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: June 30, 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	**92-1062542**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
960 San Antonio Road	
Palo Alto, CA	**94303**
(Address of Principal Executive Offices)	**(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 $397.89 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

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

As of August 10, 2026, the registrant had 8,493,000 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").

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)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 566	$ 4,955
Marketable securities	15	6,026
Accounts receivable, net	6,439	15,244
Note receivable, net	19,200	—
Inventory	4,171	4,789
Prepaid expenses and other current assets	5,844	7,344
Total current assets	36,235	38,358
Property and equipment, net	12,766	13,599
Operating lease right-of-use asset	14,047	14,818
Intangibles, net	57,611	59,088
Investments	5,131	1,000
Equity method investment, at fair value	56,607	159,403
Digital assets	56,138	64,711
Goodwill	13,481	13,481
Other long-term assets	1,546	523
Total assets	$ 253,562	$ 364,981
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 121,050	$ 86,266
Accrued payroll	4,108	3,270
Accrued rebates and fees	256,057	231,756
Accrued expenses	38,988	66,414
Current portion of deferred consideration	388	407
Debt, current	80,806	83,262
Promissory notes	2,231	3,517
Purchased revenue liability, current	3,117	3,764
Current portion of operating lease liabilities	2,241	1,733
Other current liabilities	3,256	3,263
Total current liabilities	512,242	483,652
Long-term portion of deferred consideration	1,852	2,041
Debt, net of issuance costs	—	22,480
Purchased revenue liability, net of current portion	5,081	4,636
Derivative liabilities	32,186	50,599
Operating lease liabilities, net of current portion	12,509	13,151
Other long-term liabilities	180	174
Total liabilities	564,050	576,733
Commitments and contingencies (See Note 12)		
Stockholders' deficit:		
Preferred stock, $0.0001 par value, 45,000,000 shares authorized		
Series A, 29,057,097 shares issued and outstanding as of June 30, 2026 and December 31, 2025	—	—
Series 1 dividend cancelled (Note 9)	—	1
Common stock, $0.0001 par value, 740,000,000 shares authorized; 8,493,000 shares issued and 7,034,737 shares outstanding as of June 30, 2026; 8,491,267 shares issued and 7,033,004 shares outstanding as of December 31, 2025	1	1
Additional paid-in capital	854,130	796,721
Accumulated other comprehensive loss	(6,982)	(5,803)
Accumulated deficit	(1,078,556)	(921,786)
Treasury stock, at cost; 1,458,263 shares as of June 30, 2026 and December 31, 2025	(76,915)	(76,915)
Total Scilex Holding Company stockholders' deficit	(308,322)	(207,781)
Noncontrolling interests	(2,166)	(3,971)
Total stockholders' deficit	(310,488)	(211,752)
Total liabilities and stockholders' deficit	$ 253,562	$ 364,981

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net revenue	$ 7,642	$ 9,896	$ 16,255	$ 14,900
Operating costs and expenses:				
Cost of revenue	3,677	3,272	8,124	4,656
Research and development	3,336	6,187	6,546	8,643
Selling, general and administrative	27,960	19,841	58,993	47,901
Intangible amortization	2,092	1,008	4,184	2,010
Legal settlements	—	95	—	95
Total operating costs and expenses	37,065	30,403	77,847	63,305
Loss from operations	(29,423)	(20,507)	(61,592)	(48,405)
Other (income) expense, net:				
(Gain) loss on derivative liability	6,644	12,375	(19,065)	1,966
Loss on compound derivative of Scilex-St. James Loans	6,930	—	28,759	—
Change in fair value of debt and liability instruments	232	8,366	3,029	14,480
Loss on foreign currency exchange	150	99	429	95
Unrealized loss on digital assets, net	9,258	—	27,322	—
Unrealized loss on equity method investments carried at fair value, net	50,737	—	82,447	—
Realized (gain) loss on equity method investments carried at fair value, net	5,254	—	(37,084)	—
Realized (gain) loss on securities	(5)	—	3,066	—
Interest Expense	6,104	2,682	11,560	5,163
Other (income) expense, net	252	—	(1,426)	—
Total other expense	85,556	23,522	99,037	21,704
Loss before income taxes	(114,979)	(44,029)	(160,629)	(70,109)
Income tax expense	7	19	7	19
Net loss	(114,986)	(44,048)	(160,636)	(70,128)
Net loss attributable to noncontrolling interests	(1,486)	(1,740)	(3,866)	(1,740)
Net loss attributable to common stockholders before deemed dividend	(113,500)	(42,308)	(156,770)	(68,388)
Deemed dividend	(1,229)	(43,753)	(1,229)	(43,753)
Net loss attributable to common stockholders	$ (114,729)	$ (86,061)	$ (157,999)	$ (112,141)
Loss per share attributable to common stockholders — basic & diluted	$ (16.65)	$ (7.42)	$ (22.93)	$ (9.68)
Weighted average number of shares during the period — basic & diluted	6,892	11,595	6,891	11,580
Comprehensive loss:				
Net loss	$ (114,986)	$ (44,048)	$ (160,636)	$ (70,128)
Other comprehensive loss:				
Foreign currency translation adjustment	(432)	—	(1,179)	—
Total other comprehensive loss	(432)	—	(1,179)	—
Comprehensive Loss	(115,418)	(44,048)	(161,815)	(70,128)
Less: Comprehensive loss attributable to noncontrolling interests	(1,486)	(1,740)	(3,866)	(1,740)
Comprehensive loss attributable to common stockholders before deemed dividend	(113,932)	(42,308)	(157,949)	(68,388)
Deemed dividend	(1,229)	(43,753)	(1,229)	(43,753)
Comprehensive loss attributable to common stockholders	$ (115,161)	$ (86,061)	$ (159,178)	$ (112,141)

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	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock		Noncontrolling Interest	Stockholders' 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 loss	—	—	—	—	—	(747)	—	—	—	—	(747)
Net loss	—	—	—	—	—	—	(43,270)	—	—	(2,380)	(45,650)
Balance, March 31, 2026	29,057	—	8,491	$ 1	$ 799,301	$ (6,550)	$ (965,056)	1,458	$ (76,915)	$ (4,851)	$ (254,070)
Shares issued under ESPP	—	—	2	—	21	—	—	—	—	—	21
Vivasor - repurchase of shares	—	—	—	—	(1,977)	—	—	—	—	—	(1,977)
Vivasor - stock-based compensation warrants	—	—	—	—	1,164	—	—	—	—	—	1,164
Vivasor - shares issued to Datavault	—	—	—	—	56,197	—	—	—	—	—	56,197
Semnur dividend distribution	—	—	—	—	(4,171)	—	—	—	—	4,171	—
Stock-based compensation	—	—	—	—	3,595	—	—	—	—	—	3,595
Other comprehensive loss	—	—	—	—	—	(432)	—	—	—	—	(432)
Net loss	—	—	—	—	—	—	(113,500)	—	—	(1,486)	(114,986)
Balance, June 30, 2026	29,057	$ —	8,493	$ 1	$ 854,130	$ (6,982)	$ (1,078,556)	1,458	$ (76,915)	$ (2,166)	$ (310,488)

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

	Preferred Stock		Common Stock		Additional	Accumulated Other	Accumulated	Treasury Stock		Noncontrolling	Stockholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Comprehensive Income	Deficit	Shares	Amount	Interest	Deficit
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	34,057	1	6,952	1	448,244	6,317	(589,132)	1,458	(76,915)	—	(211,484)
Payments in lieu of fractional shares or Reverse Stock Split	—	—	—	—	(1)	—	—	—	—	—	(1)
Shares issued under ESPP	—	—	4	—	17	—	—	—	—	—	17
Acquisition of controlling interest in Scilex Bio	—	—	—	—	1,510	—	—	—	—	1,740	3,250
Stock-based compensation	—	—	—	—	3,279	—	—	—	—	—	3,279
Net loss	—	—	—	—	—	—	(42,308)	—	—	(1,740)	(44,048)
Balance, June 30, 2025	34,057	$ 1	6,956	$ 1	$ 453,049	$ 6,317	$ (631,440)	1,458	$ (76,915)	$ —	$ (248,987)

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2026	**2025**
Operating activities		
Net loss including noncontrolling interest	$ (160,636)	$ (70,128)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	5,708	2,013
Amortization of debt issuance costs and debt discount	2,015	—
Non-cash operating lease cost	771	357
Non-cash expense from repurchase of preferred shares of Vivasor	1,147	—
Stock-based compensation	7,224	6,593
Vivasor - stock-based compensation warrants	1,164	—
Loss on disposition of property and equipment	26	—
(Gain) loss on derivative liability	(19,065)	1,966
Loss on compound derivative of Scilex-St. James Loans	28,759	—
Financing costs and allocated expense for financial instruments at fair value	—	4,057
Change in fair value of debt and liability instruments	3,029	14,480
Change in fair value of Aardvark contingent consideration	1,535	—
In-process research and development expense	—	4,916
Unrealized loss on digital assets, net	27,322	—
Unrealized loss on equity method investments carried at fair value, net	82,447	—
Realized gain on equity method investments carried at fair value, net	(37,084)	—
Realized loss on securities	3,066	—
Allowances for expected credit losses	873	—
Non-cash revenue	(1,131)	—
Gain from property in kind dividend	(525)	—
Other	733	77
Changes in operating assets and liabilities:		
Accounts receivables, net	8,732	9,675
Inventory	617	(88)
Prepaid expenses and other	(1,000)	1,466
Other long-term assets	(994)	—
Accounts payable	19,591	6,856
Accrued payroll	838	128
Accrued expenses	(4,357)	599
Accrued rebates and fees	24,301	30,423
Operating lease liability	508	(343)
Other current liabilities	(3,657)	—
Other long-term liabilities	199	10
Net cash (used for) proceeds from operating activities	(7,844)	13,057
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	(300)	(300)
Payments made for PA OPS investment	(500)	—
Purchases of Bitcoin	(18,700)	—
Purchases of Digital Assets	(49)	—
Repayments on promissory note	(1,410)	—
Purchases of property and equipment	(593)	—
Proceeds from sale of property and equipment	15	—
Purchase of preferred shares of Vivasor	(300)	—
Issuance of convertible note receivable for QScan	(20,000)	—
Sale of Datavault shares for cash, net	47,333	—
Payment made for Datavault licenses	(6,250)	—
Sale of Marketable Securities	2,945	—
Purchase of convertible promissory note from Denali	—	(48)
Net cash used for investing activities	(709)	(548)
Financing activities		
Installment payment of Tranche B Note	(6,319)	(8,874)
Payments on purchased revenue liability	(1,192)	(1,156)
Payments of Vivasor debt	(2,475)	—
Acquisition of controlling interest in Vivasor	1,500	—
Repurchase of preferred shares of Vivasor	(2,376)	—
Proceeds from issuance of St James Loan, net of issuance costs	15,502	—
Proceeds from stock options exercised and ESPP	21	17
Transaction costs paid in connection with share repurchase	—	(696)
Excise tax paid in connection with share repurchase	—	(709)
Payments of deferred transaction costs related to Semnur Business Combination	—	(263)
Payments in lieu of fractional shares for Reverse Stock Split	—	(1)
Net cash provided by (used for) financing activities	4,661	(11,682)
Effect of exchange rate changes on cash	(497)	—
Net change in cash and cash equivalents	(4,389)	827
Cash and cash equivalents at beginning of period	4,955	3,272
Cash and cash equivalents at end of period	$ 566	$ 4,099
Non-cash investing and financing activities		
Settlement of St. James Loans for Datavault shares	66,296	—
Purchase of preferred shares of Vivasor included in accrued expenses	750	—
Repurchase of common stock shares of Vivasor included in accrued expenses	748	—
Reclassification of prepayment related to QScan investment	2,500	
Stock dividend declared in 2024, and canceled in February 2026	1	—
Semnur dividend of Semnur Pharmaceuticals Inc. shares	4,230	—
Interest expense accrued and added to principal balance of promissory notes	70	—
Deferred transaction costs related to Semnur Business Combination included in accrued expenses and account payable	—	2,209
Additions to intangible assets included in accrued expenses	—	1,000
Acquisition of interest in joint venture in accrued expenses	—	1,100

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 Vantage Corp. I ("Vickers") closed in November 2022 (the "Scilex Business Combination") .

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 (ii) 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 six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or for any future periods.

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. The Company has elected the practical expedient provided in ASC 718 - Compensation—Stock Compensation, to use the Black-Scholes option-pricing method to calculate the fair value of stock based compensation. 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 and six months ended June 30, 2026, each of which individually generated 10% or more of the Company's total revenue. These customers accounted for 96% and 95% of the Company's revenue for the three and six months ended June 30, 2026, respectively, individually ranging from 22% to 27% and 19% to 27%. As of each of June 30, 2026 and 2025, these customers represented 80% and 99% of the Company's outstanding accounts receivable, individually ranging between 16% and 37%, and 19% and 30% for respective periods. Additionally, during the three and six months ended June 30, 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. 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 six months ended June 30, 2026 and 2025.

Significant Accounting Policies

There have been no significant changes to the accounting policies during the three and six months ended June 30, 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.

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 and marketable securities, prepaid and other current assets, accounts payable and accrued expenses, approximate 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 Convertible Debentures, 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 approximates their fair value. Cash equivalents were immaterial as of June 30, 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 June 30, 2026 and December 31, 2025, allowances for credit losses on accounts receivable were nil. As of June 30, 2026 and December 31, 2025, allowances for prompt payment discounts were $0.2 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 the 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 June 30, 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.

Digital Assets

The Company holds digital assets, including Bitcoin, stablecoins, and other digital tokens received in connection with corporate transactions, which are presented as a separate line item within the condensed consolidated balance sheets. In accordance with ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60), digital assets within the scope of this guidance are measured at fair value each reporting period, with changes in fair value recognized in unrealized gains and losses within other expense, net, in the condensed consolidated statements of operations and comprehensive loss. Fair value is determined using the quoted price of each digital asset on its principal

market (or most advantageous market, if no principal market exists) as of the balance sheet date, without regard to contractual sale restrictions, consistent with Level 1 of the fair value hierarchy. Upon sale, the Company recognizes a realized gain or loss for the difference between sale proceeds and the carrying value immediately prior to sale, using the specific identification method to determine the cost basis of units sold. Digital assets are classified as long-term assets unless management intends to sell or utilize a specific holding within twelve months of the balance sheet date. Digital assets not meeting the scope of ASC 350-60 are accounted for as general intangible assets. See Note 6 for further information regarding the composition of, and activity in, the Company's digital assets.

Equity Method Investment

The Company holds an equity interest in Datavault, a publicly traded company, over whose operating and financial policies the Company is able to exercise significant influence. Although this investment would otherwise be accounted for under the equity method, the Company has elected the fair value option under ASC 825-10, Financial Instruments—Overall, because management believes fair value readily determinable from Datavault's quoted market price provides more relevant and decision-useful information than equity-method accounting for an investment in an actively traded security. Under the fair value option, the investment is remeasured to fair value at each reporting date, with changes recognized in unrealized gains and losses within other expense, net, in the condensed consolidated statements of operations and comprehensive loss. Fair value is based on the quoted closing market price of Datavault common stock, a Level 1 input within the fair value hierarchy. Upon the sale or other disposition of shares, the Company recognizes a realized gain or loss equal to the difference between proceeds received and the carrying value of the shares sold immediately prior to disposition. The Company also holds warrants to purchase additional shares of Datavault, which are carried at fair value using an option-pricing model (Level 3) and are included in other long-term assets. See Notes 5, 6 and 7 for further information.

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 condensed consolidated statement of operations and comprehensive loss. 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 and comprehensive loss, 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 8.09% and 12.35% for the period ended June 30, 2026 and December 31, 2025, respectively.

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 and comprehensive loss, 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 June 30, 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.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with FASB ASC Topic 718, Compensation – Stock Compensation, which establishes accounting for equity instruments exchanged for employee and consulting services. Under such provisions, stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense, under the straight-line method, over the employee's requisite service period (generally the vesting period of the equity grant) or non-employee's vesting period. The Company accounts for forfeitures as incurred.

For purposes of determining the inputs used in the calculation of stock-based compensation, the Company determines the expected life assumption for options issued using the simplified method, which is an average of the contractual term of the option and its ordinary vesting period since the Company does not have historic exercise behavior. Then the Company determines an estimate of option volatility based on an assessment of historical volatilities of comparable companies whose share prices are publicly available. The Company uses these estimates as variables in the Black-Scholes option pricing model. Depending upon the number of stock options granted, any fluctuations in these calculations could have a material effect on the results presented in our consolidated statements of operations and comprehensive loss.

On April 30, 2026, Vivasor issued a fully vested warrant to purchase 4,000,000 shares of Vivasor's Series A Common Stock to Henry Ji, Ph.D., Chief Executive Officer and President of the Company, and a fully vested warrant to purchase 2,000,000 shares of Vivasor's Series A Common Stock to Stephen Ma, Chief Financial Officer of the Company (the "Vivasor Warrants"). The Company determined that the Vivasor Warrants are indexed to Vivasor's own stock and meet the conditions for classification within stockholders' equity under ASC 815-40, and are therefore not accounted for as derivative liabilities. Because the warrants were issued to Dr. Ji and Mr. Ma in their capacity as service providers and were fully vested with no future service condition, the Company recognized the grant-date fair value as stock-based compensation expense in full upon issuance, in accordance with ASC 718, *Compensation—Stock Compensation*. The Company utilizes the Black-Scholes option pricing model to estimate the grant-date fair value of the Vivasor Warrants. Refer to Notes 9 and 14 for further discussion of the transaction.

