Agreement,

“**Affiliate**” means any affiliate, as defined in Rule 12b-2 under the Exchange Act.

“**Assets**” of any Person means all assets and properties of any kind, nature, character and description (whether real, personal or mixed, whether accrued, contingent, fixed or otherwise, and wherever located), including the goodwill related thereto, operated, owned or leased by such Person.

“**Business**” means the business of pharmaceutical product development and commercialization for treating human illness and such other businesses as the Company is engaged on the Execution Date.

“**Business Day**” means any day other than a Saturday, Sunday or other day on which the banks in the city of Palo Alto, California are permitted or required by applicable Law to close.

“**Transferee Ordinary Shares**” means the ordinary shares, par value \$0.00001 per share, of the Transferee.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Company’s Knowledge**” or “**Knowledge of the Company**” means any matter, fact, or thing that is, as of the date hereof or the Closing Date, actually known to Xiao Xu and Henry Ji, Ph.D.

“**Consent**” means any approval, consent, ratification, waiver, notice or other authorization.

“**Contract**” means any written agreement, note, guarantee, mortgage, indenture, lease, deed of trust, license, plan, instrument or other contract or legally binding arrangement or commitment.

“**Control**,” “**Controlled**” or “**Controlling**” means the ability of a Person (collectively or with its Affiliates) directly or indirectly to direct the use of, disposition of and access to the property of another Person.

“**Data Laws**” means laws, regulations, guidelines and rules in any jurisdiction (federal, state, provincial or local) applicable to data privacy, data security, and/or protection of personal information.

“**Dollar**,” “**Dollars**” or “**\$**” means the lawful currency of the United States of America.

“**Equity Interests**” means (a) any partnership interests, (b) any membership interests or units, (c) any shares of capital stock, (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing entity, (e) any subscriptions, calls, warrants, options, or commitments of any kind or character relating to, or entitling any Person or entity to purchase or otherwise acquire membership interests or units, capital stock, or any other equity securities, (f) any securities convertible into or exercisable or exchangeable for partnership interests, membership interests or units, capital stock, or any other equity securities, or (g) any other interest classified as an equity security of a Person.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Affiliate**” means any Person that is included in a controlled group of companies within which the Company is also included, as provided in Section 414(b) of the Code; or which is a trade or business under common control with the Company, as provided in Section 414(c) of the Code; or which constitutes a member of an affiliated service group within which the Company is also included, as provided in Section 414(m) of the Code; or which is required to be aggregated with the Company pursuant to regulations issued under Section 414(o) of the Code.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**FTC**” means the United States Federal Trade Commission.

“**GAAP**” means United States generally accepted accounting principles, as in effect from time to time, consistently applied.

“**Governmental Authority**” means the United States or any state, provincial, county, municipal, city, local or foreign government, or any instrumentality, division, subdivision, department, agency or authority of any thereof having competent jurisdiction over any of the Company, the Transferee or the transactions contemplated by this Agreement, as applicable.

“**HSR Act**” means collectively, if and as applicable, Section 7A of the Clayton Act (Title II of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder).

“**Indebtedness**” means, with respect to any Person, all Liabilities in respect of: (a) borrowed money; (b) indebtedness evidenced by bonds, notes, debentures or similar instruments (c) capitalized lease obligations; (d) the deferred purchase price of assets, services or securities (other than ordinary trade accounts payable); (e) conditional sale or other title retention agreements; (f) the factoring or discounting of accounts receivable; (g) swap or hedging agreements or arrangements, (h) reimbursement obligations, whether contingent or matured, with respect to letters of credit, bankers’ acceptances, bank overdrafts, surety bonds, other financial guarantees and interest rate protection agreements (without duplication of other indebtedness supported or guaranteed thereby); (i) interest, premium, penalties and other amounts owing in respect of the items described in the foregoing clauses (a) through (h) after giving effect to the Closing, (j) all Indebtedness of the types referred to in clauses (a) through (b) guaranteed in any manner by such Person, whether or not any of the foregoing would appear on a consolidated balance sheet prepared in accordance with GAAP; (k) any unfunded pension liabilities; and (l) any so-called “change of control” payments.

