

May 2, 2025

SP-102 for the Treatment of Lumbosacral Radicular Pain (LRP) at ASIPP

Scilex is set to present a post-hoc analysis of the C.L.E.A.R. trial evaluating SP-102 (SEMDEXA) for lumbosacral radicular pain at the 27th Annual Meeting of the American Society of Interventional Pain Physicians (ASIPP) from May 15-17, 2025, in Orlando, FL. This analysis aims to interpret the clinical meaningfulness of SP-102's safety and efficacy, potentially reinforcing its therapeutic value in non-opioid pain management.

The upcoming presentation underscores Scilex's commitment to addressing chronic pain through innovative, non-opioid solutions. SP-102 has previously shown promise in the Phase 3 C.L.E.A.R. trial, and this post-hoc analysis could provide deeper insights into its clinical benefits. Such findings may bolster Scilex's position in the pain management market, especially as the company seeks to differentiate itself with non-opioid alternatives.

Catalysts Ahead: Keep an eye out for several including: 1. SEMDEXA, its non-opioid injectable for lumbar radicular pain, has completed enrollment in a pivotal Phase 3 trial, with top-line data expected by mid-2025. 2. The Canadian approval of ELYXYB serves as a meaningful milestone in Scilex's commercial expansion strategy and could act as a catalyst for additional international regulatory filings. 3. SP-103, a topical high-dose lidocaine patch, is progressing through Phase 2 development in chronic low back pain. In parallel, Scilex is pursuing strategic diversification via a proposed joint venture with IPMC targeting neurodegenerative and cardiometabolic diseases. While these programs represent significant upside, additional clarity around JV terms, asset prioritization, and commercialization timelines will be key for investor confidence.

The recent reverse stock split (35 for 1) temporarily addresses listing requirements but raises concerns about dilution and near-term funding needs. Management is expected to address these topics in upcoming communications.

We maintain keen interest in the potential value "unlock through a Spinout or IPO. Scilex is strategically positioning itself for a potential spinout or IPO of its wholly owned subsidiary, **Scilex Pharmaceuticals Inc.**, which houses its FDA-approved commercial portfolio and pipeline assets. A successful separation could provide greater financial flexibility and allow the unit to operate with a more focused strategic vision.

Valuation: We recently lowered our rating from Buy to Hold, and as such do not publish a price target. We hope to revisit this decision in the weeks ahead (now that we are post-split). We are maintaining our models which are based on our projections for the approved products. We apply a probability of success factor (50% in our models) to reflect market share risk (and, in some cases, clinical risk). We also apply a 30% discount rate (r) to these projections in 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.

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

Jason Kolbert

jkolbert@dboralcapital.com

MARKET DATA

Rating	Hold
Price Target	NA
Price	\$4.70
Average Daily Volume (000)	51
52-Week Range (\$)	\$4.56-\$80.50
Market Cap (M)	\$25
Enterprise Value (M)	\$66
Book Value	\$(36.80)
Dividend Yield	0.0%
Cash (M)	\$3
Qrtly Burn Rate (M)	\$(2,741)

ESTIMATES

	2024A	2025E	2026E
Total Revenues	\$57	\$148	\$319
Revenues <i>prev:</i>	-	\$217	\$459
Total Expenses	\$140	\$165	\$163
Expenses <i>prev:</i>	\$(83)	\$35	\$268
GAAP EPS	\$(0.62)	\$(1.06)	\$3.11
EPS <i>prev:</i>	-	\$2.28	\$5.30

One Year Performance Chart



Please see analyst certification and important disclosures on page 3 of this report.