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 September 21, 2023, the Company entered into a securities purchase agreement (the "Scilex-Oramed SPA") with Oramed Pharmaceuticals Inc. ("Oramed"), 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 (see Note 8 for detailed discussions). As of June 30, 2026, the Oramed Note has an outstanding principal balance and paid in kind interest of $29.5 million, with the due date extended to September 30, 2026. 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 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 received an aggregate amount in cash of $22.5 million, excluding fees and expenses payable by the Company. In consideration for the Tranche B Notes issued to Oramed, the Company received from Oramed an exchange and reduction of the principal balance under the Oramed Note (as defined below) of $22.5 million. As of June 30, 2026, the Tranche B Notes has an outstanding principal balance of $12.6 million, with due dates extended to September 30, 2026.

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. The Company further transferred an additional 10,000,000 shares in February 2026 (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. 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 transferred a total of 95,665,102 shares of Datavault Common Stock to the Lender, consisting of 85,665,102 shares pledged as collateral under the Scilex-St. James Loan Agreement and an additional 10,000,000 shares transferred in February 2026 that were not part of the pledged collateral. As alleged in the Company's complaint against the Lender, the Lender transferred and sold these pledged shares without authorization from the Company through brokerage accounts of the Lender, as described above. Regardless of the ultimate disposition of the shares by the Lender, the Company lost all access to and control over the shares as of the Loan Termination Date.

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 and there was no remaining debt related to St. James as of June 30, 2026. 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".

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 RMB 194.6 million in funding to ACEA Hangzhou over multiple years from 2013 through 2018. In addition, Vivasor maintains 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. As of June 30, 2026, total outstanding principal balance for all Vivasor related debt was $45.9 million. Please refer to Note 8 for further discussion of the Company's debt transactions.

As of June 30, 2026, the Company's negative working capital was $476.0 million, including cash and cash equivalents of approximately $0.6 million. During the six months ended June 30, 2026, the Company had operating losses of $61.6 million and cash flows used in operating activities of $7.8 million. The Company had an accumulated deficit of $1.1 billion as of June 30, 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 June 30, 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 June 30, 2026 and December 31, 2025, the Company had ending balances of accrued royalty payables of $0.4 million and $0.2 million. During the three and six months ended June 30, 2026, the Company made royalty payments in the amount of nil, respectively. The Company made royalty payments in the amount of $0.1 million during the three and six months ended June 30, 2025. As of June 30, 2026, a regulatory milestone payment of $0.1 million had been accrued.

Semnur Business Combination 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 provided that, among other things, (i) on the terms and subject to the conditions set forth therein, Denali Merger Sub merged 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 migrated to and domesticated 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-registered in the Cayman Islands in accordance with Section 206 of the Cayman Companies Act (the "Domestication"). Upon the closing of the Semnur Business Combination, Denali changed 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 was 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 was 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.

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 $1.1 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").

During April 2026, Vivasor repurchased a total of 1,032,994 shares of Vivasor Series A-2 Preferred Stock for total cash consideration of $2.4 million from three existing shareholders of Vivasor, KMT SPV One Investment LLC, KMT Holdco LLC ("KMT Holdco") and Gauri Gupta pursuant to a stock repurchase agreement dated April 16, 2026, and pursuant to the same agreement, sold all of its remaining 1,000 Class A Common Units held in Sofusa Holdings LLC, a subsidiary of Vivasor, to KMT Holdco for services rendered. The excess of the redemption consideration over the carrying amount of the shares of $1.2 million was treated as a deemed dividend that reduced income available to common stockholders for the three and six months ended June 30, 2026. During June 2026, Vivasor repurchased a total of 203,382 shares of Vivasor Series A Common Stock for total cash consideration of $0.7 million from an existing shareholder of Vivasor, Aladdin Asfour pursuant to a stock repurchase agreement dated June 30, 2026.

The Vivasor Secondary Purchase Agreements represents a transfer of existing equity interests between noncontrolling shareholders and the Company (the controlling interest). 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. At December 31, 2025, based on the results of both qualitative and quantitative impairment tests performed, the Company concluded that the carrying amount of the goodwill associated with the Vivasor Business Combination exceeded its fair value, thereby resulting in a full write-off of the associated goodwill balance.

4. License and Patent 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 $0.2 million, 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 Licensed 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 $0.7 million. 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 composed 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 June 30, 2026 and 2025, the Company made royalty payments in the amount of $0.2 million and $0.3 million, respectively. For each of the six months ended June 30, 2026 and 2025, the Company made royalty payments in the amount of $0.3 million. No contingent consideration was recognized as a liability or included in the fair value of the assets as of June 30, 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 the Elyxyb Product for commercialization of the Elyxyb Products in the United States in the Field, and (ii) worldwide, to develop and manufacture the 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 the Lido Product for commercialization of the Lido Products in the Licensor Territory in the Field (as defined therein), and (ii) worldwide, to develop and manufacture the 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 $0.2 million, or its equivalent in kind, annually toward 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 $1.0 million 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 $2.5 million 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 $2.6 billion, 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 $8.8 million remains payable as of June 30, 2026.

Vivasor-Datavault License Agreement

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

Pursuant to the Vivasor-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 "Vivasor Licensed Product") within the Vivasor Target Market (as defined below).

The "Vivasor 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 Vivasor-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 Vivasor-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, Vivasor, 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 Vivasor-Datavault License Agreement contains customary reciprocal indemnification obligations for Datavault and Vivasor and customary representations and warranties.

The Company has not recognized any sales relating to the Vivasor Licensed Product. Accordingly, the Company has not recognized any liabilities under the Vivasor-Datavault License Agreement, other than the $20.0 million license fee, of which, $15.0 million was payable as of June 30, 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 June 30, 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 assets and liabilities that are measured at fair value on a recurring basis and the level of inputs used in such measurements (in thousands):

	June 30, 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	$ 56,607	$ 56,607	$ —	$ —
Marketable securities	15	15	—	—
Datavault warrants	29	—	—	29
Digital assets	56,138	56,138	—	—
Total assets	$ 112,789	$ 112,760	$ —	$ 29
Liabilities				
Oramed Note	$ 28,768	$ —	$ —	$ 28,768
Tranche B Notes	12,140	—	—	12,140
Purchased revenue liability	8,198	—	—	8,198
Derivative liabilities	32,186	—	—	32,186
Contingent consideration liability	8	8	—	—
Other long-term liabilities	180	—	—	180
Total liabilities	$ 81,480	$ 8	$ —	$ 81,472

	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

Equity Method investment

As described in Note 2 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

For the six months ended June 30, 2026, the Company determined the fair value of its Bitcoin and stablecoin investments, which consist of Bitcoin and Tether coin ("USDT") as of June 30, 2026, by taking the average of publicly available prices for Bitcoin and USDT on multiple platforms as of the balance sheet date and multiplying that average by the number of Bitcoin and stablecoin units the Company holds. There are no non-observable inputs in determining the fair value.

Datavault Warrants

As of June 30, 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 June 30, 2026, the Company received 2,643,441 meme coins in its Datavault wallet on February 27, 2026. The Company received 2,643,441 warrants on February 27, 2026 (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 $28.5 thousand, for the six months ended June 30, 2026, using a Black Scholes model. 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.

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 and comprehensive loss, 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 June 30, 2026 and December 31, 2025 was determined to be $28.8 million and $27.7 million, respectively, by applying a discount rate of 24.00% and 21.00%, respectively. For the three and six months ended June 30, 2026 and 2025, the Company recorded a gain of $0.1 million and a loss of $1.1 million and loss of $3.5 million and $6.3 million, respectively, in change in fair value of the Oramed Note in the unaudited condensed consolidated statements of operations and comprehensive loss. For the three and six months ended June 30, 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 and comprehensive loss, 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 June 30, 2026 and December 31, 2025 was determined to be $12.1 million and $17.5 million, respectively. For the three and six months ended June 30, 2026 and 2025, the Company recorded a loss of $0.1 million and $1.0 million and $4.2 million and $6.7 million, respectively, in change in fair value of the Tranche B Notes in the unaudited condensed consolidated statements of operations and comprehensive loss. 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 and comprehensive loss was nil for each of the three and six months ended June 30, 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 and comprehensive loss, 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 June 30, 2026 and December 31, 2025, the aggregate fair value of both agreements was determined to be $8.2 million and $8.4 million, respectively. For the three and six months ended June 30, 2026 and 2025, the Company recorded a gain of $0.2 million and a loss of $1.1 million, and a loss of $0.7 million and $1.5 million, respectively, in change in fair value of the purchased revenue liability in the unaudited condensed consolidated statements of operations and comprehensive loss.

Derivative Liabilities

As of June 30, 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,
- 3,250,000 Deposit Warrant, which is 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 537,294 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.

For the six months ended June 30, 2026, the fair value of derivative warrant liabilities related to these warrants was $32.2 million.

The Company recorded a loss of $6.6 million and a gain of $19.1 million for the three and six months ended June 30, 2026, respectively, 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 loss of $12.4 million and $2.0 million for the three and six months ended June 30, 2025, respectively, attributed to warrant liabilities consisting of the Private Warrants, the February 2024 BDO Firm Warrants and the April 2024 RDO Common Warrants, Deposit Warrant, the October 2024 Noteholder Warrants, and December 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 following table includes a summary of the warrant derivative liabilities measured at fair value during the six months ended June 30, 2026 (in thousands):

	Fair Value
Ending Balance as of December 31, 2025	$ 50,599
Change in fair value measurement of warrant liabilities	(19,064)
Issuance of February 2026 Warrants	651
Ending Balance as of June 30, 2026	$ 32,186

Scilex-St. James Loans Embedded Derivatives

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 the derivative was considered de minimis as of December 31, 2025.

As of the Loan Termination Date, the Company had transferred a total of 95,665,102 shares of Datavault Common Stock to the Lender, consisting of 85,665,102 shares pledged as collateral under the Scilex-St. James Loan Agreement and an additional 10,000,000 shares transferred in February 2026 that were not part of the pledged collateral. As alleged in the Company's complaint against the Lender, the Lender transferred and sold these pledged shares without authorization from the Company through brokerage accounts of the Lender. Accordingly, the Company no longer had 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, because the shares of Datavault Common Stock are carried at fair value, the shares were revalued to their then-current fair market value on the derecognition date (i.e., the Loan Termination Date), 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 event of default, 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, was not significant, the Company revalued the compound derivative on the Loan Termination Date. The change in fair value of the compound derivative of $28.8 million was recorded in Loss on compound derivative of Scilex-St. James Loans. Of this amount, $21.8 million was recognized during the three months ended March 31, 2026 upon settlement of the pledged collateral, and $6.9 million was recognized during the three months ended June 30, 2026, when the Company determined that the additional 10,000,000 shares of Datavault Common Stock retained by the Lender were not recoverable, measured using the fair value of those shares as of the Loan Termination Date.

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 9 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 June 30, 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	$ 397.89	$ 59.50	$ 1.20	$ 36.40	$ 22.72	$ 22.72	$ 40.00	$ 20.00	$ 29.00	$ 20.00
Term, in years	1.36	2.68	2.97	3.27	3.46	0.95	3.27	3.46	4.41	3.46
Volatility	136.0%	111.0%	102.0%	104.0%	102.0%	134.0%	105.0%	98.0%	92.0%	110.0%
Risk-free rate	3.96%	4.06%	4.07%	4.07%	4.07%	3.91%	4.07%	4.07%	4.09%	4.07%
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	Novembe r 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 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 9.8%. The Company recorded the contingent consideration under Other long-term liabilities within the Company’s condensed consolidated balance sheets. As of June 30, 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 Quantum Scan Holdings, Inc. (“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 June 30, 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 June 30, 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 six months ended June 30, 2026 was $0.2 million.

Property and Equipment, Net

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

	June 30, 2026	December 31, 2025
Construction in progress	$ 908	$ 909
Furniture	147	139
Computers and equipment	84	75
Leasehold improvements	3,971	3,746
Machinery and lab equipment	8,675	8,192
Land and Buildings	914	859
Property and equipment, gross	14,699	13,920
Less: Accumulated depreciation	(1,933)	(321)
Property and equipment, net	$ 12,766	$ 13,599

The Company recognized depreciation expense of $0.8 million and $1.6 million for three and six months ended June 30, 2026, respectively, and $2.0 thousand and $3.0 thousand for the three and six months ended June 30, 2025, respectively.

Other Long-Term Assets

Datavault Warrants

As described in Note 5 above, Datavault declared and made three in-kind distributions of meme coins during the six months ended June 30, 2026, one of which included a concurrent warrant distribution to certain of its record equity holders. Upon receipt of the warrants on February 27, 2026, the fair value of the warrants was approximately $0.5 million. As of June 30, 2026, the warrants were calculated to have a fair value of $28.5 thousand and were recorded in other long-term assets in the accompanying unaudited condensed consolidated balance sheets. The change in fair value of the warrants of $0.5 million during the six months ended June 30, 2026 was recognized in other expense, net in the unaudited condensed consolidated statements of operations and comprehensive loss.

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 Investor LLC had extended a $2.5 million loan (the "Loan") to the Company at an annual interest rate of 4.03%, no cash was exchanged between Investor LLC and the Company on the 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, because the Company has not yet provided the full Committed Amount, the Company has no ownership interest in Investor LLC or in the nursing home. As of June 30, 2026 the Company had made aggregate cash payments of $1.5 million (the "Funding") to Investor LLC under the Committed Amount, of which $0.5 million was paid during the six months ended June 30, 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. Because 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 June 30, 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 period ended March 31, 2026. The Company recognized approximately $1.1 million of revenue during the six months ended June 30, 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 June 30, 2026, the Company identified no indicators of impairment. The carrying value of the Company's investment in iLeukon as of June 30, 2026 was approximately $1.1 million.

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 common stock ("Datavault Common Stock") from Datavault AI, Inc., a Delaware corporation ("Datavault"), payable in Bitcoin. During the six months ended June 30, 2026, the Company purchased Bitcoin from Datavault amounting to $18.7 million.

During the year ending December 31, 2025, Datavault announced that its board of directors had approved a dividend of the Dream Bowl Tokens to all eligible record holders of Scilex and eligible Datavault equity holders as of November 25, 2025 (the "Datavault Record Date"). Datavault and Scilex shareholders as of the Datavault Record Date became entitled to receive one meme coin for each common share held. The Datavault board of directors set December 24, 2025, as the distribution date for Datavault's Dream Bowl Tokens to all eligible record equity holders of Datavault and to record equity holders of common stock of the Company.

On April 20, 2026, the Board declared a dividend of the Dream Bowl Tokens (the "Dream Bowl Tokens Dividend") to eligible record equity holders of Common Stock and other equity securities of the Company. See Note 9 for further discussion on the transaction. The Dream Bowl Tokens 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 April 2026 Dream Bowl Record Date (as defined below) and (ii) paid beginning on May 26, 2026.

For the six months ended June 30, 2026, the Company received 265,524,859 and subsequently distributed 13,124,766 Dream Bowl Tokens to certain eligible record equity holders. As of June 30, 2026, the carrying value of the Dream Bowl Tokens was immaterial based on a unit value of approximately $0.000001400 per Dream Bowl Token. As of

June 30, 2026, the Company also has 68,262,889 remaining Dream Bowl Tokens to be distributed as dividends with an immaterial carrying value based on a unit value of approximately $0.000001400 per Dream Bowl Token.

During the six months ended June 30, 2026, Semnur purchased 50,583 stablecoins amounting to $0.1 million.

The table below summarizes the amounts shown on our unaudited condensed consolidated balance sheets as of June 30, 2026 (in thousands except units of digital assets):

	June 30, 2026		
	Units	Cost Basis	Fair Value
Bitcoin	955	$ 95,591	$ 56,087
Stablecoins	50,583	51	51
Dream Bowl Tokens	252,400,093	0	N/A
Total Digital assets	252,451,631	$ 95,642	$ 56,138

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

	June 30, 2026
Beginning digital assets balance at fair value December 31, 2025	$ 64,711
Additions	18,749
Unrealized loss on digital assets	(27,322)
Ending balance at fair value June 30, 2026	$ 56,138

For the six months ended June 30, 2026 there are nil dispositions of Bitcoin.

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, pursuant to which Datavault agreed to issue and sell, and the Company agreed to purchase, 15,000,000 shares of 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 had been made, the Company had determined that it had 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 had been elected as the Company believes it best reflects the underlying economics of this investment.

During October 2025 and before the Company exercised the 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 of $19.2 million accounted for using equity investment. After the Company exercised the

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 of $4.7 million accounted for using equity method investment for the year ended December 31, 2025.

As of March 16, 2026, the Loan Termination Date for the Scilex-St. James Loan Agreement, 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 95,665,102 shares of Datavault Common Stock, consisting of 85,665,102 shares pledged as collateral under the Scilex-St. James Loan Agreement and an additional 10,000,000 shares transferred in February 2026 that were not part of the pledged collateral, the Company evaluated whether the equity method remained appropriate, and concluded such accounting was still appropriate.

On April 16, 2026, Vivasor entered into a stock subscription agreement with Datavault (see Note 14), pursuant to which Vivasor issued 8,163,265 shares of Vivasor Series A Common Stock to Datavault at a contractual subscription price of $6.125 per share, representing an aggregate stated value of $50.0 million, in exchange for 75,942,666 shares of Datavault Common Stock. The transaction closed on April 23, 2026. Because the transaction involved an exchange of nonmonetary consideration, the Company recorded the Datavault Common Stock received as a nonmonetary asset at its fair value at $56.2 million using the quoted market price of Datavault Common Stock on the closing date of April 23, 2026. Vivasor subsequently sold 32,135,626 shares during the three months ended June 30, 2026. As of June 30, 2026, the Company determined the equity method of accounting remains appropriate.

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 $5.3 million realized loss and $37.1 million realized gain using equity method, respectively, for the three and six months ended June 30, 2026.

As of June 30, 2026 and December 31, 2025, the carrying value of the Company's investment in Datavault's common stock is $56.6 million and $159.4 million, and is recorded in equity method investment, at fair value in the condensed consolidated balance sheets.

Summarized Financial Information of Datavault

The following is a summary of financial data for investments accounted for under the equity method of accounting, reporting on a one-quarter lag basis (in thousands):

Balance Sheet
Datavault AI Inc.