“**Intellectual Property**” means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, designs, shapes, configurations, slogans, trade names, corporate names, Internet domain names, and rights in telephone numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, recipes, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and

marketing plans and proposals), and (f) all computer software (including Source Code, executable code, data, databases, and related documentation).

“**Law**” means each provision of any currently implemented Federal, state or local or foreign law, statute, ordinance, order, code, rule or regulation, promulgated or issued by any Governmental Authority.

“**Liability**” means any liability or obligation of whatever kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, due or to become due), including without limitation any liability for Taxes.

“**Licenses and Permits**” means any licenses, permits, certificates, certifications, privileges, immunities, exemptions, classifications, registrations, easements, franchises, and other similar rights (or any waivers of the foregoing) issued by any Governmental Authority, and all pending applications therefor or renewals thereof.

“**Lien**” means any mortgage, pledge, hypothecation, security interest, encumbrance, occupancy agreement, easement, covenant, encroachment, title defect, title retention agreement, voting trust agreement, proxy, lien, preemptive right, right of first offer or refusal, charge or other restrictions or limitations.

“**Material Adverse Effect**” means, with respect to a Party, any change, effect, event, occurrence, or development that, individually or in the aggregate, is materially adverse to the financial condition, results of operations, or business of such Party taken as a whole or that would prevent the ability of such Party to perform its obligations under this Agreement or the Other Agreements or to consummate the Closing; provided, however, that “Material Adverse Effect” shall not include any change, effect, event, occurrence, or development, alone or in combination, directly or indirectly, caused by or resulting or arising out of or attributable to: (a) general economic or political conditions; (b) conditions generally affecting the industries in which such Party operates; (c) any changes in financial, debt, credit, banking, or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (d) acts of war (whether or not declared), armed hostilities, military actions, or terrorism, or the escalation or worsening thereof; (e) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (f) the announcement of the execution of this Agreement, or the pendency of the transactions contemplated hereby, including the effects of such transactions on relationships with customers, suppliers, Governmental Authorities, employees, or other third-party relationships or (h) any natural or man-made disaster (including pandemics or epidemics) or acts of God, or any governmental or other response or reaction to the foregoing.

“**Nasdaq**” means The Nasdaq Stock Market LLC.

“**Nasdaq Approval**” means, with respect to the transactions contemplated by this Agreement, written approval, authorization, clearance, or confirmation from Nasdaq that: (i) Nasdaq has approved, authorized, cleared, or otherwise accepted the consummation of the transactions contemplated hereby, including any required reverse merger, reverse takeover, change of control, or similar application, review, or determination required under the Nasdaq Rules; (ii)

immediately following the Closing, the Transferee and the Transferee Ordinary Shares shall satisfy all applicable continued listing and other applicable Nasdaq requirements, including the requirements of the Nasdaq Capital Market, to the extent applicable, in each case without any material condition, qualification, requirement, deficiency notice, or reservation that has not been satisfied or waived in writing by Nasdaq.

“**Nasdaq Rules**” means the applicable rules and regulations of Nasdaq.

“**Object Code**” means computer software code, substantially or entirely in binary form, which is intended to be directly executable by a computer after suitable processing and linking, but without the intervening steps of compilation or assembly.

“**Order**” means any award, decision, injunction, judgment, ruling or verdict entered, issued, made or rendered by any Governmental Authority or arbitrator.

“**Organizational Documents**” means (a) with respect to a corporation, the certificate or articles of incorporation (including any certificate of incorporation on change of name), memorandum of association, articles of association and bylaws; (b) with respect to any other entity, any charter or similar document adopted or filed in connection with the creation, formation or organization of such entity; and (c) any amendment to any of the foregoing.

“**Other Agreements**” the documents and agreements to be delivered by the Parties pursuant to Article IX hereof.

“**Person**” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Authority, in each case including, without limitation, such Person’s successors and permitted assigns.

