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Scilex Holdings - Distressed for All the Wrong Reasons: SEMDEXA for Sciatica Could be Big— Initiating with a Buy Rating and $22.00 Price Target

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Scilex Holding Company is trading at a distressed valuation over past controversies, now ancient history. Today, the company has a diverse portfolio of non-opioid pain management and ethical therapeutics, three of which are marketed products. The lead product is **ZTlido**, a topical lidocaine patch for post-herpetic neuralgia (PHN). We see the potential for expansion into neck and back pain (real-world use), especially as the high dose version is commercialized, we assume in 2028; **Elyxyb** (oral celecoxib for migraines), here too, with potential expansion to acute pain such as tension headaches, and **Gloperba** (oral colchicine for gout prophylaxis) with a differentiated profile that allows easy dose titration. We see a gem in the clinical-stage product **SEMDEXA** (dexamethasone gel, Phase 3 positive for sciatica), which we view as a blockbuster opportunity. We are launching coverage with a Buy rating and $22.00 price target.

The company's marketed products include:

1. **ZTlido**: A cutting-edge topical lidocaine patch specifically designed to address neuropathic pain, such as post-herpetic neuralgia (PHN).
2. **Elyxyb**: An oral liquid formulation of celecoxib, a COX-2 inhibitor originally branded as Celebrex by Pfizer, targeted at providing rapid relief for migraines.
3. **Gloperba**: An oral colchicine solution indicated for gout prophylaxis.

Scilex is advancing its clinical-stage programs. We focus on:

1. **SEMDEXA (SP-102)**: A dexamethasone gel for injection that has already demonstrated positive Phase 3 results for sciatica and lumbar radicular pain. We view SEMDEXA as a potential blockbuster therapy for the 10 million annual patients who currently seek epidural steroid injections for back pain every year.
2. **SP-103**: A triple-strength medicated lidocaine patch in Phase 2 development, aiming to provide effective relief for acute lower back pain.

Unlocking Value Potential: Scilex Holding Company is strategically positioned to unlock significant shareholder value through the potential spinout or IPO of its wholly owned subsidiary, Scilex Pharmaceuticals Inc., leveraging a portfolio of FDA-approved products, a robust pipeline, and strong market growth opportunities.

Valuation: We model the approved products. We apply a probability of success factor of 70% in our models to reflect market share risk (and, in some cases, clinical risk). We use a 30% discount rate (r). We then apply these projections to our Free Cash Flow to the firm, or FCFF discounted EPS or dEPS, and sum-of-the-parts or SOP models, which are equal-weighted, averaged, and rounded to the nearest whole number to derive our 12-month price target of $22.00.

Risk Factors: These include Clinical/Regulatory Risk, Partnership and Financial Risk, Commercial Risk, Legal and Intellectual Property Risk, and Market Share Risk

MARKET DATA

Rating	Buy
Price Target	$22.00
Price	$0.44
Average Daily Volume (000)	1,996
52-Week Range ($)	$0.38–$2.63
Market Cap (M)	$81
Enterprise Value (M)	$182
Book Value	$(1.73)
Dividend Yield	0.0%
Cash (M)	$0
Qrtly Burn Rate (M)	$92,236

ESTIMATES

	2024A	2025E	2026E
Total Revenues (M)	$57	$217	$459
Total Expenses (M)	$(72)	$389	$268
GAAP EPS	$(0.72)	$1.83	$0.93

One Year Performance Chart

Source: FactSet, 24 January 2025

Please see analyst certification and important disclosures on page 14 of this report.

Company Overview: Scilex Holding Company (SCLX) is a California-based specialty pharmaceutical company dedicated to revolutionizing pain management with non-opioid treatment solutions for a wide range of acute and chronic conditions.

Scilex's commercialized products include **ZTlido (1.8% lidocaine topical system)** for postherpetic neuralgia (PHN), **ELYXYB (celecoxib oral solution)** for acute migraine treatment, and **GLOPERBA (oral colchicine solution)** for gout prophylaxis. These products address significant unmet needs in pain management while avoiding the risks associated with opioid therapies.

Scilex's **Gloperba®** is the first and only liquid oral formulation of colchicine approved for the prophylaxis of painful gout flares in adults. It offers a convenient and effective treatment option for patients with gout, addressing a well-defined area of unmet medical need. The gout market is expected to reach $2.0 billion in the U.S. by 2028, and Gloperba® is positioned to capitalize on this growing demand, providing a critical solution for patients managing this painful and chronic condition.

Scilex Pharmaceuticals' **ELYXYB®** is the only FDA-approved, ready-to-use oral solution for the acute treatment of migraine with or without aura in adults. As a first-line treatment, ELYXYB® offers rapid relief for migraine sufferers, addressing a significant need in the $1.8 billion U.S. oral migraine drug market. The product's quick onset of action and convenience make it an important option for those seeking effective migraine management. Additionally, ELYXYB® is expected to receive approval in Canada in early 2025, expanding its market potential.

The centerpiece of Scilex's growth strategy is **SEMDEXA (SP-102)**, a groundbreaking non-opioid injectable corticosteroid gel developed to treat lumbosacral radicular pain (sciatica). As the first corticosteroid designed specifically for epidural use, SEMDEXA has demonstrated a statistically significant reduction in pain and a clean safety profile in Phase 3 trials. With over 12 million off-label epidural steroid injections administered annually in the U.S., SEMDEXA has the potential to redefine the standard of care for sciatica and achieve blockbuster sales exceeding $1 billion annually if approved. Scilex anticipates launching SEMDEXA by 2027, following the completion of a Phase 3 safety study and regulatory filings.

Scilex's pipeline includes:

- **SP-103**: A triple-strength topical lidocaine patch targeting chronic neck pain, advancing to Phase 3 trials by early 2025.
- **SP-104**: A delayed-release low-dose naltrexone for fibromyalgia, representing a novel therapeutic approach for this condition.
- **SP-105**: An adjunct to ELYXYB aimed at expanding its indication to acute pain management.