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:	$ 106,268	$ 142,873
Total assets	$ 250,113	$ 274,704
LIABILITIES		
Current liabilities:	$ 23,024	$ 26,881
Total liabilities	$ 30,085	$ 36,730

Income Statement
Datavault AI Inc.

	Three months ended March 31,	
	2026	2025
Loss from operations	$ 30,950	$ 9,431
Net loss	$ 53,131	$ 9,563

Accrued Expenses

Accrued expenses consists of the following (in thousands):

	June 30, 2026	December 31, 2025
Accrued professional service fees	$ —	$ 356
Accrued research and development costs	10,215	13,058
Accrued tax payable	65	50
Accrued advisor fees related to Semnur Business Combination	14,000	14,000
Accrued Datavault licenses	2,500	30,000
Accrued Vivasor secondary purchase	1,498	—
Accrued interest	7,341	6,862
Accrued others	3,369	2,088
Accrued expenses	$ 38,988	$ 66,414

Accrued Rebates and Fees

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 June 30, 2026 and 2025, gross revenue was $15.8 million and $39.5 million, respectively, while net revenue was $7.6 million and $9.9 million, respectively. For the six months ended June 30, 2026 and 2025, gross revenue was $41.5 million and $57.2 million, respectively, while net revenue was $16.3 million and $14.9 million, respectively. The gross-to-net revenue adjustment of approximately $8.1 million and $29.6 million for the three months ended June 30, 2026 and 2025, respectively, and $25.2 million and $42.3 million for the six months ended June 30, 2026 and 2025, respectively, were primarily attributable to the following:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Gross-to-Net Revenue Adjustments		
Sales rebates	$ 4,302	$ 22,082
Service fees	$ 1,207	$ 3,937
Estimated sales returns, discounts, co-payment assistance and coupon	$ 2,027	$ 2,001
Chargebacks	$ 583	$ 1,622
Total	$ 8,119	$ 29,642

	Six Months Ended	
	June 30, 2026	June 30, 2025
Gross-to-Net Revenue Adjustments		
Sales rebates	$ 16,219	$ 31,243
Service fees	3,438	5,941
Estimated sales returns, discounts, co-payment assistance and coupon	3,663	2,650
Chargebacks	1,920	2,507
Total	$ 25,240	$ 42,341

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

	June 30, 2026	December 31, 2025
Other current liabilities:		
Accrued rebates	$ 243,097	$ 220,693
Other accruals	12,960	11,063
Total accrued rebates and other sales-related accruals	$ 256,057	$ 231,756

As of June 30, 2026, the Company's accrued rebates and fees liability was $256.1 million, compared to $231.8 million as of December 31, 2025. The increase of approximately $24.3 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 for investing activities and to repay Company debt. The rebates balance of $256.1 million primarily consists of government disbursements (Medicare and Medicaid) and commercial insurance disbursements.

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 June 30, 2026, the Company's leases have remaining lease terms of approximately 10.2 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 June 30, 2026, the Company has no finance leases.

Lease expense was $1.1 million and $0.2 million for the three months ended June 30, 2026 and 2025, and $2.3 million and $0.5 million for the six months ended June 30, 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:

	Six Months Ended June 30,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases (in thousands)	$ (1,417)	$ (227)
Weighted average remaining lease term in years — operating leases	10.2	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)	$ 2,269
2027	5,270
2028	4,163
2029	4,118
2030	4,263
Thereafter	34,639
Total lease payments	54,722
Less imputed interest	39,972
Total lease liabilities	14,750
Less current portion of lease liability	2,241
Lease liability, net of current portion	$ 12,509

7. Goodwill and Intangible Assets

As of June 30, 2026 and December 31, 2025, the Company had recorded goodwill of $13.5 million. No goodwill impairment was recognized for the six months ended June 30, 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 7 to 15 years, with remaining useful lives ranging from 5.3 to 11.9 years as of June 30, 2026. A summary of the Company's identifiable intangible assets as of June 30, 2026 and December 31, 2025 is as follows (in thousands):

	June 30, 2026		
	Gross Carrying Amount	Accumulated Amortization	Intangibles, net
Patent rights	$ 35,530	$ 21,227	$ 14,303
Acquired technology	22,940	11,421	11,519
Acquired licenses	35,711	3,922	31,789
Assembled workforce	500	500	—
Total intangible assets	$ 94,681	$ 37,070	$ 57,611

	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Intangibles, net
Patent rights	$ 32,630	19,946	$ 12,684
Acquired technology	22,940	10,651	12,289
Acquired licenses	35,711	1,596	34,115
Assembled workforce	500	500	—
Total intangible assets	$ 91,781	$ 32,693	$ 59,088

As of June 30, 2026, the weighted average remaining life for identifiable intangible assets was 6.8 years. Aggregate amortization expense was $2.1 million and $4.2 million for the three and six months ended June 30, 2026, respectively, and $1.0 million and $2.0 million for the three and six months ended June 30, 2025. 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 June 30, 2026 is as follows (in thousands):

	Amount
2026 (Remainder of 2026)	$ 4,390
2027	8,783
2028	8,783
2029	8,783
2030	8,783
Thereafter	18,089
Total	$ 57,611

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 $50.0 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. The Company further transferred an additional 10,000,000 shares of common stock of Datavault in February 2026. 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 Pledged Securities and subject to customary covenant conditions as of January 16, 2026. In June 2026, the Company determined an additional 10,000,000 shares of common stock of Datavault was not recoverable.

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 accounted for the Scilex-St. James Loans using the amortized cost model. Transaction fees paid to the lender are treated as debt discounts which are recorded as a 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.

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 embedded derivatives were measured at fair value at inception, remeasured as of December 31, 2025, and remeasured again upon settlement on March 16, 2026. The estimated fair value of the embedded derivatives was de minimis at inception and as of December 31, 2025, and was $21.8 million as of March 16, 2026 (see Note 5). In June 2026, the Company determined the additional 10,000,000 shares of common stock of Datavault transferred in February 2026 was not recoverable and wrote off the shares, with a fair value of $6.9 million, from its Equity Method Investment, with the corresponding charge recognized in Loss on compound derivative of Scilex-St. James Loans during the three months ended June 30, 2026 (included in the $28.8 million described above and in Note 5).

The Scilex-St. James Loan Agreement was terminated on March 16, 2026. As a result, the Company de-recognized the related debt obligations and associated balances, including outstanding principal of $38.8 million, accrued interest expense of $0.4 million, unamortized debt discount of $1.7 million, and recorded a charge of $28.8 million related to the change in fair value of the compound derivative. In addition, the Company wrote off collateral shares with a fair value of $66.3 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 plus 2%, 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 June 30, 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 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. In consideration for the Tranche B Notes issued to Oramed, the Company received from Oramed an exchange and reduction of the principal balance under the Oramed Note of $22.5 million. 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 the Oramed Note with the $22.5 million reduction (the "Tranche A Note") and (ii) the April 1, 2026, amortization payment due under the $22.5 million Tranche B Notes issued (the "Tranche B Note") were extended to April 20, 2026. Under the terms of the extension, all outstanding principal amounts and accrued interest under the Tranche A Note are required to be repaid in full no later than April 20, 2026. On June 25, 2026, Oramed further extended the due dates of the Tranche A Note, the April 1, 2026 and July 1, 2026 amortization payments due under the Tranche B Note, and a $1.0 million fee for the extension (the "Extension Fee") (together, the "Oramed Obligations") to September 30, 2026. If the Company fails to pay of the Oramed Obligations in full on or before September 30, 2026, then the first $1.5 million received by Oramed shall not be credited against the Oramed Obligations, and shall instead be deemed an extension fee fully earned and retained by Oramed, and if the Oramed Obligations are not satisfied in full on or before September 30, 2026, the Company shall satisfy the remaining balance through the delivery of shares of the common stock of the Company or of an affiliate of the Company. The Company made a payment of $0.5 million in cash on June 25, 2026 to apply to the Extension Fee and the remaining $0.5 million has not been paid. Interest continues to accrue on all unpaid amounts under the Oramed Note and the 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 the Oramed Note or the Tranche B Note. Subsequently, the maturity date has been further extended to September 30, 2026. It is payable in seven 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, the sixth installment in the principal amount of $4.5 million on July 31, 2026 which had not been paid as of the date of this Quarterly Report, and the last installment in the entire remaining principal balance of the Oramed Note payable on September 30, 2026. 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. 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 9), the receipt of the FSF Deposit (as described below) and the sale of shares of Common Stock pursuant to that certain at-the-market sales agreement entered into on December 22, 2023, by and among the Company, B. Riley Securities, Inc., Cantor Fitzgerald & Co. and H.C. Wainwright & Co., LLC (the "ATM Sales Agreement") (which agreement was voluntarily terminated by us effective as of March 5, 2025), that occurred in April 2024, June 2024, and January 2024, the Company made a mandatory prepayment of $9.6 million, $7.0 million and $1.8 million, 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 $2.0 million (the "Specified September Payment") on September 23, 2024, which payment was applied as follows: (i) $1.7 million was applied to the amortization payment due under the Oramed Note on the March 21, 2025 (the "Oramed Maturity Date") and (ii) $0.3 million to purchase an aggregate of 4,000,000 SPAC Warrants (as defined below, which are currently exercisable for an aggregate of up to 114,286 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 $20.0 million 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 $12.5 million 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 $15.0 million 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 92,857 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 and comprehensive loss.

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 June 30, 2026 and December 31, 2025, the fair value of the Oramed Note was $28.8 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):

	June 30, 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 and comprehensive loss	1,080
Ending Balance as of June 30, 2026	$ 28,768

Aggregate principal and paid in kind interest for the Company's outstanding debt was $29.5 million as of June 30, 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 $22.5 million, 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 $22.5 million.

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 104,848 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 and comprehensive loss during the year ended December 31, 2024.

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 $6.3 million 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 and comprehensive loss, (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 June 25, 2026, Oramed further extended the due dates of the April 1, 2026 and July 1, 2026 amortization payments due under the Tranche B Note to September 30, 2026. See detailed discussions regarding the deferral in June 2026 in The Oramed Note section above.

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 June 30, 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):

	June 30, 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	959
Ending Balance as of June 30, 2026	$ 12,140

Aggregate principal and interest for the Company's outstanding debt was $12.6 million as of June 30, 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, Denali Capital Global Investments LLC, a Cayman Islands limited liability company (the "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 June 30, 2026, the Company had total current promissory notes of $2.2 million, all of 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).

As of June 30, 2026, and December 31, 2025, the Sponsor Note had an outstanding principal balance of $0.4 million and $0.8 million, respectively, and accrued interest of approximately $123.3 thousand and $20.0 thousand, respectively, at 10% per annum (calculated monthly) as of June 30, 2026, and December 31, 2025, respectively.

As of June 30, 2026 the FutureTech Note and Denali Underwriter Notes have an outstanding principal balance of $0.3 million and $1.4 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 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 June 30, 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. Any tranches that were past due will be accreted and paid in the next 12 months.

As of June 30, 2026 and December 31, 2025, the carrying amount of the loan was $23.5 million and $21.5 million, respectively, net of an unamortized discount of $3.7 million and $4.8 million, respectively. The accrued interest balance was $5.6 million and $4.7 million as of June 30, 2026 and December 31, 2025, respectively, and is presented separately under the accrued expenses caption. For the three and six months ended June 30, 2026, the Company

recognized interest expense of $1.1 million and $2.1 million, respectively, related to the Agilent Loan Agreement, which includes $0.6 million and $1.3 million, respectively, of non-cash accretion of the discount recognized at the acquisition date. For the three and six months ended June 30, 2026, the Company recognized foreign currency transaction loss of $0.4 million and $1.1 million, respectively, 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. Any financing arrangements that were past due will be accreted and paid in the next 12 months.

As of June 30, 2026 and December 31, 2025, the carrying amount of the borrowings was $16.4 million and $17.5 million, respectively, net of unamortized discounts of $2.3 million and $3.2 million, respectively. The accrued interest balance was $1.2 million and $2.1 million as of June 30, 2026 and December 31, 2025, respectively, and is presented separately in accrued expenses. For the three and six months ended June 30, 2026, the Company recognized interest expense of $0.6 million and $1.3 million, respectively, related to the other borrowings, which includes $0.5 million and $0.9 million, respectively, of non-cash accretion of the discount recognized at the acquisition date. For the three and six months ended June 30, 2026, the Company recognized foreign currency transaction loss of $0.3 million and $0.5 million, respectively, related to the remeasurement of the RMB-denominated loans.

Commitment Letter

On June 11, 2024, the Company entered into the Commitment Letter with FSF Lender, pursuant to which FSF Lender committed to provide the Company the FSF Loan in the aggregate amount of $100.0 million. The Commitment Amount was payable as follows: (i) $85.0 million no later than the Outside Date, which is 70 days following the date on which the Company received the FSF Deposit and (ii) the remaining $15.0 million within 60 days following the Initial Commitment Closing.

Pursuant to the Commitment Letter, FSF Lender provided the Company a non-refundable FSF Deposit in immediately available funds in the aggregate principal amount of $10.0 million on the Deposit Date, which amount would 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 the Deposit Warrant to purchase up to an aggregate of 3,250,000 shares of Common Stock (subject to adjustment for any stock dividend, stock split, or similar transaction), with an exercise price of $1.20 per share. The Deposit Warrant was immediately exercisable and would expire five years from the date of issuance. If the Initial Commitment Closing did not occur on or prior to the Outside Date, the FSF Deposit should automatically convert into an unsecured loan on the first day after the Outside Date. Within five days after such automatic conversion occurs, the Company should issue a promissory note (the "Unsecured Promissory Note") to FSF Lender to evidence such unsecured loan, which note should be unsecured, had a maturity date of five years after the date of the Unsecured Promissory Note and was prepayable without premium or penalty. The Unsecured Promissory Note should bear interest, payable quarterly in arrears, in an amount equal to the Unsecured Applicable Interest Amount (as defined in the Commitment Letter) for such period based on the actual number of days elapsed while principal is outstanding. The Company fully satisfied all obligations in respect of the FSF Deposit in November 2024.

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.

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 June 30, 2026 and December 31, 2025, the fair value of the ZTlido Royalty Purchase Agreement was $5.8 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 statements of operations and comprehensive loss for the year ended December 31, 2024.

The following table summarizes the purchased revenue liability activity related to ZTlido Royalty Purchase Agreement during the six months ended June 30, 2026 (in thousands):

	June 30, 2026
Ending Balance as of December 31, 2025	$ 6,100
Repayment of purchased revenue liability	(1,148)
Change in fair value of purchased revenue liability	823
Ending Balance as of June 30, 2026	$ 5,775

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 and comprehensive loss at the end of each reporting period. As of each of June 30, 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.

	June 30, 2026
Ending Balance as of December 31, 2025	$ 2,300
Repayment of purchased revenue liability	$ (44)
Change in fair value of purchased revenue liability	167
Ending Balance as of June 30, 2026	$ 2,423

9. Stockholders' Deficit

Dividend of Semnur Pharmaceuticals, Inc. Common Stock to Holders of Scilex Common Stock

On May 22, 2026, the Board approved a dividend (the "Semnur Dividend") consisting of shares of common stock, par value $0.0001 per share, of Semnur Pharmaceuticals, Inc. (the "Semnur Common Stock" and such shares constituting the Semnur Dividend, the "Dividend Stock"), to its stockholders and certain other eligible equity holders of Scilex (collectively, the "Participating Holders"), and the record date for the dividend was on June 1, 2026 (the "Semnur Dividend Record Date"). The Participating Holders as of the Semnur Dividend Record Date will be entitled to receive one (1) share of common stock of Semnur Pharmaceuticals for each share of Scilex common stock held (or for each share of common stock issuable or deemed issuable upon exercise or conversion of such other eligible securities).

As of June 30, 2026, the Company declared to distribute 13,972,900 such shares to the Participating Holders, of which 7,034,737 shares were distributed and 8,493,000 shares were issuable upon other eligible equity holders of Scilex converting or exercising their warrants. Consistent with the accounting in ASC 845, Nonmonetary Transactions, the Company recorded the Semnur Dividend at its carrying value. The carrying value of the Dividend Stock at the payment date of June 15, 2026, was $0.60 per share, or $4.2 million in the aggregate.

Dividend of Dream Bowl Meme Coin I Tokens

On April 20, 2026, the Board declared the Dream Bowl Tokens Dividend. 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 "April 2026 Dream Bowl Record Date"): (i) Common Stock, (ii) certain warrants to purchase Common Stock that have not been exercised and settled prior to the April 2026 Dream Bowl Record Date (and which have the right to participate in the Dream Bowl Tokens 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 $397.89 per share, (iii) certain Tranche B senior secured convertible notes of the Company that have not been converted and settled prior to the April 2026 Dream Bowl Record Date (and which have the right to participate in the Dream Bowl Tokens Dividend pursuant to the terms of their respective notes), and (iv) the Company's Series A Preferred Stock. The Dream Bowl Tokens Dividend was (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 April 2026 Dream Bowl Record Date and (ii) paid beginning on May 26, 2026.

As of June 30, 2026, the Company distributed 13,124,766 meme coins to certain eligible record equity holders. Consistent with the accounting in ASC 845, Nonmonetary Transactions, the Company recorded the Dream Bowl Tokens Dividend at its carrying value. The aggregate carrying value of the meme coins distributed was immaterial based on a unit value of approximately $0.000001400 per meme coin.

Vivasor Warrants

On April 30, 2026, Vivasor issued warrants to purchase an aggregate of 6,000,000 shares of Vivasor's Series A Common Stock to Henry Ji, Ph.D., Chief Executive Officer and President of the Company and Stephen Ma, Chief Financial Officer of the Company. The warrant issued to Dr. Ji covers 4,000,000 shares and the warrant issued to Mr. Ma covers 2,000,000 shares, each with an exercise price of $0.31 per share and a ten-year term expiring April 30, 2036. The Vivasor Warrants were fully vested upon issuance, are not subject to any future service, performance, or market condition, and were purchased by the holders for $50.00 per warrant.