“**Permitted Liens**” means (i) Liens for current Taxes, assessments or other governmental charges not yet due and payable or being contested in good faith; (ii) Liens of mechanics, warehousemen, carriers, workmen, repairmen or other like Liens arising or incurred in the ordinary course of business; (iii) Liens affecting real property; (iv) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; (v) non-exclusive licenses of Intellectual Property; (vi) Liens incurred or deposits made in the ordinary course of business in connection with worker’s compensation, unemployment insurance or other forms of governmental insurance or benefits; (vii) in the case of equity securities, restrictions arising under applicable securities Laws; and (viii) other imperfections of title or Liens, if any, that have not had a Material Adverse Effect.

“**Plans**” means (a) all employee benefit plans as defined in Section 3(3) of ERISA; (b) all other pension, retirement, group insurance, severance pay, deferred compensation, excess or supplemental benefit, vacation, stock, stock option, equity-based compensation, phantom stock, fringe benefit and incentive plans, contracts, schemes, programs, funds, commitments, or arrangements of any kind; and (c) all other plans, contracts, schemes, programs, funds, commitments, or arrangements providing compensation or other benefits, whether written or oral, formal or informal, qualified or nonqualified, funded or unfunded, and including any that have been frozen or terminated, which pertain to any employee or individual service provider or former

employee or individual service provider of the Company, and (i) to which the Company is or has been a party or by which the Company is or has been bound, or (ii) with respect to which the Company has made any payments or contributions since the Measurement Date (or with respect to which the Company or any ERISA Affiliate of the Company may otherwise have any liability (including any such plan or arrangement formerly maintained by the Company or any ERISA Affiliate of the Company)).

“**Pre-Closing Period**” means any taxable year or period that ends on or before the Closing Date and, with respect to any Straddle Period, the portion of such taxable year or period ending on the Closing Date.

“**Real Property**” means all parcels and tracts of land, together with all buildings, structures, fixtures and improvements located thereon (including those under construction), and all privileges, rights, easements, hereditaments and appurtenances belonging to or for the benefit of such land, including all easements appurtenant to and for the benefit of such land, and all rights existing in and to any streets, alleys, passages and other rights-of-way included thereon or adjacent thereto (before or after vacation thereof) and vaults beneath any such streets.

“**Reference Price**” means a price of \$10.00 per Transferee Ordinary Share, such value being the arithmetic mean of the official closing prices of the Transferee Ordinary Shares on the Nasdaq Capital Market, as reported by Nasdaq, for each day on which the Nasdaq Capital Market was open for trading and on which trading in the Transferee Ordinary Shares was not suspended or restricted during the period commencing on March 16, 2026 and ending on April 15, 2026 (both dates inclusive) being approximately \$15.37, less a discount of thirty-five per cent. (35%), rounded down to the nearest whole Dollar, such discount reflecting, among other things, (i) the restricted nature of the Equity Consideration under Regulation S promulgated under the Securities Act, (ii) the Distribution Compliance Period applicable to the Transferor in accordance with Section 4.2(I), (iii) the illiquidity arising from the size of the Equity Consideration relative to the existing public float of the Transferee Ordinary Shares, and (iv) the absence of registration rights in respect of the Equity Consideration.

“**Representative**” means, with respect to any Person, any director, officer, principal, attorney, employee, agent, consultant, accountant, or any other Person acting in a representative capacity for such Person.

“**Required Nasdaq Filings**” means all notices, applications, forms, amendments, supplements, submissions, and other filings, disclosures, and communications required to be prepared, made, submitted, furnished, or accepted by or with Nasdaq in connection with the transactions contemplated by this Agreement, including: (i) any Listing of Additional Shares notification, including a Listing of Additional Shares notification with respect to the Equity Consideration; (ii) any amendment or supplement to any Nasdaq listing application or listing agreement then in effect; (iii) any notice, application, or submission required under Nasdaq Rules 5110 and 5405, or any successor or other applicable Nasdaq Rules, in connection with the reverse merger, reverse takeover, change of control, issuance of securities, or continued listing of Transferee or the Surviving Public Company; and (iv) any Current Report on Form 8-K, proxy statement, information statement, or other disclosure document to the extent required by the Nasdaq Rules as a prerequisite to, or in connection with, obtaining Nasdaq Approval.

“**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Straddle Period**” means any taxable period that includes the Closing Date and ends after the Closing Date.