Denali SPAC Transaction: On August 30, 2024, Semnur Pharmaceuticals, Inc., a wholly owned subsidiary of Scilex Holding Company (Nasdaq: SCLX), and Denali Capital Acquisition Corp. (Nasdaq: DECA), a special purpose acquisition company (SPAC), announced the signing of a Business Combination Agreement—this proposed merger values Semnur at a pre-transaction equity of $2.5 billion. According to independent market research conducted by Syneos Health Consulting in 2020 and 2021, the potential utilization of SP-102 (SEMDEXA), Semnur's lead product candidate for the treatment of sciatica, is projected to generate annual sales of $1.5 billion to $2.0 billion by its fifth year of launch. Scilex and Denali filed the initial Form S-4 with the Securities and Exchange Commission (SEC) on October 25, 2024, and the transaction is expected to close in the first or second quarter of 2025. Additionally, Scilex's Board of Directors has authorized a resolution to consider a potential dividend of up to 10% of Scilex's ownership interest in Semnur in connection with transactions such as the merger. This dividend is contingent on the registration of Semnur's common stock or equivalent securities with the SEC. However, no record date has been set for this dividend, and Scilex's Board retains the discretion to proceed with its issuance.

Why does Scilex trade at a distressed valuation? Scilex Holding Company's distressed valuation is largely a result of a combination of factors, including challenges related to investor confidence, market conditions, and strategic decisions. The company has faced market volatility, with some concerns about its clinical pipeline and product commercialization prospects. Despite having FDA-approved products such as ZTlido, ELYXYB, and Gloperba, there have been challenges in translating these approvals into sustained revenue growth. Additionally, investor sentiment around biotech companies can be sensitive to broader market conditions, such as interest rate hikes or regulatory delays, which may have put downward pressure on Scilex's valuation.

Another key factor contributing to Scilex's current situation is its connection to Sorrento Therapeutics (SRNE-Not Rated), a company that has faced its own challenges, including financial struggles and market volatility. Scilex was originally a subsidiary of Sorrento and was part of the broader corporate restructuring efforts as Sorrento sought to streamline its operations. In 2021, Scilex spun off from Sorrento as an independent entity, which involved the transfer of assets and commercialization rights, including the three approved products and the pipeline for SP-103 (Semdexa), which we believe has the potential to be a blockbuster drug for the treatment of sciatica, degenerative disc disease — back pain.

While Scilex retains a relationship with Sorrento, this historical connection has had mixed implications for its perception in the market. Sorrento itself had been facing its own financial difficulties, including liquidity concerns, which may have affected Scilex's ability to differentiate itself as a standalone company. As a result, some market participants may have associated Scilex with the volatility and risk factors tied to its former parent company, contributing to its distressed valuation.

Additionally, Scilex's leadership has been working on various strategic alternatives, such as a potential spinoff or IPO, to unlock more value and enhance shareholder confidence, but these efforts are still in development. The market has been cautious, leading to a lower valuation.

Ultimately, while Scilex possesses promising products, its past ties with Sorrento and the current challenges facing both companies have contributed to the distressed valuation. The upcoming strategic steps, such as an IPO or spinout, could play a significant role in reshaping Scilex's market positioning and improving investor sentiment over time.

Exhibit 1. Scilex Strategic Plans: Scilex Holding Company announced that its Board of Directors has authorized management to explore options for maximizing the value of its wholly owned subsidiary, Scilex Pharmaceuticals Inc., which may include a spinoff or public listing of Scilex Pharmaceuticals' securities.

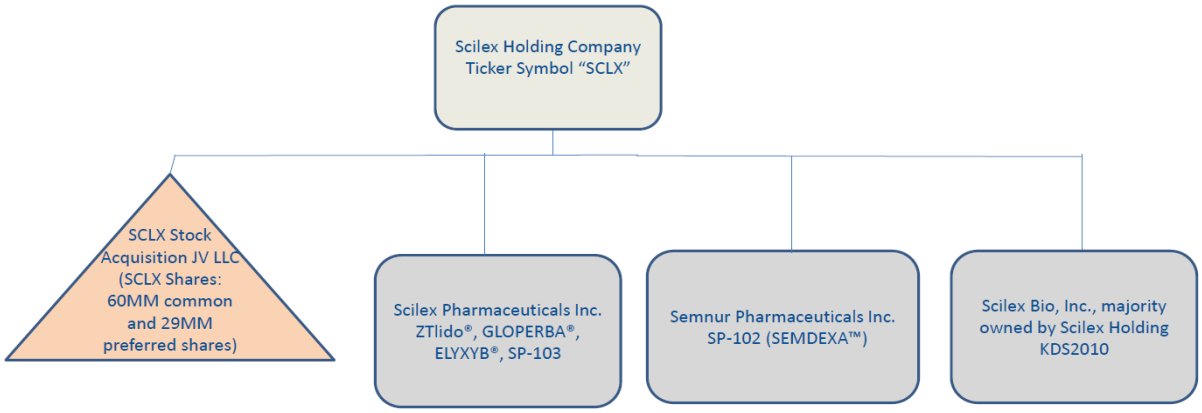
Scilex Pharmaceuticals Exploring a Spinoff or IPO

SCILEX HOLDING COMPANY

- Scilex Holding Company Announces that its Board of Directors has Authorized Management to Explore Ways to Maximize the Value of its Wholly Owned Subsidiary, Scilex Pharmaceuticals Inc., including by way of conducting a spinoff or public listing of securities of Scilex Pharmaceuticals Inc. Scilex Pharmaceuticals Commercial Products Include Three Non-Opioid Approved Products and Pipeline of Phase 3 Ready SP-103 With Greater Than a $1.0 Billion Revenue Potential.
- Scilex Pharma has three FDA-approved commercial products in the market and 3X version follow-on product, SP-103, for the next generation of ZTlido®:
  - ZTlido® (lidocaine topical system) 1.8%, a prescription lidocaine topical product for the relief of neuropathic pain associated with postherpetic neuralgia, which is a form of post-shingles nerve pain with an average of 50% growth in gross sales for the past two years, estimated to exceed $180 million gross sales in 2024.
  - ZTlido® is expected to be distributed outside of the U.S. in 2025 with exclusive territory distributors in the Middle East and North/South Africa countries with a $105 million minimum 5 year purchase commitment.
  - 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 U.S. oral migraine drug market size was estimated to be $1.8 billion in 2022.
  - ELYXYB® filed a New Drug Submission (NDS) to Health Canada's Pharmaceutical Drugs Directorate, Bureau of Cardiology, Allergy and Neurological Sciences for the approval of for acute treatment of migraine with or without aura in Canada.
    - The anticipated timeline for approval in Canada is expected to be Q1-2025
    - According to market data from 2018, it was found that migraine was more severe than other types of headaches and it is estimated to have impacted more than 2.7 million Canadians with the Canadian migraine therapeutics market estimated to reach approximately $400 million by 2025.
  - Gloperba®, the first and only liquid oral version of the anti-gout medicine colchicine indicated for the prophylaxis of painful gout flares in adults. The gout treatment market is projected to reach $2.0 billion in the U.S. by 2028 with a well-defined area of unmet need
  - SP-103 (lidocaine topical system) 5.4%, ("SP-103"), a next-generation, triple-strength formulation of ZTlido, for the treatment of acute pain with projected peak sales of $1.2 billion