The Company determined that the Vivasor Warrants are indexed to Vivasor's own stock and meet the conditions for classification within stockholders' equity under ASC 815-40, and are therefore not accounted for as derivative liabilities. Because the warrants were issued to Dr. Ji and Mr. Ma in their capacity as service providers and were fully vested with no future service condition, the Company recognized the grant-date fair value as stock-based compensation expense in full upon issuance, in accordance with ASC 718, *Compensation—Stock Compensation*.

The grant-date fair value of the Vivasor Warrants was estimated using the Black-Scholes option-pricing model, based on the following assumptions: fair value of underlying common stock of $0.31 per share (based on an independent third-party valuation of Vivasor's common stock as of December 31, 2025), exercise price of $0.31 per share, expected term of 2.0 years, expected volatility of 121.83%, risk-free interest rate of 3.88%, and no expected dividends. Based on these assumptions, the Company recorded stock-based compensation expense of approximately $1.2 million, net of the $100 aggregate purchase price paid by the holders, with a corresponding increase to additional paid-in capital.

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”). On June 13, 2026, the Board adjusted the exercise price of the SPAC Warrants to $397.89 based on the fair market value determination in accordance with the terms of the Warrant Agreement.

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).

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 each of June 30, 2026 and December 31, 2025, there were 5,467,692 Public Warrants issued and outstanding and exercisable for an aggregate of up to 156,115 shares of Common Stock.

As of each of June 30, 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

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 $3.0 thousand 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.

As of June 30, 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 consisting of an aggregate of 5,000,000 shares (the "Semnur Dividend Shares") 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 $200.0 million 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 Semnur Dividend Shares 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

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.

As of June 30, 2026 and December 31, 2025, there were 1,458,263 shares of Treasury Stock.

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 statements of operations and comprehensive loss. 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 six months ended June 30, 2026 and 2025, there were no February 2024 BDO Firm Warrants exercised. As of each of June 30, 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 428,572 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 $15.0 million, 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 $0.1 million 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 statements of operations and comprehensive loss. The fair value of the April 2024 RDO Placement Agent Warrants as of 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 June 30, 2026 and December 31, 2025, there were no April 2024 RDO Common Warrants outstanding. As of each of June 30, 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 34,286 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 753,009 shares of Common Stock, (ii) pre-funded warrants to purchase up to 68,604 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 statements of operations and comprehensive loss. The fair value of StockBlock Warrants as of the date of issuance was $1.3 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 each of June 30, 2026 and December 31, 2025, there were 537,294 December 2024 RDO Common Warrants outstanding, which are exercisable for an aggregate of up to 537,294 shares of Common Stock, and 131,470 StockBlock Warrants outstanding, which are exercisable for an aggregate of up to 131,470 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 existing warrants to purchase shares of Common Stock at an exercise price of $22.72 per share (the "Existing December 2024 Warrants"). Pursuant to the Warrant Exercise Agreement, the Existing Warrant Holders exercised in full the Existing December 2024 Warrants for an aggregate of 179,236 shares of Common Stock, generating aggregate gross proceeds of approximately $2.7 million (net of a deferral fee), of which $2.5 million was applied toward repayment of outstanding Tranche B Notes.

In connection with the Warrant Exercise Agreement, the Company issued 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. The September 2025 Warrants are immediately exercisable, expire on December 13, 2029, and are classified as liabilities measured at fair value through earnings. The S-1 registration statement covering the resale of shares issuable upon exercise of the September 2025 Warrants was declared effective by the SEC.

As of June 30, 2026 and December 31, 2025, 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 statements 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 June 30, 2026 and December 31, 2025, there were November 2025 Investor Warrants to purchase 1,356,594 shares of Common Stock and November 2025 Placement Agent Warrants to purchase 72,352 shares of Common Stock outstanding, each with an exercise price of $29.00 per share. The November 2025 Warrants may be exercised on a cashless basis under certain circumstances 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 June 30, 2026, there is $0.3 million of unrecognized incremental stock-based compensation expense related to the Option Repricing, which will be recognized over the remaining service period of approximately 6 months.

10. 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 Scilex Pharma 2017 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 June 30, 2026, a total of 2,792,377 shares of Common Stock were available and have been reserved for future issuance under the Equity Incentive Plan, of which options to purchase 1,032,071 shares of Common Stock were outstanding.

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 six months ended June 30, 2026 and 2025.

As of June 30, 2026, options to purchase 1,474,612 shares of Common Stock were outstanding under all equity incentive plans.

The following table summarizes stock option activity during the six months ended June 30, 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	(29)	41.94	—	—
Outstanding as of June 30, 2026	1,475	$ 46.68	6.1	$ 1,860
Vested and expected to vest as of June 30, 2026	1,475	46.68	6.1	$ 1,860
Exercisable as of June 30, 2026	1,008	$ 56.47	4.9	$ 502

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 six months ended June 30, 2026. No options were exercised during the six months ended June 30, 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 June 30, 2026 and 2025, respectively and $7.2 million and $6.6 million for the six months ended June 30, 2026 and 2025, respectively.

The total unrecognized compensation costs related to unvested employee and non-employee stock option grants as of June 30, 2026 were $12.3 million, which the Company expects to recognize over a weighted-average period of approximately 2.77 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 June 30, 2026, the total number of shares of Common Stock that may be issued under the ESPP shall not exceed 215,569, which was increased from 170,575 shares as a result of an automatic annual increase on January 1, 2026.

Total stock-based compensation recorded as operating expense for the ESPP was $8.3 thousand and $20.5 thousand for the three and six months ended June 30, 2026, respectively, and $26.6 thousand and $76.8 thousand for the three and six months ended June 30, 2025, respectively.

As of June 30, 2026, there were 1,733 shares of Common Stock issued under the ESPP.

Valuation Assumptions

As of June 30, 2026, there were no stock options granted. The Company calculates the fair value of shares issued under the ESPP using the Black-Scholes option pricing method. The Black-Scholes option pricing method requires the use of subjective assumptions. The following assumptions were used in the Black-Scholes option pricing model to estimate stock-based compensation on the date the shares were issued under the ESPP:

	Six Months Ended June 30, 2026
Employee stock purchase plan:	
Expected dividend yield	0.00%
Expected volatility	93.00%
Risk-free interest rate	3.79%
Expected life (in years)	0.5

Semnur 2025 Plan

On November 17, 2025, the board of directors of Semnur adopted the 2025 Semnur Equity Incentive Plan (the "2025 Semnur Plan"), the 2025 Semnur Employee Stock Purchase Plan (the "2025 Semnur ESPP") and the 2025 Semnur Inducement Plan (the "2025 Semnur Inducement Plan"). The 2025 Semnur Plan and the 2025 Semnur ESPP are subject to stockholder approval and are not effective until such approval. The 2025 Semnur Inducement Plan does not require stockholder approval and is therefore effective upon adoption by the Board of Directors.

The 2025 Semnur Plan provides for the grant of equity-based awards, including incentive stock options, nonstatutory stock options, restricted stock awards, restricted stock units, stock appreciation rights, performance awards, and other equity-based awards. The 2025 Semnur Plan initially reserves 45,948,195 shares of Semnur Common Stock for issuance. The share reserve is subject to an annual automatic increase beginning January 1, 2027 through January 1, 2036, equal to the lesser of (i) 5% of the outstanding Semnur Common Stock as of the preceding December 31, (ii) 22,974,097 shares, or (iii) such lesser number as determined by the board of directors of Semnur. The maximum number of shares issuable pursuant to incentive stock options under the 2025 Semnur Plan is 137,844,585 shares. Upon effectiveness of the 2025 Semnur Plan, no further grants will be made under the Semnur 2024 Plan; however, shares subject to awards granted under the Semnur 2024 Plan will continue to be governed by the Semnur 2024 Plan.

The 2025 Semnur ESPP permits eligible employees to purchase shares of Semnur Common Stock through payroll deductions at a purchase price generally equal to 85% of the fair market value of Semnur Common Stock on the applicable offering or purchase date, as specified in the plan. The 2025 Semnur ESPP initially reserves 2,297,409 shares of Semnur Common Stock for issuance, subject to an annual automatic increase beginning January 1, 2027 through January 1, 2036 equal to the lesser of (i) 1% of outstanding Semnur Common Stock as of the preceding December 31, (ii) 2,871,761 shares, or (iii) such lesser number as determined by the Board of Directors.

The 2025 Semnur Inducement Plan provides equity awards to newly hired employees as a material inducement to employment. The 2025 Inducement Plan provides for the grant of nonstatutory stock options, restricted stock awards, restricted stock units, and other equity-based awards. A total of 2,400,000 shares of Semnur Common Stock is reserved for issuance under the 2025 Semnur Inducement Plan. Awards under the 2025 Semnur Inducement Plan are approved

by the Compensation Committee of the Board of Directors or a majority of the Company's independent directors and do not require stockholder approval.

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 June 30, 2026, because until all payments and all obligations under the Oramed Note have been paid in full, 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, 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 for each of the three months ended June 30, 2026 and 2025, and $0.2 million and $0.3 million for the six months ended June 30, 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 June 30, 2026, it was not probable that any of the Retainer Shares would be applied against any outstanding legal fees.

11. Variable Interest Entities

Vivasor Business Combination

On December 5, 2025, the Company entered into a Share Transfer Agreement with EAR SPV and Vivasor, 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.

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 (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 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's unaudited condensed consolidated balance sheet at June 30, 2026 includes balances for Vivasor of $0.5 million for cash and cash equivalents, $12.0 million property and equipment, net, $3.9 million for inventory, $20.0 million for Datavault license, $15.3 million for investment in Datavault, $37.0 million accounts payable, $39.9 million short-term debt, net of debt financing discount, and $9.5 million accrued expenses. For the three and six months ended June 30, 2026, net loss attributable to the noncontrolling interest was $0.6 million and $2.1 million, respectively.

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 and six months ended June 30, 2026, net loss from Scilex Bio attributable to the noncontrolling interest was $6.3 thousand and $28.7 thousand, respectively. For the three and six months ended June 30, 2025, net loss from Scilex Bio attributable to the noncontrolling interest was nil.

The Company's unaudited condensed consolidated balance sheet at June 30, 2026 includes balances for Scilex Bio of nil for cash and cash equivalents, nil property and equipment, net, $1.5 million for equity investment related to PA OPS Investment Agreement, and $1.1 million accrued expenses.

For the six months ended June 30, 2026 and 2025, 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). For the six months ended June 30, 2026 and 2025, 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 June 30, 2026 includes balances for Semnur of $39.0 thousand for cash and cash equivalents, $0.7 million property and equipment, net, $6.9 million accounts payable, $1.3 million accrued expenses, and $2.1 million note payable. For the three and six months ended June 30, 2026, net loss from Semnur attributable to the noncontrolling interest was $0.9 million and $1.7 million, respectively.

12. Commitments and Contingencies

Datavault Bitcoin Term Sheet

On June 24, 2026, the Company entered into a binding term sheet (the "Datavault Bitcoin Term Sheet") with Datavault, which sets forth certain terms and conditions of the Company's proposed purchase of Bitcoin from Datavault that is currently held by Datavault in a Biconomy digital wallet (the "Wallet"). Pursuant to the Datavault Bitcoin Term Sheet, and subject to the finalization of a definitive agreement to be negotiated in good faith by the Company and Datavault and, ultimately, the satisfaction of certain customary closing conditions to be contained therein, it is expected that the Company will purchase from Datavault a total of 837 Bitcoin held in the Wallet for $50.0 million. The Company has agreed to make an initial payment of $30.0 million, with the remaining $20.0 million payable in quarterly installments commencing in the fourth quarter of 2026 and ending on December 31, 2028. The Company will pay the $50.0 million in cash or shares of the Company's common stock, par value $0.0001 per share or publicly traded securities of the Company's subsidiaries, or a combination thereof, at the discretion of the Company**.**

Wellgistics Health, Inc., Agreement

On May 20, 2026, the Company, Datavault, EOS, HealthBridge Advisors LLC ("HBA") and Fortitude Advisors, LLC ("Fortitude") entered into a fully binding term sheet with Wellgistics Health, Inc. ("Wellgistics" n/k/a DataMeds AI, Inc.), a health information technology leader, pursuant to which, subject to the negotiation and execution of definitive

agreements, Wellgistics would, among other things, acquire or exclusively license certain Quality of Life Peace of Mind ("QLPM") related intellectual property assets from EOS and the Company; expand its existing PharmacyChain license with Datavault to exclusively include Datavault AI Health (subject to carve-outs for intellectual property already licensed to Vivasor, the Company and/or Quantum Scan Holdings, Inc.), and acquire a controlling interest in Tollo Health, LLC (d/b/a Health Lives Here, "HLH"). Please refer to Note 15 for subsequent developments.

Vivasor Agreement to Purchase WorldXchain Common Stock

On May 11, 2026, Vivasor entered into a Common Stock Purchase Agreement (the "WorldXchain Commitment") with WorldXchain Corporation, a Wyoming corporation ("WorldXchain"), pursuant to which WorldXchain agreed to sell to Vivasor, and Vivasor agreed to purchase from WorldXchain, 25,500,000 shares of WorldXchain Common Stock at $0.00001 per share, which will be fully vested upon issuance, payable in cash and all Vivasor's discoveries, ideas, business plans, concepts, improvements, domain names, inventions (whether patentable or not), knowledge, know-how, processes, information, data, data collections, procedures, processes, techniques, designs, drawings, flow charts, software code (in any form including source code and executable or object code), user interface, wire frames, formulae, computer programs, trade secrets, works of authorship and trademarks used in connection with or related to the business of WorldXchain, including brand names, product names, logos and slogans, and associated goodwill, and all applicable intellectual property rights, on a worldwide basis, related thereto, including, without limitation, copyrights, trademarks, trade secrets, patents, patent applications, moral rights, contract and licensing rights (the "Property"). Vivasor retains no right to use the Property and agrees not to challenge the validity of WorldXchain's ownership of the Property. No payment had been made as of June 30, 2026.

Vivasor Agreement to Purchase EcoExtract Common Stock

On May 14, 2026, Vivasor entered into a Stock Purchase Agreement (the "SPA Commitment") with EcoExtract Corporation, a Delaware corporation ("EcoExtract"), pursuant to which EcoExtract agreed to sell to Vivasor, and Vivasor agreed to purchase from EcoExtract, 25,500,000 shares of EcoExtract Common Stock at $0.039216 per share for an aggregate purchase price of approximately $1.0 million, which will be fully vested upon issuance, payable either in cash and/or stock of Vivasor or of Datavault (or any combination of the foregoing), as determined by Vivasor in its sole discretion upon acceptance of the SPA Commitment. No payment had been made as of June 30, 2026.

Definitive Agreement with Phoenix Asia Holdings Limited

On May 4, 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 Asia"), entered into a stock acquisition agreement pursuant to which ACEA Therapeutics agreed to transfer and sell, and Phoenix Asia 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 Asia at $10.00 per share, par value $0.00001 per share, (the "PHOE Acquisition"), the value of which was as agreed by the parties to be $1.0 billion.

Upon the closing of the PHOE Acquisition, Phoenix Asia 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 Asia have unanimously approved the proposed transaction. The closing of the PHOE Acquisition, which is expected to occur in the second half 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.

Datavault Funding Term Sheet

On April 26, 2026, the Company entered into a binding term sheet with Datavault (the "Datavault Funding Term Sheet"). Pursuant to the Datavault Funding 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 $120.0 million, 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 ("GPU") 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. 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.

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 June 30, 2026, the transaction had not closed and accordingly, the shares had not been issued, and the funds had not been received. 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.

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 $0.6 million for the three months ended June 30, 2026 and 2025, respectively, and $2.4 million and $1.9 million for the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and December 31, 2025, Scilex Pharma had ending balances of accrued royalty payables of $1.6 million and $2.1 million, respectively. Total royalty expense recorded within cost of revenue was $1.0 million and $1.6 million for the three months ended June 30, 2026 and 2025, respectively, and $1.9 million and $2.3 million for the six months ended June 30, 2026 and 2025.

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 remain in effect until the thirty-six month anniversary of the Deployment Date, which is June 3, 2025, unless 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 $0.1 million associated with the operational setup and the recruiting of the sales representatives and will pay a 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. Subsequent to June 30, 2026, the Project Agreement has been terminated by both parties without cause.

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 Investor LLC had extended a $2.5 million loan (the "Loan") to Scilex at an annual interest rate of 4.03%, no cash was exchanged between Investor LLC and the Company on the 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, because the Company has not yet provided the full Committed Amount, the Company had no ownership interest in Investor LLC or in the nursing home as of June 30, 2026. As of December 31, 2025, the Company had made a cash payment of $1.0 million to Investor LLC under the Committed Amount, and, as of June 30, 2026,the Company had made aggregate cash payments of $1.5 million (the "Funding") to Investor LLC under the Committed Amount. 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. Because the Target had been acquired, the Funding is no longer subject to a refund. The Company considered the consolidation models provided in ASC 810 to determine whether it should consolidate Investor LLC and concluded that the Funding is not within the scope of ASC 810 because the Company has not yet received any equity ownership in Investor LLC, does not hold a board seat, does not have the power to director Investor LLC's significant activities, and does not have an obligation to absorb the VIE's losses or the right to receive benefits from the VIE. The Company also assessed the Funding and concluded that 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 because 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 as an equity investment in the Company's balance sheet at cost, net of any impairment. There were no indicators of impairment as of June 30, 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 June 30, 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 to equity investment on its condensed consolidated balance sheet 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 June 30, 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 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, the 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 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 a 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. On August 4, 2026, the Federal Circuit issued its opinion that affirmed the decision by the U.S. District Court for the Southern District of Florida that Aveva's product does not infringe the Company's ZTlido Patents.