“**Subsidiary**” means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons owns a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity’s gains or losses or shall be or control any managing director or general partner of such business entity (other than a corporation); and the term “**Subsidiary**” shall include all Subsidiaries of such Subsidiary.

“**Tax**” or “**Taxes**” means any U.S., state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, escheat, value-added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

“**Tax Returns**” means any return, declaration, report, claim for refund, or information return or statement required to be filed with any Taxing Authority.

“**Taxing Authority**” means any governmental authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Taxes.

“**Transfer Taxes**” means sales, use, transfer, real property transfer, recording, documentary, excise, stamp, registration, value-added and stock transfer Taxes and any similar Taxes.

“**Transferee’s Knowledge**” or “**Knowledge of the Transferee**” means any matter, fact, or thing that is, as of the date hereof or the Closing Date, actually known to Kelvin Yeung and Cyrus Leung.

“**Transferor’s Knowledge**” or “**Knowledge of the Transferor**” means any matter, fact, or thing that is, as of the date hereof or the Closing Date, actually known to Xiao Xu and Henry Ji, Ph.D.

“Treasury Regulation” means the regulations of the U.S. Department of the Treasury promulgated under the Code, as such Treasury Regulations may be amended from time to time. Any reference herein to a particular Treasury Regulation means, where appropriate, the corresponding successor provision.

| Term | Section |
|--|-----------------|
| “AAA” | Section 13.16 |
| “Agreement” | Preamble |
| <i>Agreed Equity Value</i> | Section 2.1 |
| “Closing” | Section 1.3 |
| “Closing Date” | Section 1.3 |
| “Commercial AAA Rules” | Section 13.16 |
| “Company” | Preamble |
| “Company Intellectual Property” | Section 3.12 |
| “Company Shares” | Recitals |
| “Corporation” | Section 6.7 |
| “Distribution Compliance Period” | Section 4.7(k) |
| “Equity Consideration” | Section 2.1(a) |
| “Execution Date” | Preamble |
| “Governmental Consents” | Section 3.6(a) |
| “Insurance Policies” | Section 3.13 |
| “IP License Agreements” | Section 3.12(e) |
| “Legal Proceeding” | Section 3.14 |
| “Material Contracts” | Section 3.9 |
| “Material Licenses and Permits” | Section 3.16 |
| “Measurement Date” | Section 3.7 |
| “Outbound Investment Security Program” | Section 5.8 |
| “Outside Date” | Section 11.1(b) |
| “Party” | Preamble |

| | |
|---|----------------|
| <i>“Proposed Acquisition Transaction”</i> | Section 6.6(a) |
| <i>“Regulation S”</i> | Section 6.7 |
| <i>“Released Claims”</i> | Section 13.19 |
| <i>“Released Parties”</i> | Section 13.19 |
| <i>“Releasers”</i> | Section 13.19 |
| <i>“Schedule Supplement”</i> | Section 6.2 |
| <i>“Third Party Consents”</i> | Section 3.6(a) |
| <i>“Transferee”</i> | Preamble |
| <i>“Transferor”</i> | Preamble |
| <i>“TID U.S. business”</i> | Section 5.7 |
| <i>“U.S. Securities Act”</i> | Section 6.7 |

ARTICLE XIII MISCELLANEOUS

Section 13.1 Notices, Consents, etc

Any notices, consents or other communications required to be sent or given hereunder by any of the Parties shall in every case be in writing and shall be deemed properly served if and when (a) delivered by hand, (b) transmitted by facsimile, E-mail or other means of electronic transmission, or (c) delivered by Federal Express or other express overnight delivery service, or registered or certified mail, return receipt requested, to the Parties at the addresses as set forth below or at such other addresses as may be furnished in writing:

If to the Company (prior to the Closing):

ACEA Pharma, Inc.
Attention: Henry Ji, Ph.D.
Telephone: (858) 668-6923
E-mail: hji@vivasor.com

with a copy to:

Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304
Attention: Jeff Hartlin; Elizabeth Razzano

Telephone: (650) 320-1804; (650) 320-1895
Facsimile: (650) 320-1961
E-mail: jeffhartlin@paulhastings.com; elizabethrazzano@paulhastings.com