Source: Scilex Holding Company

Exhibit 2. Scilex Holding Company encompasses multiple entities, each focusing on a specific area within pain management and therapeutic innovation. Scilex Pharmaceuticals, Inc. leads the development and commercialization of non-opioid pain management therapies, including ZTlido® (Lidocaine Topical System 1.8%), a lidocaine patch for post-herpetic neuralgia, and ELYXYB® (Celecoxib Oral Solution), a treatment for acute migraines. It utilizes proprietary technology platforms to improve drug delivery and patient outcomes. Semnur Pharmaceuticals, Inc. is dedicated to injectable therapies for chronic pain, with its lead candidate SP-102 (Corticosteroid Injectable Gel) targeting lower back pain and sciatica. This candidate is designed to provide a safer, more effective alternative to traditional steroid injections with extended efficacy and improved tolerability. Scilex Bio advances biologic therapies and next-generation pain management solutions, focusing on novel biologic mechanisms and drug platforms to address unmet medical needs. Together, these subsidiaries enable Scilex Holding Company to deliver a broad spectrum of innovative pain management solutions, ranging from topical and injectable treatments to biologics.



Source: Scilex Holding Company

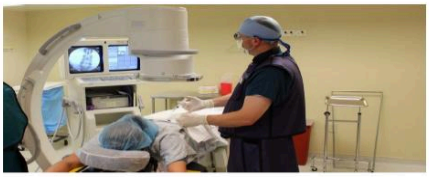
Exhibit 3. Scilex Pipeline

KEY PROGRAMS	PRECLINICAL / PHASE 1 / PHASE 2 / PHASE 3 / PIVOTAL / APPROVED	IP	MILESTONES / KEY COMMENTARY
ZTlido® (1.8% lidocaine topical system equivalent to 5% lidocaine)	Approved for the treatment of Postherpetic Neuralgia-PHN related pain	2031	Launched in the U.S. in October 2018
GLOPERBA® (colchicine USP) oral solution (For the prevention of painful gout flares in adults)	Approved for the prevention of painful gout flares in adults	2036	**2H 2022:** In-licensed U.S. rights **June 2024:** U.S. launch
ELYXYB® (celecoxib) oral solution (Acute Treatment of Migraine)	Approved for acute treatment of migraine Expected to file acute pain indication with FDA in 2H 2024	2036	**1Q 2023:** In-licensed U.S. / Canadian rights **2Q 2023:** U.S. launch **4Q 2023:** Canada filing **2025:** Acute pain filing
SP-102 (SEMDEXA™) (Lumbar Radicular / Sciatica Pain)	Fast Track	2036	**Scilex Pharmaceuticals has global promotional rights to SP-102 (SEMDEXA)** **2H 2023:** FDA agreed on NDA path **2024:** Finalizing Ph 3 safety trial NDA package
SP-103 Lidocaine Topical System 5.4% (3X) (Chronic Neck Pain)	Initiate Pivotal Trial for Neck Pain	2031	**2Q 2023:** Completed Two Positive Phase II trials **2025:** Initiate pivotal trial for acute pain **3Q 2022:** Received Fast Track for low back pain
SP-104, Delayed Burst Low Dose Naltrexone (Fibromyalgia)	Prepare Phase II Trial	2041	**1H 2022:** Completed Phase I trial(s)
KDS2010, Joint Venture Between Scilex Bio and IPMC for treatments for obesity, neurodegenerative, cardiometabolic disease	Global License Rights		

Source: Scilex Holding Company

Exhibit 4. SEMDEXA (SP-102) On-Track to be the First Product Approved to Treat Sciatica. SP-102 (SEMDEXA®) represents a groundbreaking advancement in the treatment of sciatica (lumbosacral radicular pain) with its novel, preservative-free, surfactant-free, and particulate-free dexamethasone gel formulation. Designed for extended local effect, SP-102 delivers durable pain relief and improved functionality from a single injection, demonstrating rapid onset and sustained efficacy over 12 weeks with reduced reliance on rescue therapies. Administered via a common epidural delivery in outpatient pain clinics, this minimally invasive treatment offers a favorable safety profile for both single and repeat injections, while its stable prefilled syringe format supports convenient refrigerated storage.

- SP-102 is a preservative free, surfactant free and particulate free viscous gel formulation of dexamethasone for sciatica (lumbosacral radicular pain).
- Extended local effect provides durable pain relief and significant improvement in functioning from a single injection with rapid onset.
- Improvement against placebo over 4 weeks and continued effect over 12 weeks with reduced use of rescue therapy.
- Good safety profile for single and repeat injections.
- Common epidural delivery by minimally invasive procedure conducted in outpatient pain clinics.
- Stable at refrigerated temperature in a prefilled syringe.



Source: Scilex Holding Company

Exhibit 5. SP-102 (SEMDEXA) represents a groundbreaking opportunity in the epidural steroid market, positioned to be the first and only FDA-approved epidural steroid product free from the neurotoxic preservatives, particulates, surfactants, and solvents present in currently used off-label products. Following a history of tragic incidents with compounded epidural steroids, which resulted in over 70 deaths due to fungal contamination in 2012, SP-102 offers a safer, more reliable alternative. With over 12 million epidural steroid injections performed annually in the U.S. alone, SP-102 addresses a significant unmet need, with no direct competition in this space. Scilex Pharmaceuticals holds global promotional rights to SP-102, which has already completed its Phase 3 CLEAR trial, received Fast Track status from the FDA, and secured both a method of use and formulation patent extending until 2036. The product's complex manufacturing process and significant barriers to entry further strengthen its market position.