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. On June 25, 2026, the United States District Court for the Southern District of California granted the plaintiffs' Motion to Stay. All deadlines in this action, including the deadline to serve the complaint, are tolled for the duration of the stay.

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.

NeuroBiogen Co., Ltd. vs Scilex Bio

In case No. 2026 GA-HAP, Plaintiff NeuroBiogen Co. Ltd brought a lawsuit in Seoul, Korea against Scilex and another Defendant. Plaintiff alleges that Scilex breached the April 17, 2025 KDS2010 Assignment and License Agreement by failing to pay the initial KRW 1.5 billion upfront fee due by May 31, 2025. Plaintiff contends that it validly rescinded the Agreement effective December 17, 2025 under Article 544 of the Korean Civil Code. Scilex disputes Plaintiff's claim and the right to the rescission and maintains that the Agreement remains in full force and effect. Plaintiff seeks a declaratory judgment confirming that the parties' contractual relationship has been terminated and no longer exists. Scilex filed a motion to dismiss the lawsuit and challenged the Korean Court's jurisdiction. No decision has been made on that filing. The matter is currently pending in Seoul, Korea. The matter is in its infancy and it is too early to assess any potential risk of loss or liability.

13. Net Loss Per Share

The following table sets forth the reconciliation of basic and diluted loss per share for the three and six months ended June 30, 2026 and 2025 (in thousands except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	$ (114,986)	$ (44,048)	$ (160,636)	$ (70,128)
Less: Net loss attributable to noncontrolling interest	(1,486)	(1,740)	(3,866)	(1,740)
Deemed dividend for Vivasor preferred shares repurchase	(1,229)	$ —	(1,229)	—
Deemed dividend for anti-dilution adjustments to Oramed Penny Warrants upon reverse stock-split	—	$ (43,753)	—	(43,753)
Net loss for basic and diluted loss per share available to common stockholders	$ (114,729)	$ (86,061)	$ (157,999)	$ (112,141)
Weighted average number of shares outstanding	6,892	5,095	6,891	5,080
Weighted average Common Stock warrants exercisable for nominal consideration	—	6,500	—	6,500
Weighted average number of shares, basic and diluted	6,892	11,595	6,891	11,580
Loss per share				
Basic & diluted	$ (16.65)	$ (7.42)	$ (22.93)	$ (9.68)

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 shares of Common Stock and, if dilutive, potential shares of 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 Semnur Dividend Shares, as declared by the Board on October 27, 2024, and not yet distributed as of June 30, 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 Semnur Dividend Shares. 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 Semnur Dividend Shares 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 Semnur Dividend Shares and caused such shares to resume their status as undesignated shares of preferred stock of the Company. No shares of Semnur Dividend Shares 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:

	June 30, 2026	June 30, 2025
Stock options	1,474,612	1,009,938
Retainer Shares	399,999	399,999
Public Warrants	156,115	156,220
Private Warrants	28,572	28,572
Shares issuable under the ESPP	1,645	21,713
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	537,294	1,642,871
StockBlock Warrants	131,470	131,472
Shares issuable under Tranche B Notes	327,555	914,822
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	8,988,187	8,468,300

14. Related Party Transactions

Datavault License Agreements

Datavault is considered a related party due to the Company's equity method investment in, and significant influence over, Datavault (see Note 5, "Fair Value Measurements," and Note 6, "Balance Sheet Components"). The Company and Vivasor are each party to a license agreement with Datavault, as further described in Note 4, "License and Patent Agreements": the Datavault License Agreement, entered into by the Company on November 3, 2025, and the Vivasor-Datavault License Agreement, entered into by Vivasor, Inc. on December 20, 2025.

Under the Datavault License Agreement, the Company agreed to pay Datavault a non-refundable license fee of $10.0 million. As of June 30, 2026, $8.8 million of this fee remained due to Datavault, recorded within Accrued expenses and Accounts payable in the accompanying unaudited condensed consolidated balance sheets. During the six months ended June 30, 2026, the Company paid Datavault $1.3 million under this agreement.

Under the Vivasor-Datavault License Agreement, Vivasor agreed to pay Datavault a non-refundable license fee of $20.0 million. As of June 30, 2026, $15.0 million of this fee remained due to Datavault, recorded within Accounts payable. During the six months ended June 30, 2026, Vivasor paid Datavault $5.0 million under this agreement.

In the aggregate, $23.8 million was due to Datavault under the two license agreements as of June 30, 2026. The Company had no amounts due from Datavault under either license agreement as of that date.

Vivasor Warrants

On April 30, 2026, Vivasor issued fully vested warrants to purchase an aggregate of 6,000,000 shares of Vivasor's Series A Common Stock to 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. The warrant issued to Dr. Ji covers 4,000,000 shares and the warrant issued to Mr. Ma covers 2,000,000 shares, each with an exercise price of $0.31 per share and a ten-year term expiring April 30, 2036. The Vivasor Warrants were fully vested upon issuance, are not subject to any future service, performance, or market condition, and were purchased by the holders for $50.00 per warrant. Dr. Ji

and Mr. Ma are considered related parties of the Company for purposes of ASC 850, Related Party Disclosures and Item 404 of Regulation S-K. For further discussion of this transaction, refer to Note 9.

Vivasor-Datavault Stock Subscription Agreement

On April 16, 2026, Vivasor entered into a Subscription Agreement with Datavault to issue 8,163,265 shares of Vivasor Series A Common Stock to Datavault at a contractual subscription price of $6.125 per share. As consideration for the Vivasor shares, Datavault agreed to issue 75,942,666 shares of its common stock to Vivasor. The transaction closed on April 23, 2026 (see Note 6). As Vivasor is a consolidated subsidiary of the Company, the Company includes Datavault Common Stock owned by Vivasor as part of the Company's total ownership in Datavault. As the share-for-share exchange was fully settled at closing on April 23, 2026, the Company had no amounts due to or from Datavault under the Subscription Agreement as of June 30, 2026. For further discussion of the accounting for this investment, refer to Notes 1, 5 and 6.

WorldXchain Corporation

In May 2026, Vivasor entered into the SPA Commitment and Technology Agreement with WorldXchain, located in San Diego, CA, pursuant to which WorldXchain agreed to sell, and Vivasor agreed to purchase 25,500,000 shares of WorldXchain Common Stock at $0.00001 per share and transfer certain technology, patents and know-how to WorldXchain. Henry Ji, Ph.D., is the sole agent and the Chief Executive Officer of WorldXchain. Dr. Ji is also the Company's Chief Executive Officer and President and Executive Chairperson of the board of directors of Vivasor. As a result WorldXchain is considered a related party of the Company for purposes of ASC 850, Related Party Disclosures, and Item 404 of Regulation S-K. As of June 30, 2026, no payment had been made and no shares had been issued under this agreement; accordingly, no amounts were due to or from WorldXchain. The transaction remains an unfunded commitment.

EcoExtract Corporation

In May 2026, Vivasor entered into the SPA Commitment with EcoExtract, located in San Diego, CA, pursuant to which EcoExtract agreed to sell, and Vivasor agreed to purchase 25,500,000 shares of EcoExtract Common Stock at $0.039216 per share for an aggregate purchase price of approximately $1.0 million. Henry Ji, Ph.D., has served as the sole agent and the Chief Executive Officer of EcoExtract since May 15, 2026. Dr. Ji is also the Company's Chief Executive Officer and President and Executive Chairperson of the board of directors of Vivasor. As a result EcoExtract is considered a related party of the Company for purposes of ASC 850, Related Party Disclosures, and Item 404 of Regulation S-K. As of June 30, 2026, no payment had been made under this agreement; accordingly, no amounts were due to or from EcoExtract. The full $1.0 million purchase price remained an unfunded commitment.

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 Chief Executive Officer and President 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 Vivasor, 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 transferred, and the shares were issued during the three months ended March 31, 2026. The Company recognized approximately $1.1 million of revenue in connection with this transaction during the six months ended June 30, 2026. As of June 30, 2026, the carrying value of the Company's investment in iLeukon was approximately $1.1 million. No amount was due from iLeukon as of June 30, 2026, as the contingent $1.0 million payment had not become due; that contingent milestone payment remains unrecognized as a receivable pending the Series A financing closing condition. For further discussion of the accounting for this investment, refer to Note 6.

EOS Technology Holdings Patent Agreement

On January 11, 2026 (the “Effective Date”), the Company entered into the Agreement with EOS. Under the Agreement, EOS sold to the Company a single patent comprising a remote medication delivery system (i.e. the “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, including a pneumatic delivery system, a secured lockbox with biometric user authentication, and real-time patient monitoring via wearables and sensors to trigger medication delivery on an as-needed basis (refer to Note 4 for more details on the patent). Datavault’s Chief Executive Officer also serves as EOS’s Chief Executive Officer. The Company does not have any other existing agreements with EOS. EOS is considered a related party of the Company for 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 $1.1 million from two existing shareholders of Vivasor, Jaisim Shah and Three I Fund. During April 2026, the Company purchased a total of 1,032,994 shares of Vivasor Series A-2 Preferred Stock for total cash consideration of $2.4 million from three existing shareholders. During June 2026, the Company purchased a total of 203,382 shares of Vivasor Series A Common Stock for total cash consideration of $0.7 million from an existing shareholder. 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, which remained outstanding as of June 30, 2026. Mr. Shah, is the former Chief Executive Officer and President of the Company, who resigned on August 16, 2025, and the former Chief Executive Officer of Semnur, a subsidiary of the Company (see Note 3), he resigned on March 13, 2026; he currently serves as a consultant to the Company. Mr. Shah is considered a related party of the Company for purposes of ASC 850, Related Party Disclosures and Item 404 of Regulation S-K.

Quantum Scan Holdings, Inc.

In January 2026, the Company entered into certain transactions with 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.

FSF Warrant Purchase Agreement

On April 16, 2026, Henry Ji, Ph.D., Chief Executive Officer and President of the Company and Stephen Ma, 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. The $0.5 million purchase price was paid by Dr. Ji and Mr. Ma personally, and no further amounts remained due as of June 30, 2026. Dr. Ji and Mr. Ma are considered related parties of the Company for purposes of ASC 850, Related Party Disclosures and Item 404 of Regulation S-K.

15. Subsequent Events

QScan Stock Purchase Letter Agreement

On July 3, 2026, the Company and SCLX JV entered into a letter agreement with QScan, pursuant to which SCLX JV agreed to acquire shares of QScan Common Stock in exchange for 500,000 shares of common stock, par value $0.0001 per share, of the Company held by SCLX JV. Pursuant to the letter agreement, the shares acquired would be calculated as the market value of the 500,000 shares of common stock on the trading day, which is on July 3, 2026, divided by the price per share of QScan Common Stock, which is $0.14247 per share. As a result of SCLX JV's purchase of the QScan Common Stock, there was a corresponding reduction in the purchase price and the aggregate number of shares the Company would receive under the original agreement entered into by Scilex and QScan on January 29, 2026 (see Note 12). SCLX JV transferred the 500,000 shares of the Company's Common Stock to QScan on July 3, 2026.

Vivasor Stock Repurchase Agreement

On July 18, 2026, the Company entered into a stock repurchase agreement (the "Vivasor Repurchase Agreement") with Vivasor, pursuant to which the Company agreed to sell to Vivasor (i) 6,101,468 shares of Vivasor's Series A-1 Preferred Stock, par value $0.00001 per share, and (ii) 355,919 shares of Vivasor's Series A-2 Preferred Stock, par value $0.00001 per share, in each case which had been previously acquired by the Company in January 2026 (such previously acquired shares, collectively, the "Subject Shares"). Vivasor will purchase the Subject Shares from the Company for an aggregate purchase price of $12 million payable by wire transfer, by assignment of the shares of common stock of Datavault held by Vivasor, Inc., a subsidiary of Vivasor, or by any combination of such methods (the "Purchase Price"). The Vivasor Repurchase Agreement provides that the Purchase Price will be paid in tranches as follows: (i) $1.0 million on the effective date which has been paid; (ii) $5.0 million at any time on or before September 30, 2026; (iii) $2.0 million at any time after September 30, 2026 but on or before December 31, 2026; (iv) $2.0 million at any time after December 31, 2026 but on or before March 31, 2027; and (v) $1,999,960.07 at any time after March 31, 2027 but on or before June 30, 2027.

iHolding Group Term Sheet

On July 3, 2026, the Company entered into a term sheet with iHolding Group LLP ("iHolding"), in which iHolding agreed to invest $100 million in the Company through the purchase of newly issued common shares of the Company at a price of $15.00 per share, representing approximately 6,666,667 newly issued shares. Also on July 3, 2026, Semnur and iHolding entered into a term sheet, in which iHolding agreed to invest $100 million into Semnur through the purchase of newly issued common shares of Semnur at $10.00 per share, representing approximately 10,000,000 newly issued shares. Both term sheets have no fixed completion date.

StockBlock Securities Complaint

On July 21, 2026, StockBlock Securities, LLC ("StockBlock") filed a verified complaint against Scilex Holding Company in the Supreme Court of the State of New York, County of New York, captioned StockBlock Securities, LLC v. Scilex Holding Company. StockBlock alleges that Scilex Holding Company breached an exclusive engagement agreement with StockBlcok by failing to pay fees owed in connection with modifications to a promissory note between Scilex and Oramed Pharmaceuticals Inc., and by negotiating a $100 million stock purchase transaction with a third-party investor without StockBlock's involvement, in violation of the agreement's exclusivity provisions. StockBlock asserts two causes of action for breach of contract under New York law and seeks compensatory damages of not less than $9,940,260, plus attorneys' fees and costs. Scilex's deadline to respond to the complaint is presently September 10, 2026. Scilex is currently evaluating the complaint and contemplating its response, including defenses and any applicable counterclaims. It is too early to make any determination as to legal risk or potential liability.

DataMeds AI Letter of Intent

As previously disclosed in Note 12, on May 20, 2026, Wellgistics (n/k/a DataMeds AI, Inc.) entered into a Fully Binding Term Sheet with the Company, EOS, Datavault, HBA and Fortitude, contemplating Wellgistics' acquisition of the QLPM intellectual property portfolio, an expansion of its PharmacyChain license with Datavault, and the acquisition of a controlling interest in HLH.

On July 29, 2026, the Company, DataMeds AI, Inc. (“DataMeds AI”), EOS, Datavault and HBA entered into an Amended and Restated Letter of Intent (the “A&R LOI”) that superseded and replaced the May 20, 2026 term sheet in its entirety. The core transaction is unchanged, but the consideration has been modified: the Company, EOS, Datavault and HBA will now receive DataMeds AI common stock directly. Target post-closing ownership percentages are unchanged (the Company, EOS and Datavault each approximately 19.9%, HBA 24.9%, Fortitude 5%, existing public stockholders 10.4%, on a fully diluted basis). The A&R LOI adds registration rights (Form S-3 filing within 45 days of closing, effectiveness targeted within 90 days, liquidated damages capped at 8%) and a six-month lock-up on shares held by the Company, Datavault, HBA, Fortitude and EOS affiliates. Exclusivity continues through September 30, 2026. The transaction remains subject to due diligence, definitive agreements, board and stockholder approvals, and a fairness opinion, and there is no assurance it will close on these terms or at all.

Vivasor Promissory Note

On August 8, 2026, the Company entered into a Promissory Note (Revolving Line of Credit) (the “ Vivasor Note”) with Vivasor, as borrower, pursuant to which the Company established in favor of Vivasor an uncommitted revolving line of credit in a maximum aggregate principal amount of up to $20,000,000 (the “Maximum Credit Amount”). The Vivasor Note has a stated maturity of 120 months from the Effective Date (the “Maturity Date”). The Vivasor Note evidences a revolving credit facility under which Vivasor may, from time to time prior to the Maturity Date, request advances (“Drawdowns”) in multiple borrowings, provided that the aggregate outstanding principal balance of all Drawdowns at any time shall not exceed the Maximum Credit Amount. Amounts repaid under the Vivasor Note may be reborrowed, subject to the terms of the Vivasor Note. Notwithstanding the foregoing, the Vivasor Note is uncommitted and the Company has no obligation to fund any Drawdown; each Drawdown will be funded only if, when and to the extent agreed by the Company in its sole discretion.

Any Drawdown that the Company agrees to fund may be funded, as determined by the Company, in (i) cash, (ii) freely tradable securities of the Company, (iii) shares of common stock of Datavault currently held by the Company or its subsidiaries, or (iv) any combination of the foregoing. Borrowings under the Vivasor Note bear interest on the outstanding principal balance at a rate of 5% per annum, with interest accruing on each Drawdown from the date such Drawdown is funded. All outstanding principal, together with all accrued and unpaid interest, is due and payable in full on the Maturity Date. Vivasor may prepay the Vivasor Note, in whole or in part, at any time without penalty or premium. The Vivasor Note provides that it shall become immediately due and payable upon the occurrence of certain customary events of default.

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.

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 34 people as of June 30, 2026, 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, reflecting 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 the safety, tolerability and preliminary efficacy of SP-103 in acute LBP associated with muscle spasms. SP-103 was safe and well tolerated. The threefold increase in lidocaine load in topical system, 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 of 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 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 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 $115.0 million and $44.0 million for the three months ended June 30, 2026 and 2025, and a net loss of $160.6 million and $70.1 million for the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026, we had an accumulated deficit of $1,078.6 million. As of June 30, 2026, we had cash and cash equivalents of approximately $0.6 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's 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 pursue its treasury strategy during 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 doing so would comply with federal rules and regulations and would not give 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

Vivasor Stock Repurchase Agreement

On July 18, 2026, the Company entered into a stock repurchase agreement (the "Vivasor Repurchase Agreement") with Vivasor, pursuant to which the Company agreed to sell to Vivasor (i) 6,101,468 shares of Vivasor's Series A-1 Preferred Stock, par value $0.00001 per share, and (ii) 355,919 shares of Vivasor's Series A-2 Preferred Stock, par value $0.00001 per share, in each case which had been previously acquired by the Company in January 2026 (such previously acquired shares, collectively, the "Subject Shares"). Vivasor will purchase the Subject Shares from the Company for an aggregate purchase price of $12 million payable by wire transfer, by assignment of the shares of common stock of Datavault held by Vivasor, Inc., a subsidiary of Vivasor, or by any combination of such methods (the "Purchase Price"). The Vivasor Repurchase Agreement provides that the Purchase Price will be paid in tranches as follows: (i) $1.0 million on effective date which has been paid; (ii) $5.0 million at any time on or before September 30, 2026; (iii) $2.0 million at any time after September 30, 2026 but on or before December 31, 2026; (iv) $2.0 million at any time after December 31, 2026 but on or before March 31, 2027; and (v) $1,999,960.07 at any time after March 31, 2027 but on or before June 30, 2027.