If to the Transferor:

ACEA Therapeutics, Inc.
Attention: Henry Ji, Ph.D.
Telephone: (858) 668-6923
E-mail: hji@vivasor.com

with a copy to:

Paul Hastings LLP
1117 S. California Avenue
Palo Alto, CA 94304
Attention: Jeff Hartlin; Elizabeth Razzano
Telephone: (650) 320-1804; (650) 320-1895
Facsimile: (650) 320-1961
E-mail: jeffhartlin@paulhastings.com; elizabethrazzano@paulhastings.com

If to the Transferee:

Phoenix Asia Holdings Limited
Attention: Cyrus Leung
Telephone: (852) 3675 2455
E-mail: cyrus_leung@winfield.hk

with a copy to:

Carter, Ledyard & Milburn LLP
28 Liberty Street, New York, NY 10005
Attention: Pang Zhang-Whitaker; Darius Alam
Telephone: (212) 238-8638
Facsimile: (212) 732-3232
E-mail: zhang@clm.com; dalam@clm.com

Date of service of such notice shall be (i) the date such notice is delivered by hand or by facsimile, E-mail or other form of electronic transmission, (ii) one Business Day following the delivery by express overnight delivery service, (iii) the date confirmation of transmission is received if sent by facsimile during any Business Day, or the next succeeding Business Day if confirmation of transmission is not received on a Business Day, or (iv) three (3) days after the date of mailing if sent by certified or registered mail.

Section 13.2 Severability.

The unenforceability or invalidity of any provision of this Agreement shall not affect the enforceability or validity of any other provision. Upon such determination that any term or other provision is unenforceable or invalid, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a legally acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 13.3 Successors; Assignment

This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and permitted assigns, but will not be assignable or delegable by the Transferor without the prior written consent of the Transferee or by the Transferee without the prior written consent of the Transferor; provided, however, that the Transferee may assign this Agreement in whole or in part to any of its Affiliates or to any Person which becomes a successor in interest (by purchase of assets or equity, or by merger or otherwise) to all or any portion of the Transferee, its Assets or its Subsidiaries; provided, further, that (a) such assignment by the Transferee, including any further assignment by such assignees, shall not be effective unless and until written notice has been provided to the other Parties in accordance with Section 13.1 and (b) such assignment shall not release the Transferee from its obligations and liabilities under this Agreement or enlarge, alter or change any obligation of any other Party hereto or due to the Transferee. Any attempted assignment in violation of this Section 13.3 shall be void ab initio.

Section 13.4 Counterparts; Electronic Signatures

This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one agreement. This Agreement shall become effective upon delivery to each party of an executed counterpart or the earlier delivery to each party of original, photocopied, or electronically transmitted signature pages that together (but need not individually) bear the signatures (each of which may be an electronic signature, including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or comparable Law e.g., www.docuSign.com or www.HelloSign.com) of all other parties.

Section 13.5 Expenses

Except as otherwise provided in this Agreement, the Transferor, the Company and the Transferee shall bear and pay for all of its own costs, fees and expenses (including legal, accounting, investment banking, broker's, finder's and other professional or advisory fees and expenses) incurred or to be incurred by it, in each case, in negotiating and preparing this Agreement and the Other Agreements and in closing and carrying out the transactions contemplated hereby and thereby.

Section 13.6 Governing Law

All matters relating to the interpretation, construction, validity and enforcement of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than the State of New York.

Section 13.7 Table of Contents and Headings

The table of contents and section headings of this Agreement are included for reference purposes only and shall not affect the construction or interpretation of any of the provisions of this Agreement.

Section 13.8 Entire Agreement

This Agreement, the Recitals, the Schedules and the Exhibits attached hereto and the Other Agreements (all of which shall be deemed incorporated in this Agreement and made a part hereof) set forth the entire understanding of the Parties with respect to the transactions contemplated hereby, supersede all prior discussions, understandings, agreements and representations and shall not be modified or affected by any offer, proposal, statement or representation, oral or written, made by or for any Party in connection with the negotiation of the terms hereof. This Agreement may be modified only by subsequent instruments signed by the Parties hereto.