Source: Scilex Holding Company

Exhibit 6. SEMDEXA is Special. SP-102 (SEMDEXA®) is positioned as a differentiated treatment for sciatica (lumbosacral radicular pain) due to its unique formulation and therapeutic benefits. Unlike traditional steroid injections, SP-102 is a preservative-free, surfactant-free, and particulate-free viscous gel, offering extended local action that provides sustained pain relief and significant functional improvement from a single injection. This differentiated approach results in a rapid onset of action with prolonged effectiveness, achieving superior outcomes over placebo in both short- and long-term pain management. The product's minimally invasive delivery via epidural injection in outpatient pain clinics, combined with its stable, prefilled syringe packaging, enhances convenience for both patients and healthcare providers. Furthermore, SP-102's favorable safety profile, including for repeat injections, positions it as a promising solution in the management of sciatica and related pain conditions, setting it apart from existing therapies in terms of both efficacy and patient experience.

Important Treatment Attributes	SP-102	Kenalog (triamcinolone)	Depo-Medrol (methylprednis-olone)	Dexameth-asone	Celestone (betamethasone)
FDA-approved for lumbosacral radicular pain	✓	–	–	–	–
Robust clinical data demonstrating safety and efficacy	✓	–	–	–	–
Fast onset of effect in LR with low spread	✓	–	–	–	–
Confirmed duration of efficacy	✓	–	–	–	–
Reduction in disability in LR	✓	–	–	–	–
Safe to administer repeat injections	✓				
Novel formulation with prolonged residency time at injection site	✓	–	–	–	–
No Surfactants	✓	–	–	–	–
No Preservatives	✓	–	–	–	–
No Particulates	✓	–	–	✓	–
Prefilled Syringe	✓	–	–	–	–

Source: Scilex Holding Company

Product Modeling Assumptions –

1. We model each of the approved products in the U.S. Marketplace. Ztilido for Neuropathic and Chronic pain, Elyxyb (Celecoxib) for migraine, Gloperba (Colchicine) for Chronic (and Acute) Ghout, and Semdexa (SP-102) for Degenerative Disc Disease – Sciatica – Pain.
2. Ztilido High and Low Dose formulations have the potential to address pain market opportunities from PNH to Neck and back pain. We assume on the low-dose side of the market pricing of $12 per patch and three patches per day, 90 patches per month, versus high dose patch at $18-25 per patch, two patches for 30 days). We assume the high-dose formulation will not be commercialized until 2028. We believe our market share estimates are conservative. For example, the high-dose patch that is effective in treating neck and or back pain is likely to be widely used and, as such, translates into blockbuster potential.
3. Elyxyb for Migraines. We view migraine market as the entry for this drug, which is likely to have utility beyond migraines to generalized pain, for example, tension headaches. We do not factor this into our model. We view the migraine market as promotionally sensitive and, right now, not a spending priority for the company, but over time, as the balance sheet builds, we see an opportunity to spend promotional dollars, which we believe can drive out year market share. For conservatism, we do not assume this currently.
4. Gloperba for Gout. Gloperba faces cheaper generic competition as a brand product; however, those products represent “pills” that are quite small and difficult to titrate (adjust dosage). Why does that matter? Gout suffers often face compromised kidney function (end-stage renal disease), and for these patients, the ability to titrate dosage can be critical. As such, we expect to see easier justification to payers for cost-benefit ratios for these patients. Diarrhea is a frequent side effect of these medications, and adjusting the dosage here, too, is desirable. Gloperba, as a liquid, is easy to titrate.
5. Semdexa has, in our opinion, blockbuster potential.
6. We assume a 70% probability of success factor for Elyxyb, Gloperba, and Semdexa as their product launches are in the early days or are about to launch (Semdexa).
7. For conservatism, we have not included any countries outside of the U.S.
8. Generally speaking, we feel that our models are conservative. We are using a 70% probability of success factor for approved products. We do this to reflect uncertainty around market penetration (markets hare) assumptions and clinical risk in the case of clinical products. We note that our valuation models further discount our valuation by applying a 30% discount rate across our estimates.
9. The cost of goods sold is, in -effect, high today as volumes are small. We assume that over time and with manufacturing efficiencies, COGS will fall to 10% in the out-years.
10. SG&A. We view the product portfolio as promotionally sensitive and see an opportunity to maintain spending to drive market share.
11. R&D. Spending here is conservative. We expect that as cash on the balance sheet grows, so will R&D spending.
12. Taxes. We assume a rising tax rate of 15%, initially offset by prior credits (NOLs).

Exhibit 7. U.S. Product Revenues Forecast

Ztilido	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Neuropathic & Chronic Pain Market - (seeking patches)	25,000,000	25,250,000	25,376,250	25,503,131	25,630,647	25,758,800	25,887,594	26,017,032	26,147,117	26,277,853	26,409,242	26,541,288	26,673,995
Growth Rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Low Dose Market Share	0%	0.1%	0.2%	0.5%	1%	1%	1%	1%	2%	2%	2%	2%	2%
High Dose Market Share	0%	0%	0%	0%	0%	2%	3%	4%	5%	6%	7%	8%	9%
Low Dose Uses	-	25,250	50,753	127,516	179,415	231,829	284,764	338,221	392,207	446,723	501,776	557,367	613,502
High Dose Users	-	-	-	-	-	515,176	776,628	1,040,681	1,307,356	1,576,671	1,848,647	2,123,303	2,400,660
Low Dose Annual Therapeutic Annual Cost ($12*3 per day * 90 days)	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240	$3,240
High Dose Price ($25 *2 *30)	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
Low Dose Revenues ('000)	$0	$81,810	$164,438	$413,151	$581,303	$751,127	$922,634	$1,095,837	$1,270,750	$1,447,384	$1,625,753	$1,805,869	$1,987,746
High Dose Revenues ('000)	$0	$0	$0	$0	$0	$772,764	$1,164,942	$1,561,022	$1,961,034	$2,365,007	$2,772,970	$3,184,955	$3,600,989
Probability of Success	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Total Revenues (M)	**$0**	**$57**	**$115**	**$289**	**$407**	**$1,067**	**$1,461**	**$1,860**	**$2,262**	**$2,669**	**$3,079**	**$3,494**	**$3,912**