Scilex Holdings, Inc.																
Products Revenues	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Zilido	54,103	19,733	20,555	20,555	21,377	82,219	206,575	290,652	394,882	500,148	606,457	629,100	651,954	675,020	698,301	721,798
Elyxib (Celecoxib)	2,487	5,993	6,243	6,243	6,493	24,972	29,425	33,965	38,593	43,310	43,743	44,181	44,622	49,575	54,623	59,767
Gloperba (Colchicine)		9,781	10,189	10,189	10,596	40,755	83,148	141,365	165,837	198,591	232,595	237,271	242,040	246,905	251,868	256,930
Semdexa (SP-102)		-	-	-	-	-	-	47,613	196,202	202,127	208,232	214,520	220,999	227,673	234,549	241,632
Total Product Revenues	56,590	35,507	36,986	36,986	38,466	147,946	319,148	513,594	795,515	944,177	1,091,027	1,125,071	1,159,614	1,199,173	1,239,341	1,280,127
Milestone and Royalty Revenue																
Total Revenues (\$000)	56,590	35,507	36,986	36,986	38,466	147,946	319,148	513,594	795,515	944,177	1,091,027	1,125,071	1,159,614	1,199,173	1,239,341	1,280,127
Expenses																
COGS	16,689	8,877	9,247	9,247	9,616	36,986	63,830	77,039	119,327	141,627	163,654	112,507	115,961	119,917	123,934	128,013
% COGS		25%	25%	25%	25%	25%	20%	15%	15%	15%	15%	10%	10%	10%	10%	10%
Sales General & Administrative	119,016	26,005	27,136	28,266	31,658	113,065	80,000	75,000	65,000	65,650	66,307	67,633	68,985	70,365	71,772	73,208
Intangible Amortizations	4,031	927	967	1,008	1,129	4,031	4,071	35,000	40,000	40,400	40,804	41,212	41,624	42,457	43,306	44,172
Legal Settlements	(9,391)															
Research & Development	9,641	2,439	2,545	2,651	2,969	10,605	15,000	15,750	18,900	22,680	27,216	32,659	32,986	33,316	33,649	33,985
Operating expenses	139,986	38,248	39,895	41,172	45,373	164,688	162,901	202,789	243,227	270,357	297,981	254,011	259,557	266,055	272,661	279,378
Oper. Inc. (Loss)	(83,396)	(2,741)	(2,908)	(4,186)	(6,907)	(16,742)	156,247	310,805	552,288	673,821	793,047	871,060	900,058	933,119	966,680	1,000,750
Gain (Loss) on Derivate liability	(17,378)															
Change in fair value of debt and liability instruments	4,782	(5)	(10)	(10)	(10)	500	(40)	(40)	(10)							
Interest expenses, net	1,963	451	471	491	550	1,963										
Loss on Foreign currency exchange	45					-										
Total Other Income Expense	(10,588)															
Gain (Loss) Before Income Taxes	(72,808)	(2,741)	(2,908)	(4,186)	(6,907)	(16,742)	156,247	310,805	552,288	673,821	793,047	871,060	900,058	933,119	966,680	1,000,750
Pretax Margin																
Income Tax Benefit (Provision)	(1)	(274)	(291)	(419)	(691)	(1,674)	18,750	46,621	165,696	229,099	277,566	313,582	324,021	335,923	348,005	360,270
Tax Rate		10%	10%	10%	10%	10%	12%	15%	30%	34%	35%	36%	36%	36%	36%	36%
GAAP Net Income (loss)	(72,807)	(2,467)	(2,618)	(3,767)	(6,216)	(15,068)	137,498	264,184	386,601	444,722	515,480	557,478	576,037	597,196	618,675	640,480
Net Margin		NM					0.43	0.51	0.49	0.47	0.47	0.50	0.50	0.50	0.50	0.50
GAAP EPS	(0.62)	(0.01)	(0.38)	(0.25)	(0.41)	(1.06)	3.11	6.53	9.51	10.90	12.58	13.55	13.95	14.40	14.86	15.33
Non GAAP EPS (dil)	(0.62)	(0.01)	(0.38)	(0.13)	(0.21)	(0.72)	3.11	6.53	9.51	10.90	12.58	13.55	13.95	14.40	14.86	15.33
Wtd Avg Shrs (Bas)	131,136	178,178	6,900	15,000	15,015	53,773	27,559	40,201	40,362	40,523	40,686	40,849	41,012	41,176	41,341	41,507
Wtd Avg Shrs (Dil)	134,075	178,178	6,900	30,000	30,300	61,345	55,913	40,473	40,635	40,798	40,961	41,125	41,290	41,455	41,621	41,788

Source: DBoraCapital & 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

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY	62	96.88	16	25.81
HOLD	2	3.12	0	0.00
SELL	0	0.00	0	0.00

Scilex Holdings Company Rating History as of 04/30/2025