Upon closing of the Vivasor Repurchase Agreement, the Company will deconsolidate Vivasor and Vivasor's balances will be removed from the Company's consolidated balance sheets. As of June 30, 2026, balances for Vivasor include $0.5 million for cash and cash equivalents, $12.0 million for property and equipment, net, $3.9 million for inventory, $20.0 million for the Datavault license, $15.3 million for investment in Datavault, $37.0 million accounts payable, $39.9 million short-term debt, net of debt financing discount, $8.8 million accrued purchases, and $0.7 million accrued expenses.

iHolding Group LLP Term Sheet

On July 3, 2026, the Company and iHolding Group LLP ("iHolding") entered into a term sheet, pursuant to which iHolding would purchase an aggregate of 6,666,667 shares of Common Stock at $15.00 per share, for an aggregate purchase price equal to $100.0 million. Also on July 3, 2026, Semnur and iHolding entered into a term sheet, in which iHolding agreed to invest $100 million into Semnur through the purchase of newly issued common shares of Semnur at $10.00 per share, representing approximately 10,000,000 newly issued shares. Both term sheets have no fixed completion date.

The proposed investments remain subject to further negotiation between the Company and iHolding, the completion of customary due diligence, the execution of definitive agreements, board approvals, and other customary closing conditions, including receipt of the Company's stockholders' approval and any required regulatory approvals.

Components of Our Results of Operations

Net Revenue

Net revenue primarily consists of product sales of ZTlido and ELYXYB in the United States and contract service revenue. For product sales of ZTlido and ELYXYB, 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, cost of fulfilling custom orders such as raw materials, 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 Expenses

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 Expenses

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.

Intangible Amortization Expense

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.

Legal Settlements

Legal settlements consist of gains on litigation settlements. We recognized $0.1 million in gains on litigation settlements for the six months ended June 30, 2025, with no comparable activity for the six months ended June 30, 2026. See Note 12 titled "*Commitments and Contingencies*" to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Other (Income) Expense

(Gain) Loss on Derivative Liability

(Gain) loss on derivative liability includes the remeasurement of the derivative warrant liability. See Note 5 titled "*Fair Value Measurements*" to our unaudited condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Loss on Compound Derivative of Scilex-St. James Loans

Loss on compound derivative of Scilex-St. James Loans relates to the termination of the 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 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 $29.5 million principal amount and paid in kind interest outstanding as of June 30, 2026, (ii) the senior secured convertible notes issued in October 2024 in the principal amount of $50.0 million (the "Tranche B Notes") with $12.6 million principal amount outstanding as of June 30, 2026, (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.

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.

Unrealized Loss on Digital Assets, net

Unrealized loss on digital assets, net relates to unrealized losses on Bitcoin and other digital coins held during the period, which are remeasured at fair value each reporting period with changes recognized in earnings. 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 carried at fair value, net

Unrealized loss on equity method investments (or "EMI") relates 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) Loss on Equity Method Investments carried at fair value, net

Realized (gain) loss on equity method investments (or "EMI") related to realized gains and 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) Loss on Securities

Realized (gain) loss on securities related to realized gains and losses on AARDVARK Therapeutics series B preferred securities sold during the period.

Interest Expense

Interest expense for the three and six months ended June 30, 2026, primarily consists of interest on Vivasor debts, interest on the balances due for government and commercial rebate programs, interest related to the deferred consideration for the GLOPERBA license acquired from Romeg in 2022.

Interest expense for the three and six months ended June 30, 2025 consists of interest on the balances due for government and commercial rebate programs and interest related to the deferred consideration for the 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

Other expense, net for the three and six months ended June 30, 2026, primarily consists of change in fair value related to the Datavault common stock warrant asset.

Results of Operations for the Three Months ended June 30, 2026 and 2025

The following tables summarize our results of operations for the three months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		
	2026	2025	Changes
Statements of Operations Data:			
Net revenue	$ 7,642	$ 9,896	$ (2,254)
Operating costs and expenses:			
Cost of revenue	3,677	3,272	405
Research and development	3,336	6,187	(2,851)
Selling, general and administrative	27,960	19,841	8,119
Intangible amortization	2,092	1,008	1,084
Legal settlements	—	95	(95)
Total operating costs and expenses	37,065	30,403	6,662
Loss from operations	(29,423)	(20,507)	(8,916)
Other (income) expense, net:			
Loss on derivative liability	6,644	12,375	(5,731)
Loss on compound derivative of Scilex-St. James Loans	6,930	—	6,930
Change in fair value of debt and liability instruments	232	8,366	(8,134)
Loss on foreign currency exchange	150	99	51
Unrealized loss on digital assets, net	9,258	—	9,258
Unrealized loss on equity method investments carried at fair value, net	50,737	—	50,737
Realized loss on equity method investments carried at fair value, net	5,254	—	5,254
Realized gain on securities	(5)	—	(5)
Interest Expense	6,104	2,682	3,422
Other expense, net	252	—	252
Total other (income) expense, net	85,556	23,522	62,034
Loss before income taxes	(114,979)	(44,029)	(70,950)
Income tax expense	7	19	(12)
Net loss	$ (114,986)	$ (44,048)	$ (70,938)

Comparison of the Three Months Ended June 30, 2026 and 2025

Net Revenue

The following table summarizes net revenue by product for the three months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		
	2026	2025	Increase (Decrease)
ZTlido			
Net Revenue	$ 5,017	$ 9,055	$ (4,038)
ELYXYB			
Net Revenue	1,144	910	234
GLOPERBA			
Net Revenue	—	(69)	69
Vivasor Contract Revenue			
Net Revenue	1,481	—	1,481
Total Net Revenue	$ 7,642	$ 9,896	$ (2,254)

Net revenue for the three months ended June 30, 2026 and 2025 was $7.6 million and $9.9 million, respectively. The decrease of $2.3 million was primarily related to a $4.0 million decrease in net product sales of ZTlido, partially offset by $1.5 million net contract revenue from Vivasor, a $0.2 million increase in net product sales of ELYXYB and a $0.1 million favorable change in GLOPERBA net revenue. The decrease in net sales for our commercial products was mainly driven by a delay in ZTlido's inventory shipment from Japan.

Cost of Revenue

	Three Months Ended June 30,		
	2026	2025	Increase (Decrease)
ZTlido			
Cost of Revenue	$ 1,443	$ 1,504	$ (61)
Cost of Revenue - Royalties	973	1,611	(638)
Other Cost of Revenue	—	16	(16)
Total ZTlido	2,416	3,131	(715)
ELYXYB			
Cost of Revenue	50	65	(15)
Cost of Revenue - Royalties	92	73	19
Total ELYXYB	142	138	4
GLOPERBA			
Cost of Revenue	—	3	(3)
Total GLOPERBA	—	3	(3)
Vivasor Contract Revenue			
Cost of Revenue	1,119	—	1,119
Total Vivasor Contract Revenue	1,119	—	1,119
Total Cost of Revenue	$ 3,677	$ 3,272	$ 405

Cost of revenue for the three months ended June 30, 2026 and 2025 was $3.7 million and $3.3 million, respectively. Cost of revenue increased by $0.4 million, mainly due to cost related to Vivasor contract revenue of $1.1 million, partially offset by a decrease of $0.7 million in ZTlido's cost of revenue, primarily driven by a decrease in gross product sales due to delayed inventory shipment.

Research and Development Expenses

The following table summarizes research and development expenses by project for the three months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		
	2026	2025	Increase (Decrease)
SP-102			
Contracted R&D	$ 517	$ 102	$ 415
Personnel	610	365	245
Other	122	35	87
Total SP-102	1,249	502	747
SP-103			
Contracted R&D	52	241	(189)
Personnel	150	234	(84)
Other	32	58	(26)
Total SP-103	234	533	(299)
SP-104			
Contracted R&D	1	(71)	72
Personnel	5	4	1
Other	6	14	(8)
Total SP-104	12	(53)	65
GLOPERBA			
Contracted R&D	34	197	(163)
Personnel	15	158	(143)
Other	4	28	(24)
Total GLOPERBA	53	383	(330)
ELYXYB			
Contracted R&D	73	122	(49)
Personnel	149	227	(78)
Other	50	41	9
Total ELYXYB	272	390	(118)
R&D Discovery Project			
Contracted R&D	503	32	471
Personnel	515	40	475
Other	498	4,360	(3,862)
Total R&D Discovery Project	1,516	4,432	(2,916)
Total Research and Development Expenses	$ 3,336	$ 6,187	$ (2,851)

Research and development expenses for the three months ended June 30, 2026 and 2025 were $3.3 million and $6.2 million, respectively. The decrease was primarily attributed to the acquisition costs for the KDS2010 license in 2025, partially offset by increased staffing cost related to SP-102.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended June 30, 2026 and 2025 were $28.0 million and $19.8 million, respectively. The increase of approximately $8.2 million was primarily due to a $2.6 million increase in legal expenses, a $1.3 million increase in advisory and financing expense,a $1.1 million increase in facility expense, a $1.1 million of settlement expense related to Vivasor repurchasing its preferred shares from third-party shareholders, a $1.2 million increase in contract services, a $0.5 million increase in insurance expense, a $0.4 million increase in product promotions expense, a $0.3 million increase in personnel expenses, and a $0.2 million increase in other expense, partially offset by a $0.6 million decrease in travel expenses in the three months ended June 30, 2026.

Intangible Amortization Expense

Intangible amortization expense for the three months ended June 30, 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 and the EOS Technology Holdings patent. See Note 3 titled "*Acquisitions*" and 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.

Legal Settlements

Legal settlements for the three months ended June 30, 2026 and 2025 were nil and $0.1 million, respectively. The

decrease was attributed to payments made for a litigation settlement that was entered into during the second quarter of 2025. The terms of the settlement are confidential. See Note 12 titled "*Commitments and Contingencies*" to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Loss on Derivative Liability

Loss on derivative liability for the three months ended June 30, 2026 and 2025 was $6.6 million and $12.4 million, respectively. The loss recognized during the three months ended June 30, 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 loss recognized during the three months ended June 30, 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 Common Warrants, the Deposit Warrant, the October 2024 Noteholder Warrants and the December 2024 RDO Common Warrants (each as defined below).

Loss on compound derivative of Scilex-St. James Loans

Loss on compound derivative of Scilex-St. James Loans for the three months ended June 30, 2026 and 2025 was $6.9 million and nil, respectively. Compound derivative of $6.9 million for the three months ended June 30, 2026 was attributed to the change in the fair value for 10,000,000 shares of Datavault common stock that was related to termination of the 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 June 30, 2026 and 2025 was $0.2 million and $8.4 million, respectively. The loss recognized during the three months ended June 30, 2026 was attributed to losses of $0.1 million for the Tranche B Notes, and $0.2 million for the purchased revenue liability pursuant to the ZTlido Royalty Purchase Agreement, partially offset by gain of $0.1 million in change in fair value of the Oramed Note. The loss recognized during the three months ended June 30, 2025 was attributed to losses of $3.5 million for the Oramed Note, $0.6 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 and $4.2 million in change in fair value of the Tranche B Notes.

Loss on Foreign Currency Exchange

Loss on foreign currency exchange of $0.2 million and $0.1 million for the three months ended June 30, 2026 and 2025, respectively, 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.

Unrealized Loss on Digital Assets, net

Unrealized loss on digital assets for the three months ended June 30, 2026 and 2025 was $9.3 million, and nil, respectively. The unrealized loss during the three months ended June 30, 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 June 30, 2026 and 2025 was $50.7 million and nil, respectively. The unrealized loss during the three months ended June 30, 2026 was attributed to the unrealized loss on Datavault investment held that had depreciated in value.

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

Realized loss on equity method investments for the three months ended June 30, 2026 and 2025 was $5.3 million and nil, respectively. The realized loss during the three months ended June 30, 2026 was attributed to the realized loss on Datavault investment sold that had depreciated in value, partially offset by realized gain on write-off of 10,000,000

shares of Datavault common stock that was related to termination of the Scilex-St. James Loan Agreement on March 16, 2026.

Realized Gain on Securities

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

Interest Expense

Interest expense for the three months ended June 30, 2026 was $6.1 million, primarily consisted 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 a $1.0 million fee to extend the Oramed debt (refer to Note 8 for further details), and a $0.4 million decrease in the fair value of the Datavault warrant asset. Interest expense of $2.7 million for the three months ended June 30, 2025 primarily consists of the interest on the balances due for government and commercial rebate programs.

Other Expense, Net

Other expense, net for the three months ended June 30, 2026 was $0.3 million, primarily consists of change in fair value related to the Datavault common stock warrant asset.

Results of Operations for the Six Months Ended June 30, 2026 and 2025

The following tables summarize our results of operations for the six months ended June 30, 2026 and 2025 (in thousands):

	Six Months Ended June 30,		
	2026	2025	Changes
Statements of Operations Data:			
Net revenue	$ 16,255	$ 14,900	$ 1,355
Operating costs and expenses:			
Cost of revenue	8,124	4,656	3,468
Research and development	6,546	8,643	(2,097)
Selling, general and administrative	58,993	47,901	11,092
Intangible amortization	4,184	2,010	2,174
Legal settlements	—	95	(95)
Total operating costs and expenses	77,847	63,305	14,542
Loss from operations	(61,592)	(48,405)	(13,187)
Other (income) expense, net:			
(Gain) loss on derivative liability	(19,065)	1,966	(21,031)
Loss on compound derivative of Scilex-St. James Loans	28,759	—	28,759
Change in fair value of debt and liability instruments	3,029	14,480	(11,451)
Loss on foreign currency exchange	429	95	334
Unrealized loss on digital assets, net	27,322	—	27,322
Unrealized loss on equity method investments carried at fair value, net	82,447	—	82,447
Realized gain on equity method investments carried at fair value, net	(37,084)	—	(37,084)
Realized loss on securities	3,066	—	3,066
Interest Expense	11,560	5,163	6,397
Other income, net	(1,426)	—	(1,426)
Total other (income) expense, net	99,037	21,704	77,333
Loss before income taxes	(160,629)	(70,109)	(90,520)
Income tax expense	7	19	(12)
Net loss	$ (160,636)	$ (70,128)	$ (90,508)

Comparison of the Six months Ended June 30, 2026 and 2025

Net Revenue

The following table summarizes net revenue by product for the six months ended June 30, 2026 and 2025 (in thousands):

	Six Months Ended June 30,		
	2026	2025	Increase (Decrease)
ZTlido			
Net Revenue	10,140	$ 13,042	$ (2,902)
ELYXYB			
Net Revenue	2,275	1,750	$ 525
GLOPERBA			
Net Revenue	—	108	$ (108)
Vivasor Contract Revenue			
Net Revenue	3,840	—	$ 3,840
Total Net Revenue	$ 16,255	$ 14,900	$ 1,355

Net revenue for the six months ended June 30, 2026 and 2025 was $16.3 million and $14.9 million, respectively. The increase of $1.4 million was primarily related to a $3.8 million contract revenue from Vivasor and an increase of $0.5 million in net product sales of Elyxyb, partially offset by a $2.9 million decrease in net product sales of ZTlido due to a delay in inventory shipment from Japan, and a $0.1 million decrease in net product sales of Gloperba.

Cost of Revenue

	Six Months Ended June 30,		
	2026	2025	Increase (Decrease)
ZTlido			
Cost of Revenue	$ 3,297	$ 2,074	$ 1,223
Cost of Revenue - Royalties	1,868	2,313	(445)
Other Cost of Revenue	7	26	(19)
Total ZTlido	5,172	4,413	759
ELYXYB			
Cost of Revenue	102	95	7
Cost of Revenue - Royalties	183	140	43
Total ELYXYB	285	235	50
GLOPERBA			
Cost of Revenue	—	8	(8)
Total GLOPERBA	—	8	(8)
Vivasor Contract Revenue			
Cost of Revenue	2,667	—	2,667
Total Vivasor Contract Revenue	2,667	—	2,667
Total Cost of Revenue	$ 8,124	$ 4,656	$ 3,468

Cost of revenue for the six months ended June 30, 2026 and 2025 was $8.1 million and $4.7 million, respectively. Cost of revenue increased by $2.7 million for Vivasor Contract Revenue and for ZTlido increased by $0.8 million, primarily driven by an increase in shipping cost.