Section 13.9 Third Parties

Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the Parties to this Agreement and their respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement. This Agreement and all provisions and conditions hereof are intended to be, and shall be, for the sole and exclusive benefit of such Persons and for the benefit of no other Person.

Section 13.10 Disclosure Generally

All Schedules attached hereto (and any Schedule Supplements) are incorporated herein and expressly made a part of this Agreement as though completely set forth herein. All references to this Agreement herein or in any of the Schedules shall be deemed to refer to this entire Agreement, including all Schedules. Except in accordance with the terms and conditions of Section 6.2 hereof, references to any of the Schedules shall not be deemed to include any Schedule Supplements. Information furnished in any particular Schedule shall not be deemed to be included in all other Schedules in which the information is required to be included.

Section 13.11 Interpretive Matters

Unless the context otherwise requires, (a) all references to Articles, Sections, Schedules or Exhibits shall mean and refer to Articles, Sections, Schedules or Exhibits in this Agreement, (b) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (c) words in the singular or plural include the singular and plural, and pronouns stated in either the masculine, feminine or neuter gender shall include the masculine, feminine and neuter, (d) the term “including” shall mean “including without limitation” (*i.e.*, by way of example and not by way of limitation), (e) all references to statutes and related regulations shall include all amendments of the same and any successor or replacement statutes and regulations, (f) references to “hereof”, “herein”, “hereby” and similar terms shall refer to this entire Agreement (including the Schedules, Schedule Supplements and Exhibits hereto) (g) references to “records” shall refer to all information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form, (h) “or” is used in the

inclusive sense of “and/or,” and (i) whenever this Agreement refers to a number of days, such number shall refer to calendar days, unless such reference is specifically to “Business Days.” The Parties intend that each representation, warranty and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of such representation, warranty or covenant.

Section 13.12 Construction

Each of the Parties acknowledges that it has been represented by independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that it has executed the same with consent and upon the advice of said independent counsel. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise, or rule of strict construction applied, favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the Party that drafted it is of no application and is hereby expressly waived by the Parties hereto.

Section 13.13 Submission to Jurisdiction

EACH OF THE PARTIES SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN NEW YORK, NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, AGREES THAT ALL CLAIMS IN RESPECT OF THE ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND AGREES NOT TO BRING ANY ACTION OR PROCEEDING ARISING OUT OF, OR RELATING TO, THIS AGREEMENT IN ANY OTHER COURT. EACH OF THE PARTIES WAIVES ANY DEFENSE OF INCONVENIENT FORUM TO THE MAINTENANCE OF ANY ACTION OR PROCEEDING SO BROUGHT AND WAIVES ANY BOND, SURETY OR OTHER SECURITY THAT MIGHT BE REQUIRED OF ANY OTHER PARTY WITH RESPECT THERETO. EACH PARTY AGREES THAT SERVICE OF SUMMONS AND COMPLAINT OR ANY OTHER PROCESS THAT MIGHT BE SERVED IN ANY ACTION OR PROCEEDING MAY BE MADE ON SUCH PARTY BY SENDING OR DELIVERING A COPY OF THE PROCESS TO THE PARTY TO BE SERVED AT THE ADDRESS OF THE PARTY AND IN THE MANNER PROVIDED FOR THE GIVING OF NOTICES IN SECTION 13.1. NOTHING IN THIS SECTION, HOWEVER, SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. EACH PARTY AGREES THAT A FINAL JUDGMENT IN ANY ACTION OR PROCEEDING SO BROUGHT SHALL BE CONCLUSIVE AND MAY BE ENFORCED BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

Section 13.14 Waiver of Jury Trial

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY HEREBY IRREVOCABLY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING IN WHOLE OR IN PART UNDER, RELATED TO, BASED ON OR IN CONNECTION WITH THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 13.14 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 13.15 Specific Performance

The Parties agree that if any provision of this Agreement is not performed in accordance with its terms or is otherwise breached, irreparable harm would occur, no adequate remedy at law would exist, and damages would be difficult to determine. Accordingly, it is agreed that the Party or Parties not in breach shall be entitled to an injunction or injunctions to prevent breaches of this Agreement, and to the remedy of specific performance of the terms and conditions hereof, in addition to any other remedies that may be available, at law or in equity, by reason of such breach.