Source: DBoralCapital Estimates

Elyxyb (Celecoxib)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Migraine Patients	17,000,000	17,170,000	17,341,700	17,515,117	17,690,268	17,867,171	18,045,843	18,226,301	18,408,564	18,592,650	18,778,576	18,966,362	19,156,026
Growth Rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Eligible Patients (Insurance & Other)	8,500,000	8,585,000	8,670,850	8,757,559	8,845,134	8,933,585	9,022,921	9,113,150	9,204,282	9,296,325	9,389,288	9,483,181	9,578,013
Market Share	0.00%	0.05%	0.06%	0.07%	0.08%	0.09%	0.10%	0.50%	0.75%	1.00%	1.01%	1.02%	1.03%
Patients	0	8,585	10,405	12,261	14,152	16,080	18,046	91,132	138,064	185,926	189,664	193,457	197,307
Annual Cost of Therapy	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800
Elyxb Revenues	$0	$41,208	$49,944	$58,851	$67,931	$77,186	$86,620	$437,431	$662,708	$892,447	$910,385	$928,593	$947,074
Probability of Success	70%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Total Revenues (M)	**$0**	**$37**	**$45**	**$53**	**$61**	**$69**	**$78**	**$394**	**$596**	**$803**	**$819**	**$836**	**$852**

Source: DBoralCapital Estimates

Gloperba (Colchicine)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Ghout Patients - prevalance	9,200,000	9,292,000	9,384,920	9,478,769	9,573,557	9,669,292	9,765,985	9,863,645	9,962,282	10,061,905	10,162,524	10,264,149	10,366,790
Growth Rate	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Eligible Patients (Insurance, Chronic & Other) 2/3	6,072,000	6,132,720	6,194,047	6,255,988	6,318,548	6,381,733	6,445,550	6,510,006	6,575,106	6,640,857	6,707,266	6,774,338	6,842,082
Market Share	0.03%	0.10%	0.30%	0.60%	1.00%	1.15%	1.35%	1.55%	1.75%	1.95%	2.15%	2.35%	2.55%
Patients (annual)	1,700	6,133	18,582	37,536	63,185	73,390	87,015	100,905	115,064	129,497	144,206	159,197	174,473
Price	$4,300	$4,343	$4,386	$4,430	$4,475	$4,519	$4,565	$4,610	$4,656	$4,703	$4,750	$4,797	$4,845
Gloperba Revenues	$7,311	$26,634	$81,509	$166,295	$282,730	$331,674	$397,183	$465,191	$535,772	$609,003	$684,961	$763,727	$845,383
Probability of Success	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Gloperba Risk Adjusted Revenues	$5	$19	$57	$116	$198	$232	$278	$326	$375	$426	$479	$535	$592
Total Revenues (M)	**$5**	**$19**	**$57**	**$116**	**$198**	**$232**	**$278**	**$326**	**$375**	**$426**	**$479**	**$535**	**$592**

Source: DBoralCapital Estimates

Semdexa (SP-102)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Acute Backpain, Patients seking Epidural steroid Injections	11,000,000	11,220,000	11,444,400	11,673,288	11,906,754	12,144,889	12,387,787	12,635,542	12,888,253	13,146,018	13,408,939	13,677,117	13,950,660
Market Share	0.00%	0.00%	0.00%	0.00%	2.00%	8.00%	15.00%	20.00%	22.00%	24.00%	25.00%	26.00%	27.00%
Number of Patients	110	224	0	0	238,135	971,591	1,858,168	2,527,108	2,835,416	3,155,044	3,352,235	3,556,051	3,766,678
Cost of Therapy	$400	$400	$400	$404	$408	$412	$416	$420	$425	$429	$433	$437	$442
Annual Revenues (M)	$0	$0	$0	$0	$97	$400	$773	$1,062	$1,204	$1,353	$1,452	$1,556	$1,664
Royalties (2%)	$0	$0	$0	$0	$2	$8	$15	$21	$24	$27	$29	$31	$33
Net Revenues (M)	$0	$0	$0	$0	$95	$392	$758	$1,041	$1,180	$1,326	$1,423	$1,525	$1,631
Probability of Success Factor (90%)	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Probability Adjusted Revenues	**$0**	**$0**	**$0**	**$0**	**$67**	**$275**	**$531**	**$729**	**$826**	**$928**	**$996**	**$1,067**	**$1,142**

Source: DBoralCapital Estimates

Valuation. Our valuation is based on our models and the assumptions for our projected revenues to 2035. In our models, we apply a 70% probability of success (POS) factor based on the historical success rates of developing therapies, stage of development, and uncertainties that our market share estimates are realized. Our share count is based on a fully diluted 2034 estimate and assumes the company issues stock and raises capital. The company has many optional choices to raise capital; as such, we believe our assumptions for dilution are conservative. In addition to the POS factor and our assumed dilution, we use a 30% risk rate in our free cash flow to the firm (FCFF), discounted EPS (dEPS), and sum-of-the-parts (SOP) models. We equal weight, average these metrics, and then round to the nearest whole number to derive our price target.

Exhibit 10. Free Cash Flow Model

Average	$	22
Price Target	$	23
Year		2025

DCF Valuation Using FCF (mln):

units ('000)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2034E	2035E
EBIT	389,228	267,792	496,975	1,272,689	1,866,962	2,677,417	3,512,163	4,200,141	4,690,459	5,189,278	5,696,800	5,696,800
Tax Rate	0%	12%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
EBIT(1-t)	389,228	235,657	422,429	1,081,786	1,586,918	2,275,805	2,985,338	3,570,120	3,986,890	4,410,886	4,842,280	4,842,280
CapEx												
Depreciation												
Change in NWC (ex cash)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
FCF	389,228	235,657	422,429	1,081,786	1,586,918	2,275,805	2,985,338	3,570,120	3,986,890	4,410,886	4,842,280	4,842,280
PV of FCF	299,406	139,442	192,275	378,763	555,624	612,940	618,491	568,957	488,751	415,945	351,250	351,250
Discount Rate	30%											
Long Term Growth Rate	1%											
Terminal Cash Flow	16,864,491											
Terminal Value YE2034	1,223,319											
NPV	6,196,414											
NPV-Debt	-											
Projected Shares out (thousands)	264,419	2035E										
NPV Per Share	$ 23											

Source: D Boral Capital

Exhibit 13. Sum-of-the-Parts Model

Current Year		2025
Year of EPS		2035
Earnings Multiple		15
Discount Factor		30%
Selected Year EPS	$	18.31
NPV	$	19.92

Source: DBoralCapital & Company reports

Discount Rate and Earnings Multiple Varies, Year is Constant							
		2035 EPS					
Earnings Multiple	19.92	5%	10%	15%	20%	25%	30%
	1	$11.24	$7.06	$4.53	$2.96	$1.97	$1.33
	5	$56.21	$35.30	$22.63	$14.79	$9.83	$6.64
	10	$112.41	$70.60	$45.26	$29.57	$19.66	$13.28
	15	$168.62	$105.89	$67.89	$44.36	$29.49	$19.92
	20	$224.82	$141.19	$90.52	$59.15	$39.32	$26.56
	25	$281.03	$176.49	$113.15	$73.93	$49.15	$33.21
	30	$337.23	$211.79	$135.78	$88.72	$58.98	$39.85
	35	$393.44	$247.08	$158.41	$103.50	$68.81	$46.49

Source: D Boral Capital.