Research and Development Expenses

The following table summarizes research and development expenses by project for the six months ended June 30, 2026 and 2025 (in thousands):

	Six Months Ended June 30,		
	2026	2025	Increase (Decrease)
SP-102			
Contracted R&D	$ 1,272	$ 177	$ 1,095
Personnel	969	469	500
Other	274	43	231
Total SP-102	2,515	689	1,826
SP-103			
Contracted R&D	199	529	(330)
Personnel	357	533	(176)
Other	82	104	(22)
Total SP-103	638	1,166	(528)
SP-104			
Contracted R&D	2	(47)	49
Personnel	14	65	(51)
Other	14	23	(9)
Total SP-104	30	41	(11)
GLOPERBA			
Contracted R&D	72	269	(197)
Personnel	141	380	(239)
Other	9	618	(609)
Total GLOPERBA	222	1,267	(1,045)
ELYXYB			
Contracted R&D	275	199	76
Personnel	318	513	(195)
Other	114	187	(73)
Total ELYXYB	707	899	(192)
R&D Discovery Project			
Contracted R&D	591	67	524
Personnel	1,006	147	859
Other	837	4,367	(3,530)
Total R&D Discovery Project	2,434	4,581	(2,147)
Total Research and Development Expenses	$ 6,546	$ 8,643	$ (2,097)

Research and development expenses for the six months ended June 30, 2026 and 2025 were $6.5 million and $8.6 million, respectively. The decrease was primarily attributed to additional expenses related to KDS2010 purchased by Scilex Bio in 2025.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the six months ended June 30, 2026 and 2025 were $59.0 million and $47.9 million, respectively. The increase of approximately $11.1 million was primarily due to a $4.1 million increase in advisory and financing expenses, a $2.2 million increase in facility expense, a $1.9 million increase in contract service, a $2.1 million increase in legal fees, a $1.1 million increase in subscription expense, a $1.1 million of settlement expense related to Vivasor repurchasing its preferred shares from third-party shareholders, a $1.1 million increase in depreciation expense mainly related to Vivasor, and $0.2 million increase in other expenses, partially offset by a $1.4 million decrease in personnel cost and a $1.3 million decrease in travel cost in the six months ended June 30, 2026.

Intangible Amortization Expense

Intangible amortization expense for each of the six months ended June 30, 2026 and 2025 was $4.2 million and $2.0 million, respectively. The increase of $2.2 million is related to the amortization of the Datavault acquired license and the EOS Technology Holdings patent (see Note 3 titled "Acquisitions" and 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).

Legal Settlements

Legal settlements for the six months ended June 30, 2026 and 2025 were nil and $0.1 million, respectively. The $0.1 million payments made for a litigation settlement that was entered into during the second quarter of 2025, the terms of which are confidential. See Note 12 titled "*Commitments and Contingencies*" to our consolidated financial statements in our Annual Report on Form 10-K and Note 12 titled "*Commitments and Contingencies*" to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

(Gain) Loss on Derivative Liability

(Gain) Loss on derivative liability for the six months ended June 30, 2026 and 2025 were ($19.1) million and $2.0 million, respectively. The gain recognized during the six months ended June 30, 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 loss recognized during the six months ended June 30, 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 Common Warrants, 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 six months ended June 30, 2026 and 2025 was $28.8 million and nil, respectively. Compound derivative of $28.8 million for the six months ended June 30, 2026 was attributed to the termination of the 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 six months ended June 30, 2026 and 2025 was $3.0 million and $14.5 million, respectively. The loss recognized during the six months ended June 30, 2026 was attributed to losses of $1.1 million for the Oramed Note, $1.0 million in change in fair value of the Tranche B Notes $0.9 million for the purchased revenue liability pursuant to the ZTlido Royalty Purchase Agreement, and $0.2 million for the purchased revenue liability pursuant to the Gloperba-Elyxyb Royalty Purchase Agreement. The loss recognized during the six months ended June 30, 2025, was attributed to losses of $6.3 million for the Oramed Note, $1.4 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 and $6.7 million in change in fair value of the Tranche B Notes.

Loss on Foreign Currency Exchange

Loss on foreign currency exchange of $0.4 million and $0.1 million for the six months ended June 30, 2026 and 2025, respectively, 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.

Unrealized Loss on Digital Assets, net

Unrealized loss on digital assets for the six months ended June 30, 2026 and 2025 was $27.3 million, and nil, respectively. The unrealized loss during the six months ended June 30, 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 six months ended June 30, 2026 and 2025 was $82.4 million and nil, respectively. The unrealized loss during the six months ended June 30, 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 six months ended June 30, 2026 and 2025 was $37.1 million and nil, respectively. The realized gain during the six months ended June 30, 2026 was attributed to the realized gain on Datavault investment sold that had appreciated in value.

Realized Loss on Securities

Loss on securities for the six months ended June 30, 2026 and 2025 was $3.1 million and nil, respectively. The loss during the six months ended June 30, 2026 was related to realized losses on AARDVARK Therapeutics series B preferred securities sold during the period.

Interest Expense

Interest expense for the six months ended June 30, 2026 and 2025 was $11.6 million and $5.2 million, respectively. Interest expense for the six months ended June 30, 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. Interest expense also includes a $1.0 million fee for the extension of the Oramed debt. Interest expense of $5.2 million for the six months ended June 30, 2025 primarily consists of the interest on the balances due for government and commercial rebate programs.

Other Income, net

Other income, net for the six months ended June 30, 2026 and 2025 was $1.4 million and nil, respectively.Other income, net for the six months ended June 30, 2026 primarily relates to 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 six months ended June 30, 2026. The remaining $1.5 million obligation, now fixed and determinable, was reclassified from contingent consideration to accounts payable as of June 30, 2026.

Liquidity and Capital Resources

As of June 30, 2026, we had cash and cash equivalents of approximately $0.6 million.

We have funded our operations in the six months ended June 30, 2026 primarily through equity and debt financings pursuant to the Scilex-St. James Loans (as defined below), as well as sale of Datavault common stock and collections on account receivable. 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 June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026	December 31, 2025
Oramed Note (outstanding principal balance and paid in kind interest: $29.5 million and $28.2 million as of June 30, 2026 and December 31, 2025, respectively)	$ 28,768	$ 27,688
Tranche B Notes (outstanding principal balance: $12.6 million and $17.9 million as of June 30, 2026 and December 31, 2025, respectively)	12,140	17,500
Promissory Notes	2,231	3,517
Purchased Revenue Liability	8,198	8,400
Deferred Consideration with Romeg	2,240	2,448
Vivasor Related Debt, net of discount (outstanding principal balance: $45.9 million and $47.0 million as of June 30, 2026 and December 31, 2025, respectively)	39,898	39,020
Total indebtedness	$ 93,475	$ 98,574

The Oramed Note

As of June 30, 2026, the fair value of the Oramed Note outstanding was $28.8 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 June 30, 2026, the fair value of the Tranche B Notes outstanding was $12.1 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 June 30, 2026, the carrying value of the Promissory Notes outstanding was $2.2 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 June 30, 2026, the fair value of the purchased revenue liability was $8.2 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 June 30, 2026, we have $2.2 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 June 30, 2026, the aggregated outstanding principal balance of the Vivasor-related debt, net of debt discount was $39.9 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 $50.0 million in one or more tranches (the "Scilex-St. James Loans"). As of June 30, 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 six months ended June 30, 2026 and 2025, Scilex Pharma made royalty payments in the amount of $2.4 million and $1.9 million, respectively. As of June 30, 2026 and December 31, 2025, Scilex Pharma had ending balances of accrued royalty payables of $1.6 million and $2.1 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 six months ended June 30, 2026 and 2025, we made royalty payments in the amount of $0.0 million and $0.1 million, respectively. As of each of June 30, 2026 and December 31, 2025, we had ending balances of accrued royalty payables of $0.4 million and $0.2 million.

On June 14, 2022, the Company entered into a License and Commercialization Agreement, as amended by that certain First Amendment to License and Commercialization Agreement, dated as of January 16, 2025 (such agreement, as amended, the "Romeg License Agreement"), with Romeg, under which the Company in-lciensed, certain intellectual property rights from Romeg with respect to the commercialization of GLOPERBA and acquired 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 six months ended June 30, 2026 and 2025, we made royalty payments in the amount of $0.3 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 consist 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.

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 $0.2 million 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 $15.0 million, 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 34,286 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 $22.5 million, 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 $22.5 million.

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 them or their 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 $1.0 million in 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. We shall also be responsible for the payment of a $2.0 million 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 by the Tranche B Letter Agreement, 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 pursuant to which Oramed agreed to purchase warrants to acquire 50,000 shares of common stock of Scilex, par value $0.0001 per share, at 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), in exchange for which Oramed deferred its right to receive the Second 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 753,009 shares of Common Stock, (ii) pre-funded warrants to purchase up to 68,604 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 $20.65. 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.

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 November 2025 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;
- the extent and scope of our general and administrative expenses; and
- our commitment to provide funding to third-parties

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 June 30, 2026, we would receive up to an aggregate of approximately $73.5 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 $397.89 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 $397.89 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 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):

	Six Months Ended June 30,	
	2026	**2025**
Cash Flow Data:		
Net cash (used for) proceeds from operating activities	$ (7,844)	$ 13,057
Net cash used for investing activities	(709)	(548)
Net cash provided by (used for) financing activities	4,661	(11,682)
Foreign currency translation adjustment	(497)	—
Net change in cash and cash equivalents	$ (4,389)	$ 827

Cash Flows from Operating Activities

For the six months ended June 30, 2026, net cash used in operating activities was approximately $7.8 million, attributable to our net loss of $160.6 million, partially offset by the changes in operating assets and liabilities that provided $44.8 million of cash and other non-cash reconciling items of $108.0 million related to transaction costs expensed related to amortization of debt issuance costs and debt discount, non-cash interest expense for deferred consideration, stock-based compensation, loss on disposition of property and equipment, gain on derivative liability, loss on compound derivative of Scilex-St. James Loans, losses on sale of securities, change in fair value of debt and liability instruments, change in fair value of digital assets, contingent consideration, dividend payable and equity investments, depreciation and amortization and non-cash operating lease cost, non-cash revenue, allowances for expected credit losses and gain from property in kind dividend.

For the six months ended June 30, 2025, net cash proceeds from operating activities were approximately $13.1 million, attributable to the changes in operating assets and liabilities that provided $48.8 million of cash and other non-cash reconciling items of $34.4 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 $70.1 million.

Cash Flows from Investing Activities

For the six months ended June 30, 2026, net cash used for investing activities was approximately $0.7 million and was related to the issuance of a convertible note receivable to QScan of $20.0 million, purchases of digital assets of $18.7 million, payments made for an intangible asset of $2.9 million, repayment of a promissory note of $1.4 million, payment made for the Datavault license of $6.3 million, purchase of preferred shares of Vivasor of $0.3 million, purchases of property and equipment of $0.6 million, $0.3 million related to payments of deferred consideration for the Romeg intangible asset acquisition under the Romeg License Agreement and a $0.5 million payment made for PA OPS Investment, partially offset net proceeds from the by sale of Datavault shares for cash of $47.3 million, net and the sale of marketable securities of $3.0 million.

For the six months ended June 30, 2025, net cash used for investing activities was approximately $0.5 million and was related to the $0.2 million purchase of Gloperba Ex-U.S. rights, in-process research and development assets and $0.3 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 six months ended June 30, 2026, net cash provided by financing activities was approximately $4.7 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 for the issuance of shares to a third-party attributable to the non-controlling interest in Vivasor and $0.1 million related to proceeds from the issuance of Vivasor debt, partially offset by a $6.3 million repayment of borrowings under the Tranche B Notes, a $1.2 million payment under the ZTlido Royalty Purchase Agreement and Gloperba-Elyxyb Royalty Purchase Agreement, a $2.5 million repayment of borrowings under the Vivasor related debt and $2.4 million related to the repurchase of Vivasor preferred shares.

For the six months ended June 30, 2025, net cash used for financing activities was approximately $11.7 million and was primarily related to a $8.8 million repayment of borrowings under the Tranche B Notes, a $1.2 million payment under the ZTlido Royalty Purchase Agreement and Gloperba-Elyxyb Royalty Purchase Agreement, a $0.7 million payment of transaction costs in connection with the share repurchase, a $0.7 million payment of excise tax on the share repurchase and a $0.3 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 six months ended June 30, 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 June 30, 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 12 *"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 six months ended June 30, 2026 and 2025, we had

net losses of $160.6 million and $70.1 million, respectively. As of June 30, 2026 and December 31, 2025, we had an accumulated deficit of $1,078.6 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) the 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.

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 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 sales of shares pursuant to that certain at-the-market sales agreement entered into on December 22, 2023, by and among the Company, B. Riley Securities, Inc., Cantor Fitzgerald & Co. and H.C. Wainwright & Co., LLC (the "ATM Sales Agreement") (which agreement was voluntarily terminated by us effective as of March 5, 2025), that occurred in April 2024, June 2024, and January 2024, respectively, we made mandatory prepayments of $9.6 million, $7.0 million and $1.8 million, respectively, to Oramed, which equaled 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 $50.0 million (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 $22.5 million, and additional principal payments of an aggregate amount of $15.0 million were

made in November and December 2024. As of June 30, 2026, the outstanding principal amount, as well as the accrued interest and fees, of the Oramed Note was $29.5 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 September 30, 2026, pursuant to an amendment letter we entered into with Oramed, dated as of June 25, 2026. 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 the Tranche B Note were extended to April 20, 2026. On June 25, 2026, Oramed further extended the due dates of Note A and the April 1, 2026 and July 1, 2026 amortization payments due under the Tranche B Note to September 30, 2026. See Note 8 titled "Debt" 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, 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 on Form 10-K). 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 that restrict, among other things, us and our subsidiaries from incurring indebtedness or liens, repaying certain indebtedness, or declaring or paying any cash dividends or distributions, selling or otherwise disposing of any assets, and 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 June 30, 2026, our cash and cash equivalents were approximately $0.6 million and we had an accumulated deficit of $1,078.6 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 $1,078.6 million as of June 30, 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 August 12, 2026, our closing stock price ranged from $2.48 to $322.54. 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 June 30, 2026, we have 6,958,204 outstanding SPAC Warrants, consisting of 5,958,204 Public Warrants and 1,000,000 Private 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 $397.89 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 $397.89 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 June 30, 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, and (iv) 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 107,142 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 $1.0 billion. 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.

We have entered into several term sheets and a letter of intent relating to proposed strategic transactions, but we may not execute definitive agreements with respect to one or more of such transactions, and any such transaction may not be completed on the terms contemplated by such term sheets or at all.

Since March 31, 2026, we have entered into several term sheets and a letter of intent relating to proposed strategic transactions, including a (i) binding term sheet with Datavault AI Inc. (“Datavault”), dated April 26, 2026, regarding a proposed $120.0 million cash contribution by us to Datavault and a revenue participation arrangement pursuant to which we would be entitled to a percentage of gross revenues recognized by Datavault attributable exclusively to Datavault’s Quantum-Edge Network, (ii) a binding term sheet with Datavault, dated June 24, 2026, regarding our proposed purchase of 837 Bitcoin from Datavault for an aggregate purchase price of $50.0 million to be paid by us in multiple tranches through December 31, 2028, (iii) a binding term sheet with iHolding Group LLP regarding a proposed $100.0 million investment in the Company through the purchase of approximately 6,666,667 newly issued shares of Common Stock at a purchase price of $15.00 per share, and (iv) a binding term sheet between our subsidiary Semnur Pharmaceuticals, Inc. (“Semnur”) and iHolding Group LLP regarding a proposed $100 million in Semnur through the purchase of newly issued common shares of Semnur at $10.00 per share, representing approximately 10,000,000 newly issued shares (the term sheets and letter of intent referenced in the preceding clauses (i) through (iv), collectively, the “Term Sheets” and the transactions contemplated thereby, the “Proposed Transactions”). See Notes 12 and 15 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for more information regarding the Proposed Transactions.

The Term Sheets contemplate the execution of definitive agreements with respect to the applicable transactions, which are expected to include customary representations, warranties, covenants, indemnification provisions, and closing conditions for such transactions. The Proposed Transactions remain subject to further negotiation, regulatory and corporate approvals, market conditions, and other customary conditions outside the Company’s control. As of the date of this Quarterly Report on Form 10-Q, no definitive agreement for any of the Proposed Transactions has been entered into and there can be no assurance that definitive agreements for such transactions will be executed or that the Proposed Transactions will be consummated on the terms set forth in the applicable Term Sheet or at all.

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 June 30, 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 June 30, 2026.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the fiscal quarter ended June 30, 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#	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).
2.2	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 June 27, 2022).
2.3#	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).
2.4^#	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).
2.5#	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).
2.6#	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).
2.7#	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).
2.8	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).
2.9	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).
3.1	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).
3.2	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).
3.3	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).
3.4	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).
3.5	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).

Exhibit Number	Description
3.6	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).
4.1	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).
4.2	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).
4.3	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).
4.4	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).
4.5	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).
4.6	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).
4.7	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).
4.8	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).
4.9	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).
4.10	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).
4.11	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).
4.12	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).
4.13	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).
4.14	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).
4.15	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).
4.16	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).
4.17	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).
4.18	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).
4.19	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).

Exhibit Number	Description
4.20	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).
4.21	Convertible Promissory Note, dated January 29, 2026, issued by Quantum Scan Holdings, Inc. in favor of Scilex Holding Company (incorporated by reference to Exhibit 4.21 of our Quarterly Report on Form 10-Q (File No. 001-39852), filed with the SEC on May 20, 2026).
4.22	Warrant to Purchase Common Stock, issued on February 19, 2026 to Oramed Pharmaceuticals, Inc. (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on February 20, 2026).
10.1+	Binding Term Sheet, dated April 26, 2026, by and between Scilex Holding Company and Datavault AI Inc.
10.2	Stock Acquisition Agreement, dated May 4, 2026, by and among Phoenix Asia Holdings Limited, ACEA Pharma, Inc. and ACEA Therapeutics, Inc. (incorporated by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q (File No. 001-39852), filed with the SEC on May 20, 2026).
10.3+	Binding Term Sheet, dated June 24, 2026, by and between Scilex Holding Company and Datavault AI Inc.
10.4+	Term Sheet, dated July 03, 2026, by and between Scilex Holding Company and iHolding Group LLP.
10.5*	Scilex Holding Company 2022 Equity Incentive Plan, as amended (incorporated by reference to Exhibit 4.4 of our Registration Statement on Form S-8 (File No. 333-297137), filed with the SEC on June 30, 2026).
10.6	Stock Repurchase Agreement, dated July 18, 2026, by and among Vivasor Holding Company, Vivasor, Inc. and Scilex Holding Company (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K (File No. 001-39852), filed with the SEC on July 22, 2026).
31.1+	Certification of Henry Ji, Ph.D., Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of Stephen Ma, Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1++	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.
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.
* Indicates a management contract or compensatory plan.
^ 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.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 14, 2026

Scilex Holding Company

By: /s/ Henry Ji, Ph.D.
Henry Ji, Ph.D.
Chief Executive Officer and President
(Principal Executive Officer)

August 14, 2026

By: /s/ Stephen Ma
Stephen Ma
Chief Financial Officer
(Principal Financial Officer)

BINDING TERM SHEET
DATAVAULT AI INC. – SCILEX HOLDING COMPANY

Dated: April 26, 2026

This binding term sheet (this "Term Sheet") sets forth the principal terms upon which Scilex Holding Company, a Delaware corporation ("Scilex"), proposes to make an upfront cash contribution to Datavault AI Inc., a Delaware corporation ("Datavault" and, together with Scilex, the "Parties" and each, a "Party"), in exchange for the right to receive certain payments tied to revenues generated by Datavault's quantum-ready edge network, on the terms and subject to the conditions set forth below (the "Transaction").