Section 13.16 Arbitration

In the event of any dispute, controversy or claim after the Closing between any of the Parties hereto arising out of or relating to this Agreement (other than with respect to the determinations by an independent, nationally recognized firm of certified public accountants mutually acceptable to the Transferee and the Transferor (the “**Independent Accountant**”), the Parties shall attempt to resolve such dispute among themselves within thirty (30) calendar days from the date either Party sends written notice of such dispute to the other Party. If the Parties fail to resolve the dispute within such period, the dispute shall be settled by binding arbitration, before three (3) arbitrators, which shall be the sole and exclusive procedure for the resolution of any such dispute. Within ten (10) calendar days after receipt of a notice of intention to arbitrate sent by one Party, each Party shall designate in writing one (1) arbitrator to resolve the dispute, which two (2) arbitrators shall, in turn, jointly select a third arbitrator within twenty (20) calendar days of their designation, failing which, the third arbitrator shall be appointed by the American Arbitration Association (the “**AAA**”) in accordance with the Commercial Arbitration Rules of the AAA (the “**Commercial AAA Rules**”). The arbitrators so designated shall each be a lawyer experienced in commercial and business affairs and specifically have expertise with businesses of types similar to that of the Company, who is not a Representative of any Party hereto or any Affiliate of any Party to this Agreement and who has not received any compensation, directly or indirectly, from any Party hereto or any Affiliate of any Party to this Agreement during the two (2) year period preceding the Closing Date. The arbitration proceedings shall be governed by the Commercial AAA Rules but need not be administered by that organization. The Parties hereto shall request the arbitrators to use their best efforts to rule on each disputed issue within thirty (30) calendar days after the completion of the hearings; provided, however, that the failure of the arbitrators to so rule during such period shall not affect or impair the validity of any arbitration award. The determination of the arbitrators as to the resolution of any dispute shall be final, binding and

conclusive upon all Parties hereto. All rulings of the arbitrators shall be in writing, with the reasons for the ruling given, and shall be delivered to the Parties hereto. Each Party shall pay the fees of its respective designated arbitrator and its own costs and expenses of the arbitration and the fees of the third arbitrator shall be paid fifty percent (50%) by each of the Parties; provided that the arbitrators shall have the discretion to equitably allocate all fees and expenses of the arbitration (both of the arbitrators and the Parties themselves) based on the nature and outcome of the dispute. The place of the arbitration shall be New York, New York. Any arbitration award may be entered in and enforced by any court having jurisdiction thereof and the Parties hereby consent and submit to the jurisdiction of the courts of any competent jurisdiction for purposes of the enforcement of any arbitration award. The Parties agree that after a clear and specific factual finding has been made with respect to a particular factual matter by the arbitrators pursuant to this Section 13.16 or by the Independent Accountant, such clear and specific factual finding shall be deemed to have been finally determined by the Parties for all purposes under this Agreement and, thereafter, no Party shall have the right to seek any contrary determination in connection with any later arbitration procedure. Notwithstanding the foregoing, any dispute limited solely to the arithmetic calculation of the Agreed Equity Value as set forth in Section 2.1 shall be finally determined by the Independent Accountant, whose written determination shall be conclusive and binding on the Parties.

Section 13.17 Waiver; Remedies Cumulative

The rights and remedies of the Parties are cumulative and not alternative. Neither any failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or any of the Other Agreements will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable Law, (a) no claim or right arising out of this Agreement or the Other Agreements can be discharged by one Party, in whole or in part, by a waiver or renunciation of the claim or right unless such waiver or renunciation is in writing and signed by the other Parties, (b) no waiver that may be given by a Party will be applicable except in the specific instance for which it is given, and (c) no notice or demand by one Party will be deemed to be a waiver of any obligation of that Party, or a waiver of the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the Other Agreements.

Section 13.18 Time of the Essence

Time is of the essence with respect to all time periods and dates set forth in or referenced in this Agreement and the Other Agreements.