Exhibit 12. Discounted-EPS Model

Scilex	LT Gr	Discount Rate	Yrs. to Peak	% Success	Peak Sales MM's	Term Val
Ztilido	1%	30%	3	70%	$4,991	$17,210
NPV						$14.52
Elyxyb (Celecoxib)	1%	30%	3	70%	$947	$3,266
NPV						$2.75
Gloperba (Colchicine)	1%	30%	3	70%	$764	$2,634
NPV						$2.22
Semdexa (SP-102)	1%	30%	4	90%	$1,269	$4,374
NPV						$3.65
Net Margin						70%
MM Shrs OS (2034E)						264
Total						$23.1

Source: D Boral Capital.

Intellectual property
Scilex Holding Company has developed a robust intellectual property (IP) portfolio to protect its innovative non-opioid pain management products. Below is an overview of their key products and associated patents:

ZTlido® (Lidocaine Topical System 1.8%). ZTlido® is designed for the relief of pain associated with post-herpetic neuralgia. The U.S. Patent and Trademark Office has issued Patent No. 11,793,766, titled "Non-aqueous Patch for the Relief of Pain," which covers a method of relieving pain through the application of a lidocaine-containing patch.

ELYXYB® (Celecoxib Oral Solution). ELYXYB® is a liquid, micro-encapsulation formulation of celecoxib approved for the acute treatment of migraine with or without aura in adults. The U.S. Patent and Trademark Office has allowed numerous claims from U.S. patent application no. 17/562,229, related to the treatment of acute pain, with the patent expected to be issued in late 2024. Additionally, ELYXYB® is protected by six Orange Book-listed method-of-use patents that expire in 2036.

GLOPERBA® (Colchicine Oral Solution). GLOPERBA® is an FDA-approved liquid colchicine product for the prophylaxis of gout flares in adults. Scilex has been involved in patent litigation concerning GLOPERBA® and has reached a settlement agreement with Takeda Pharmaceuticals to resolve a Paragraph IV patent infringement lawsuit.

Through these patents and strategic legal agreements, Scilex has fortified its IP position, ensuring proprietary protection for its current products and supporting the development of future non-opioid pain management therapies.

Risk Analysis
In addition to the typical risks associated with development-stage specialty pharmaceutical companies, potential risks specific to Scilex are as follows:

Financial risk. The company may need to raise capital in the marketplace, and there can be no assurances that the Company will be able to successfully raise capital and/or do so on favorable terms.

Clinical and regulatory risk. Lead products must start and complete clinical trials. Trials may not produce results sufficient for regulatory approval.

Partnership risk. Scilex may seek partnerships for clinical development support and commercialization. We have no specific knowledge of any discussions with possible partners today, and there can be no assurances that the Company will be able to secure a favorable partnership.

Commercial risk. There are no assurances that the company will be able to secure favorable pricing, commercially launch products, and achieve significant market share to become profitable.

Legal and intellectual property risk. The company may have to defend its patents and technical know-how, and there can be no assurances that the patents will not be infringed or will be held as valid if challenged and or that the company may infringe on third parties' patents.