Term	Description
Parties	**Datavault**: Datavault AI Inc., a Delaware corporation. **Scilex**: Scilex Holding Company, a Delaware corporation.
Transaction	At the closing of the Transaction (the "**Closing**"), Scilex will make an upfront cash contribution to Datavault in the amount of $120,000,000 (the "**Upfront Payment**"), and, in consideration therefor, Datavault will pay to Scilex the Scilex Payments (as defined below) on the terms set forth herein.
Use of Proceeds	Datavault will use the Upfront Payment exclusively to fully fund the deployment of Datavault's quantum-ready GPU infrastructure across an estimated 100 cities in the United States (the "**Quantum-Ready Edge Network**"), including purchase 48,000 H200 GPUs from Available Infrastructures (with 24,000 H200 GPUs in stock at Available's warehouse and the additional 24,000 H200 GPUs to be purchased at pre-fixed price per GPU. Total 48,000 GPUs have a current market value at approximately $2.4 billion), build-out, equipment, related working capital, and reasonable overhead expenses directly attributable thereto. It is projected by Available Infrastructures that the Quantum-Ready Edge Network has an annual revenue potential of $10 billion to $100 billion. The Upfront Payment is securitized by the total GPUs in stock and to be purchased until Scilex receives $180,000,000 from the Scilex Payments as described below.
Revenue Share	From and after the Closing, Datavault will pay to Scilex an amount equal to: - 30% of all gross revenues recognized by Datavault attributable exclusively to the 100 city Quantum-Ready Edge Network ("**Network Revenues**"), payable until the

Term	Description
	aggregate amount of such payments received by Scilex equals $250,000,000 (the "**Interim Cap**"); - Once the Interim Cap is reached, 15% of Network Revenues, payable until the aggregate amount of such payments received by Scilex (when combined with amounts applied to the Interim Cap) equals $1,200,000,000 (the "**Additional Cap**"); and - Once the Additional Cap is reached, 5% of Network Revenues, payable during the lifetime of the GPUs purchased using the Upfront Payment (together with the payments toward the Interim Cap and the Additional Cap, the "**Scilex Payments**").
Network Revenues	"Network Revenues" will be defined in the Definitive Agreement and is expected to mean all gross revenues recognized by Datavault in accordance with U.S. generally accepted accounting principles ("**GAAP**") attributable to products, services, licenses, subscriptions, fees, and other amounts derived exclusively from or relating to the Quantum-Ready Edge Network, subject to such customary inclusions, exclusions, deductions, and adjustments (including for taxes, returns, refunds, chargebacks, and pass-through amounts) as may be agreed in the Definitive Agreement.
Payment Terms	Scilex Payments will be paid in U.S. dollars by wire transfer of immediately available funds to an account designated by Scilex, on a quarterly basis by fifteen (15) days after Datavault's actual receipt of the applicable Network Revenues, accompanied by a written statement setting forth in reasonable detail the calculation of the applicable portion of Scilex Payments.
Reporting; Audit Rights	Datavault will maintain books and records sufficient to determine Network Revenues and the calculation of Scilex Payments. Scilex will have customary audit rights, exercisable not more frequently than once per calendar year on reasonable prior notice and during normal business hours, with audit costs borne by Scilex; provided that, in the case of any underpayment in excess of 5% for the audited period, Datavault will reimburse Scilex for the reasonable costs of such audit and promptly pay the underpaid amount, together with interest at the prime rate plus 2%.
Closing	Subject to satisfaction or waiver of the Conditions to Closing (as defined below), the Parties anticipate that Scilex will fund the Upfront Payment in multiple closings with the final Closing will occur no later than December 31, 2026. Each closing will be

Term	Description
	executed with sufficient timeliness to support all payments required by Available Infrastructure prior to December 31, 2026.
Conditions to Closing	The Closing will be subject to the satisfaction or waiver of customary closing conditions for transactions of this type, including, without limitation: (i) negotiation, execution, and delivery of the Definitive Agreement; (ii) accuracy in all material respects of representations and warranties at signing and at the Closing; (iii) compliance in all material respects with covenants; (iv) receipt of all required corporate, regulatory, stockholder, and third-party consents and approvals; (v) absence of any law, order, or injunction prohibiting the Transaction; and (vi) the absence of any material adverse change with respect to Datavault or the Quantum-Ready Edge Network.
Definitive Agreement	The Parties will negotiate in good faith and use commercially reasonable efforts to enter into a definitive agreement (the "**Definitive Agreement**") reflecting the terms set forth herein and containing such other representations, warranties, covenants (including customary affirmative and negative operating covenants of Datavault relating to the Quantum-Ready Edge Network), indemnities, conditions, termination rights, and other provisions as are customary for transactions of this type.
Due Diligence	From the date hereof until the Closing or the earlier termination of negotiations, Datavault will provide Scilex and its representatives with reasonable access, during normal business hours and upon reasonable advance notice, to the books, records, properties, personnel, and advisors of Datavault as Scilex may reasonably request in connection with its due diligence review of Datavault and the Quantum-Ready Edge Network.
Expenses	Each Party will bear its own costs and expenses (including, without limitation, fees and expenses of counsel, accountants, financial advisors, and other advisors) incurred in connection with the negotiation, preparation, and execution of this Term Sheet, the Definitive Agreement, and the consummation of the Transaction, whether or not the Transaction is consummated.
Public Announcements	Neither Party will issue any press release or make any other public statement regarding this Term Sheet or the Transaction without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned, or delayed), except as required by applicable law, regulation, or stock exchange rule, in which case the disclosing Party will, to the extent permitted,

Term	Description
	consult with the other Party in advance regarding the timing and content of such disclosure.
Governing Law	This Term Sheet, and any dispute, claim, or controversy arising out of or relating hereto (whether sounding in contract, tort, or otherwise), will be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles.
Jurisdiction; Waiver of Jury Trial	Each Party irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware (or, if such court declines jurisdiction, the federal and state courts located in the State of Delaware) in connection with any dispute arising out of or relating to this Term Sheet. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH PROCEEDING.
Entire Agreement	This Term Sheet, together with the Confidentiality Agreement, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, among the Parties with respect thereto.
Amendment	This Term Sheet may not be amended, modified, or supplemented except by a written instrument signed by both Parties.
Counterparts	This Term Sheet may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Signatures delivered by electronic transmission (including PDF or DocuSign or similar electronic signature platform) will be deemed original signatures for all purposes hereunder.

IN WITNESS WHEREOF, the Parties have executed this Term Sheet as of the date first written above.

DATAVAULT AI INC.

By: /s/ Nathaniel Bradley
Name: Nathaniel Bradley
Title: CEO

SCILEX HOLDING COMPANY

By: /s/ Henry Ji, Ph.D.
Name: Henry Ji, Ph.D.
Title: CEO

Exhibit 10.3

BINDING TERM SHEET
DATAVAULT AI INC. – SCILEX HOLDING COMPANY
Dated: June 24, 2026

This binding term sheet (this "**Term Sheet**") sets forth the principal terms upon which Scilex Holding Company, a Delaware corporation ("**Scilex**"), proposes to make cash or Scilex's common stock or its subsidiaries' publicly traded securities contribution to Datavault AI Inc., a Delaware corporation ("**Datavault**" and, together with Scilex, the "**Parties**" and each, a "**Party**"), in exchange for the Bitcoins (BTC) currently held in Datavault's Biconomy digital wallet (the "**Wallet**"), on the terms and subject to the conditions set forth below (the "**Transaction**").

Term	Description
Parties	**Datavault**: Datavault AI Inc., a Delaware corporation. **Scilex**: Scilex Holding Company, a Delaware corporation.
Transaction	At the closing of the Transaction (the "**Closing**"): 1. Total BTC purchase from Datavault's Wallet in the amount of $50 million for 837 BTC. 2. Scilex will make the first payment in the amount of $30 million as soon as permitted for the BTC purchase from Datavault. 3. The remaining $20 million will be paid quarterly for the BTC purchases

	3. The remaining $20 million will be paid quarterly for the BTC purchases from Datavault, starting Q4-2026 with completion of all BTC purchased in the Wallet by December 31, 2028. 4. Payment of BTC shall be in cash or freely tradable Scilex common stock or its subsidiaries' publicly traded securities or combination thereof at the discretion of Scilex.
Definitive Agreement	The Parties will negotiate in good faith and use commercially reasonable efforts to enter into a definitive agreement (the "**Definitive Agreement**") reflecting the terms set forth herein and containing such other representations, warranties, covenants, indemnities, conditions, termination rights, and other provisions as are customary for transactions of this type.

Exhibit 10.3

Expenses	Each Party will bear its own costs and expenses (including, without limitation, fees and expenses of counsel, accountants, financial advisors, and other advisors) incurred in connection with the negotiation, preparation, and execution of this Term Sheet, the Definitive Agreement, and the consummation of the Transaction, whether or not the Transaction is consummated.
Public Announcements	Neither Party will issue any press release or make any other public statement regarding this Term Sheet or the Transaction without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned, or delayed), except as required by applicable law, regulation, or stock exchange rule, in which case the disclosing Party will, to the extent permitted, consult with the other Party in advance regarding the timing and content of such disclosure.
Governing Law	This Term Sheet, and any dispute, claim, or controversy arising out of or relating hereto (whether sounding in contract, tort, or otherwise), will be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles.
Jurisdiction; Waiver of Jury Trial	Each Party irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware (or, if such court declines jurisdiction, the

	federal and state courts located in the State of Delaware) in connection with any dispute arising out of or relating to this Term Sheet. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH PROCEEDING.
Entire Agreement	This Term Sheet, together with the Confidentiality Agreement, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, among the Parties with respect thereto.

Exhibit 10.3

Amendment	This Term Sheet may not be amended, modified, or supplemented except by a written instrument signed by both Parties.
Counterparts	This Term Sheet may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Signatures delivered by electronic transmission (including PDF or DocuSign or similar electronic signature platform) will be deemed original signatures for all purposes hereunder.

Exhibit 10.3

IN WITNESS WHEREOF, the Parties have executed this Term Sheet as of the date first written above.

DATAVAULT AI INC.
By: /s/ Nathaniel Bradley____ Name: Nathaniel Bradley
Title: CEO

SCILEX HOLDING COMPANY
By: /s/ Henry Ji, Ph.D. __ Name: Henry Ji, Ph.D.
Title: CEO

TERM SHEET
Strategic Investment into Scilex Holding Company

Date: 3 July 2026

1. Parties

Investor
iHolding Group LLP
420 Tattimbet Street
Medeu District
Almaty
Republic of Kazakhstan

Company
Scilex Holding Company

2. Transaction

The Investor agrees to invest the sum of US$100,000,000 into the Company through the acquisition of newly issued equity securities of the Company.

3. Purchase Price

The investment shall be made at a price of US$15.00 per share. Based upon the investment amount, the Investor shall receive approximately 6,666,667 shares.

4. Security

The securities issued pursuant to this investment shall consist of newly issued common shares of the Company, unless otherwise mutually agreed in writing between the parties.

5. Purpose of Investment

- **Expansion of healthcare and medical technology initiatives;**
- **Product development and commercialization;**
- **Acquisitions and strategic partnerships;**
- **Working capital and operational growth;**
- **Intellectual property expansion;**
- **General corporate purposes.**

6. Scilex Products and Pipeline

Existing Commercial Products:

1. ZTlido® (1.8% lidocaine topical system equivalent to 5% lidocaine) for the treatment of Postherpetic Neuralgia-PHN related pain.

2. ELYXYB™ (celecoxib) oral solution for acute treatment of migraine

3. GLOPERBA® (colchicine USP) oral solution for the prevention of painful gout flares in adults

Development Stage Products / Technologies:

1. SP-103 is the Next-Generation, 5.4% Lidocaine Topical System

4. SP-104 is a novel delayed-release formulation of low-dose naltrexone hydrochloride for the treatment of fibromyalgia, which remains a largely unmet medical need given the low response rates of commercially available therapies.

Intellectual Property/ Patents
____See IP Summary Report____
____
____

7. Due Diligence and Information Rights

The Company shall provide the Investor and its advisors with reasonable access to financial, legal, operational, regulatory, intellectual property, and commercial information reasonably requested by the Investor. The Company shall provide the Investor and its advisors with reasonable access to financial, legal, operational, regulatory, intellectual property, and commercial information reasonably requested by the Investor. The Company shall establish and maintain a secure electronic data room containing all material corporate, financial, legal, regulatory, tax, operational, intellectual property, commercial, and compliance documents relating to the Company and its business. The Investor and its designated representatives, advisors, consultants, and legal counsel shall be granted full and unrestricted access to such data room throughout the due diligence process and until the completion or termination of the proposed transaction. The Company shall promptly upload and update all requested documents, records, agreements, licenses, permits, filings, correspondence, and other information necessary for the Investor to conduct a comprehensive due diligence review.

8. Registration Rights

The Investor shall receive customary registration rights relating to the shares acquired pursuant to this investment.

9. Definitive Agreements

The parties agree to negotiate in good faith and this Term Sheet is subjected to agreed definitive agreements and subject to due diligence.

10. No Fixed Completion Date

There shall be no mandatory fixed completion date for the transaction contemplated herein.

11. Confidentiality

The existence and contents of this Term Sheet and related discussions shall remain confidential.

12. Commitment and Strategic Relationship

The Company acknowledges that the identity, reputation, strategic relationships, governmental contacts, commercial standing and proposed investment of iHolding Group LLP constitute valuable commercial assets. Unless and until the Investment has been fully completed and all investment funds have been irrevocably received, the Company shall not, without the Investor's prior written consent: (a) use the proposed investment to induce or persuade any third party to invest, lend or otherwise transact with the Company; or (b) use the proposed investment to establish, preserve or enhance the ownership percentage, valuation or negotiating position of any shareholder, prospective shareholder, investor, founder, executive, affiliate or other person.

13. No Third-Party Reliance

No shareholder, investor, lender, founder, director, officer, affiliate or other third party shall be entitled to rely upon the proposed investment by the Investor for determining valuation, ownership, financing capacity or any commercial arrangement unless and until the Investment has completed.

14. No Assignment or Use of Investor Commitment

The Company shall not assign, pledge, transfer or otherwise use this Term Sheet or the proposed investment in connection with any financing, merger, acquisition, restructuring or other transaction involving a third party without the Investor's prior written consent.

15. No Third-Party Benefit

Nothing in this Term Sheet confers any right or benefit on any third party arising from the proposed investment by the Investor.

16. Exclusivity

The Company shall not knowingly solicit or enter into competing transactions substantially similar to the transaction within 30 days from signing of this Term Sheet.

17. Representations

Each party represents that it has full authority and capacity to enter into this Term Sheet.

18. Expenses

Each party shall bear its own legal, advisory, accounting, and transactional expenses unless otherwise agreed.

19. Governing Law

This Term Sheet shall be governed by the laws of the State of New York, United States of America.

20. Binding Effect

This Term Sheet constitutes a legally binding agreement between the parties upon execution, subject to definitive agreements.

If the parties are unable to agree definitive agreements for any reason, either party may terminate discussions without liability, and neither party shall have any obligation to complete the proposed investment.

"Notwithstanding any termination of this Term Sheet, Clauses 11 (Confidentiality), 12 (Commitment and Strategic Relationship), 13 (No Third-Party Reliance), 14 (No Assignment or Use of Investor Commitment), 15 (No Third-Party Benefit), 18 (Expenses) and 19 (Governing Law) shall survive termination and remain fully enforceable. The Investor shall be entitled to injunctive relief and all other remedies available at law or in equity for any breach of such clauses."

EXECUTED AND AGREED

IHOLDING GROUP LLP	**IHOLDING GROUP LLP**
By: /s/ Byron Byrd	**By: /s/ Alain Khoueiry**
Name: Byron Byrd	**Name: Alain Khoueiry**
Title: Chief Executive Officer	**Title: Chairman**

Date: 3 July 2026 **Date: 3 July 2026**

SCILEX HOLDING COMPANY

By: /s/ Henry Ji, Ph.D.

Name: Henry Ji, Ph.D.

Title: Chairman & CEO

Date: July 2, 2026

Exhibit 31.1

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, Ph.D.
Henry Ji, Ph.D.
Chief Executive Officer and President
(Principal Executive Officer)

Dated: August 14, 2026

Exhibit 31.2

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: August 14, 2026

Exhibit 32.1

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 SARBANES-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 June 30, 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: August 14, 2026

/s/ Henry Ji, Ph.D.
Henry Ji, Ph.D.
Chief Executive Officer and President
(Principal Executive Officer)

Date: August 14, 2026

/s/Stephen Ma
Stephen Ma
Chief Financial Officer
(Principal Financial Officer)