Section 13.19 Mutual Release

In the event that the Closing occurs, each of the Parties, for itself and its Representatives (collectively, the “**Releasors**”) hereby forever fully and irrevocably releases and discharges the other Parties and each of their respective Subsidiaries, and each of their respective predecessors, successors, direct or indirect Subsidiaries and past and present stockholders, members, managers, directors, officers, employees, agents and other Representatives, as applicable (collectively the

“**Released Parties**”), from any and all actions, suits, claims, demands, debts, agreements, obligations, promises, judgments, or liabilities of any kind whatsoever in law or equity and causes of action of every kind and nature, or otherwise (including, claims for damages, costs, expenses, and attorneys’, brokers’ and accountants fees and expenses) arising out of or related to events, facts, conditions or circumstances existing or arising prior to the Closing Date, which the Releasers can, shall or may have against the Released Parties, whether known or unknown, suspected or unsuspected, unanticipated as well as anticipated (collectively, the “**Released Claims**”), and hereby irrevocably agree to refrain from directly or indirectly asserting any claim or demand or commencing (or causing to be commenced) any suit, action, or proceeding of any kind, in any court or before any tribunal, against any Released Party based upon any Released Claim. Notwithstanding the preceding sentence of this Section 13.19, “**Released Claims**” does not include, and the provisions of this Section 13.19 shall not release or otherwise diminish the obligations of any Party set forth in or arising under any provisions of this Agreement or the agreements contemplated in connection herewith.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

COMPANY:

ACEA PHARMA, INC.

By: _____

Name: Xiao Xu

Title: Chief Executive Officer

TRANSFEROR:

ACEA THERAPEUTICS, INC.

By: _____

Name: Henry Ji, Ph.D.

Title: Chief Executive Officer

TRANSFeree:

PHOENIX ASIA HOLDINGS LIMITED

By: _____

Name: Gao Yu

Title: Director

Schedules

SCHEDULES:

- Schedule 3.1 - Organization and Qualification
 - Schedule 3.4 - Options
 - Schedule 3.5 - No Violation
 - Schedule 3.6(a) - Third Party Consents
 - Schedule 3.6(b) - Governmental Consents
 - Schedule 3.8 - Taxes
 - Schedule 3.9 - Material Contracts
 - Schedule 3.11 - Personal Property
 - Schedule 3.12 - Intellectual Property
 - Schedule 3.13 - Insurance Policies
 - Schedule 3.19 - Labor Matters
 - Schedule 3.20 - Employees
 - Schedule 3.21 - Affiliate Transactions
 - Schedule 3.22 - Sufficiency of Assets
 - Schedule 3.25 - Banks
 - Schedule 3.26 - Powers of Attorney
 - Schedule 4.3 - Transferor Consents
 - Schedule 5.3 - Transferee Subsidiaries
 - Schedule 5.4 - Transferee Consents
 - Schedule 5.22 - Transferee Taxes
 - Schedule 6.1 - Conduct of Business
-

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Henry Ji, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Scilex Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Henry Ji

Henry Ji
Chief Executive Officer and President
(Principal Executive Officer)

Dated: May 20, 2026

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Stephen Ma, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Scilex Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen Ma

Stephen Ma

Chief Financial Officer

(Principal Financial Officer)

Dated: May 20, 2026

**CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND
PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBARNES-OXLEY ACT OF 2002**

Each of the undersigned, in his or her capacity as the principal executive officer and principal financial officer of Scilex Holding Company (the “Company”), as the case may be, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of his or her knowledge:

1. This Quarterly Report on Form 10-Q for the period ended March 31, 2026 (this “Quarterly Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and
2. The information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period covered by this Quarterly Report.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission (“SEC”) or its staff upon request.

This certification accompanies the Quarterly Report on Form 10-Q to which it relates, is not deemed filed with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of this Quarterly Report), irrespective of any general incorporation language contained in such filing.

Date: May 20, 2026

/s/ Henry Ji

Henry Ji
Chief Executive Officer and President
(Principal Executive Officer)

Date: May 20, 2026

/s/Stephen Ma

Stephen Ma
Chief Financial Officer
(Principal Financial Officer)