Scilex Holdings, Inc. Sept. YE		Dec.	March	June	Sept. YE											
Products Revenues	**2024E**	**1Q25E**	**2Q25E**	**3Q25E**	**4Q25E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**	**2035E**
Ztlido	54,203	27,626	28,777	28,777	29,928	115,107	289,206	406,912	1,066,723	1,461,303	1,859,802	2,262,249	2,668,674	3,079,106	3,493,577	3,912,115
Elyxyb (Celecoxib)	2,487	10,788	11,237	11,237	11,687	44,950	52,966	61,138	69,468	77,958	393,688	596,437	803,202	819,347	835,734	852,367
Gloperba (Colchicine)		13,694	14,264	14,264	14,835	57,056	116,407	197,911	232,172	278,028	325,634	375,041	426,302	479,473	534,609	591,768
Semdexa (SP-102)		-	-	-	-	-	-	66,658	274,683	530,585	728,811	825,903	928,195	996,069	1,067,197	1,141,711
Total Product Revenues	**56,690**	**52,107**	**54,278**	**54,278**	**56,449**	**217,113**	**458,578**	**732,618**	**1,643,046**	**2,347,873**	**3,307,934**	**4,059,630**	**4,826,373**	**5,373,995**	**5,931,116**	**6,497,961**
Milestone and Royalty Revenue																
Total Revenues ($000)	**56,690**	**52,107**	**54,278**	**54,278**	**56,449**	**217,113**	**458,578**	**732,618**	**1,643,046**	**2,347,873**	**3,307,934**	**4,059,630**	**4,826,373**	**5,373,995**	**5,931,116**	**6,497,961**
Expenses																
COGS	15,748	13,027	13,570	13,570	14,112	54,278	91,716	109,893	246,457	352,181	496,190	405,963	482,637	537,400	593,112	649,796
% COGS		25%	25%	25%	25%	25%	20%	15%	15%	15%	15%	10%	10%	10%	10%	10%
Sales General & Adminastrative	108,610	23,731	24,763	25,795	28,890	103,180	80,000	75,000	65,000	65,650	66,307	67,633	68,985	70,365	71,772	73,208
Intangible Amortizations	4,030	927	967	1,008	1,128	4,030	4,070	35,000	40,000	40,400	40,804	41,212	41,624	42,457	43,306	44,172
Legal Settlements	(9,381)															
Research & Development	9,661	2,444	2,551	2,657	2,976	10,627	15,000	15,750	18,900	22,680	27,216	32,659	32,986	33,316	33,649	33,985
Operating expenses	**128,668**	**40,129**	**41,850**	**43,029**	**47,107**	**172,115**	**190,786**	**235,643**	**370,357**	**480,911**	**630,517**	**547,467**	**626,233**	**683,537**	**741,838**	**801,161**
Oper. Inc. (Loss)	(71,978)	92,236	96,129	97,307	103,556	389,228	267,792	496,975	1,272,689	1,866,962	2,677,417	3,512,163	4,200,141	4,690,459	5,189,278	5,696,800
Gain (Loss) on Derivate liability	(2,267)															
Change in fair value of debt and liability instruments	11,962	(5)	(10)	(10)	(10)	500	(40)	(40)	(10)							
Interest expenses, net	2,249	517	540	562	630	2,249										
Loss on Foreign currency exchange	62					-										
Total Other Income Expense	12,006															
Gain (Loss) Before Income Taxes	**(83,984)**	**92,236**	**96,129**	**97,307**	**103,556**	**389,228**	**267,792**	**496,975**	**1,272,689**	**1,866,962**	**2,677,417**	**3,512,163**	**4,200,141**	**4,690,459**	**5,189,278**	**5,696,800**
Pretax Margin																
Income Tax Benefit (Provision)		9,224	9,613	9,731	10,356	38,923	32,135	74,546	190,903	280,044	401,613	526,824	630,021	703,569	778,392	854,520
Tax Rate		10%	10%	10%	10%	10%	12%	15%	15%	15%	15%	15%	15%	15%	15%	15%
GAAP Net Income (loss)	**(83,984)**	**83,013**	**86,516**	**87,576**	**93,200**	**350,305**	**235,657**	**422,429**	**1,081,786**	**1,586,918**	**2,275,805**	**2,985,338**	**3,570,120**	**3,986,890**	**4,410,886**	**4,842,280**
Net Margin		1.59				-	0.51	0.58	0.66	0.68	0.69	0.74	0.74	0.74	0.74	0.75
GAAP-EPS	**(0.72)**	**0.65**	**0.38**	**0.38**	**0.41**	**1.83**	**0.93**	**1.65**	**4.21**	**6.15**	**8.78**	**11.47**	**13.66**	**15.20**	**16.75**	**18.31**
Non GAAP EPS (dil)	(0.72)	0.65	0.38	0.38	0.40	1.82	0.93	1.65	4.21	6.15	8.78	11.47	13.66	15.20	16.75	18.31
Wgtd Avg Shrs (Bas)	119,162	127,218	227,345	227,573	227,800	202,484	240,877	254,373	255,392	256,415	257,442	258,473	259,509	260,548	261,592	262,640
Wgtd Avg Shrs (Dil)	119,162	127,218	227,345	229,619	231,915	204,024	255,042	256,095	257,121	258,151	259,185	260,224	261,266	262,313	263,364	264,419

Source: DBoralCapital & Company reports

Scilex Holdings, Inc. (Sept. YE)																
Assets	2024E	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Cash and cash equivalents	($9,521)	$73,619	$160,135	$247,711	$340,911	$340,911	$577,532	$1,000,978	$2,083,785	$3,671,729	$5,948,564	$8,934,936	$12,506,094	$16,494,026	$20,905,958	$25,749,288
Accounts receivable, net	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541	$23,541
Inventory	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404	$2,404
Prepaid expenses and other	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794	$5,794
Total Current Assets	$22,218	$105,358	$191,874	$279,450	$372,650	$372,650	$609,271	$1,032,717	$2,115,524	$3,703,468	$5,980,303	$8,966,675	$12,537,833	$16,525,765	$20,937,697	$25,781,027
Property and equipment, net						$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating lease right-of-use asset	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396	$2,396
Intangibles, net	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454	$33,454
Goodwill	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375	$2,375
Other long-term assets	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639	$21,639
Total Assets	$82,082	$165,222	$251,738	$339,314	$432,514	$432,514	$669,135	$1,092,581	$2,175,388	$3,763,332	$6,040,167	$9,026,539	$12,597,697	$16,585,629	$20,997,561	$25,840,891
Current Liabilities																
Accounts payable	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400	$43,400
Accrued payroll	$975	$975	$975	$975	$975	$975	$975	$975	$975	$975	$975	$975	$975	$975	$975	$975
Accrued rebates and fees	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709	$141,709
Accrued expenses	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671	$9,671
Current portion of deferred consideration	$458	$458	$458	$458	$458	$458	$458	$458	$458	$458	$458	$458	$458	$458	$458	$458
Long-term portion of deferred consideration	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636	$84,636
Debt, net of issuance costs	$688	$688	$688	$688	$688	$688	$688	$688	$688	$688	$688	$688	$688	$688	$688	$688
Total Current liabilities	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537	$281,537
Long-term portion of deferred consideration	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556	$2,556
Debt, net of issuance costs	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332	$14,332
Derivative liabilities	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453	$11,453
Operating lease liabilities	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714	$1,714
Other long-term liabilities	$155	$155	$155	$155	$155	$155	$155	$155	$155	$155	$155	$155	$155	$155	$155	$155
Total liabilities	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747	$311,747
Stockholders' equity:																
Preferred stock, $0.0001 par value, 45,000,000 shares	$19	$19	$19	$19	$19	$19	$19	$19	$19	$19	$19	$19	$19	$19	$19	$19
Common stock, $0.0001 par value, 740,000,000 shares	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767	$430,767
Additional Paid in Capital	$4,717	$4,844	$4,844	$4,844	$4,844	$4,844	$5,808	$6,825	$7,847	$8,872	$9,902	$10,936	$11,974	$13,016	$14,063	$15,113
Accumulated Deficit	($557,303)	($474,290)	($387,775)	($300,198)	($206,998)	($206,998)	$28,659	$451,088	$1,532,874	$3,119,792	$5,395,597	$8,380,935	$11,951,055	$15,937,944	$20,348,830	$25,191,110
Treasury stock, at cost; 60,068,585 shares as of each d	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)	($107,865)
Total Equity	($229,665)	($146,525)	($60,009)	$27,567	$120,767	$120,767	$357,388	$780,834	$1,863,641	$3,451,585	$5,728,420	$8,714,792	$12,285,950	$16,273,882	$20,685,814	$25,529,144
Total Liab & Equity	$82,082	$165,222	$251,738	$339,314	$432,514	$432,514	$669,135	$1,092,581	$2,175,388	$3,763,332	$6,040,167	$9,026,539	$12,597,697	$16,585,629	$20,997,561	$25,840,891
Shares Iss'd (000)	$119,162	127,218	227,345	227,573	227,800	$202,484	$240,877	$254,373	$255,392	$256,415	$257,442	$258,473	$259,509	$260,548	$261,592	$262,640
Shares Out (000)	$119,162	127,218	227,345	229,619	231,915	$204,024	$255,042	$256,095	$257,121	$258,151	$259,185	$260,224	$261,266	$262,313	$263,364	$264,419

Source: DBoralCapital & Company reports

Scilex Holdings, Inc. Cash Flow Statement ($000) (Sept. YE)	1Q24A	2Q24A	3Q24A	4Q24E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Cash Flows From Operating Activities:																
Net Loss	**(24,377)**	**(61,959)**	**(66,347)**	**(83,984)**	**(83,984)**	**350,305**	**235,657**	**422,429**	**1,081,786**	**1,586,918**	**2,275,805**	**2,985,338**	**3,570,120**	**3,986,890**	**4,410,886**	**4,842,280**
Adjustments to reconcile net loss to net cash proceeds from (used for) operating activities:																
Depreciation and amortization	1,031	2,037	3,042	3,042	3,042											
Amortization of debt issuance costs and debt discount	31	63	94	94	94											
Non-cash operating lease cost	180	365	547	547	547											
Stock-based compensation	3,558	7,171	10,884	10,884	10,884											
Loss on derivative liability	457	15,741	(2,367)	(2,367)	(2,367)											
Allocated expenses for warrant issuance cost			2,526	2,526	2,526											
Change in fair value of debt and liability instruments	1,375	2,526	11,961	11,961	11,961											
Allowance for expected credit losses	3,905	10,004	1,186	1,186	1,186											
Other	26	53	392	392	392											
Changes in assets and liabilities:																
Accounts receivables, net	4,881	(3,407)	1,831	1,831	1,831											
Inventory	726	1,138	1,496	1,496	1,496											
Prepaid expenses and other	(39)	474	(2,857)	(2,857)	(2,857)											
Other long-term assets	(30)	(30)	(30)	(30)	(30)											
Accounts payable	1,265	653	2,266	2,266	2,266											
Accrued payroll	1,046	1,392	(1,706)	(1,706)	(1,706)											
Accrued expenses	1,120	470	2,463	2,463	2,463											
Accrued rebates and fees	14,430	35,405	52,051	52,051	52,051											
Other liabilities	(197)	(402)	(593)	(593)	(593)											
Other long-term liabilities	3	8	(24)	(24)	(24)											
Net Cash Used in Operating Activities	**9,391**	**11,702**	**16,815**	**(822)**	**(822)**	**350,305**	**235,657**	**422,429**	**1,081,786**	**1,586,918**	**2,275,805**	**2,985,338**	**3,570,120**	**3,986,890**	**4,410,886**	**4,842,280**
Cash Flows From Investing Activities:																
Acquisition consideration paid in cash for Romeg intangible asset acquisition	(150)	(300)	(2,480)	(2,480)	(2,480)											
Net cash provided by investing activities	**(150)**	**(300)**	**(2,480)**	**(2,480)**	**(2,480)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash flows from financing activities:																
Proceeds from issuance of shares under Standby Equity Purchase Agreements an	156	156	156	156	156	127	964	1,017	1,022	1,026	1,030	1,034	1,038	1,042	1,046	1,051
Proceeds from issuance of Convertible Debentures	0	0														
Proceeds from issuance of Revolving Facility	32,567	65,470	93,389	93,389	93,389											
Repayment of Revolving Facility	(33,313)	10,000	10,000	10,000	10,000											
Repayment of Oramed Note	(15,000)	(65,265)	(96,189)	(96,189)	(96,189)											
Transaction costs paid related to the Business Combination	0	(35,000)	(36,700)	(36,700)	(36,700)											
Repayment of Convertible Debentures	(4,375)	(4,375)	(4,375)	(4,375)	(4,375)											
Proceeds from issuance of shares under Bought Deal Offering	10,000	25,000	25,000	25,000	25,000											
Payments of Bought Deal Offering issuance costs	(1,277)	(2,834)	(2,844)	(2,844)	(2,844)											
Proceeds from stock options exercised	46	383	615	615	615											
Net cash provided by financing activities	(11,196)	(6,465)	(10,948)	(10,948)	(10,948)	127	964	1,017	1,022	1,026	1,030	1,034	1,038	1,042	1,046	1,051
Increase (decrease) in Cash and Cash Equivilents	(1,955)	4,937	3,387	(14,250)	(14,250)	350,432	236,620	423,447	1,082,807	1,587,944	2,276,835	2,986,372	3,571,158	3,987,932	4,411,932	4,843,330
Cash and Cash Equivilents - Beginning Of Period	4,729	4,729	4,729	4,729	4,729	(9,521)	340,911	577,532	1,000,978	2,083,785	3,671,729	5,948,564	8,934,936	12,506,094	16,494,026	20,905,958
Exchange Differences on Cash and Cash Equivilents			0	0	0											
Cash and Cash Equivilents - End of Period	2,774	9,666	8,116	(9,521)	(9,521)	340,911	577,532	1,000,978	2,083,785	3,671,729	5,948,564	8,934,936	12,506,094	16,494,026	20,905,958	25,749,288

Source: DBoralCapital & Company reports

Important Disclosures

Analyst Certification

I, Jason Kolbert, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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BUY (B) - Total return expected to exceed S&P 500 by at least 10%

HOLD (H) - Total return expected to be in-line with S&P 500

SELL (S) - Total return expected to underperform S&P 500 by at least 10%

Distribution of Ratings/IB Services

	D. Boral		IB Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**


Scilex Holdings Company Rating History as of 01/24/2025
16
14
12
10
8
6
4
2
0
Apr 22
Jul 22
Oct 22
Jan 23
Apr 23
Jul 23
Oct 23
Jan 24
Apr 24
Jul 24
Oct 24
Jan 25
Price (USD)
Closing Price