SCILEX®
HOLDING COMPANY

Sustainability Report

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Mission + Vision + Values + Sustainability

Embracing sustainability aligns with Scilex's commitment to corporate social responsibility. It acknowledges the company's role in minimizing its environmental footprint and contributing positively to society.

Mission

Our mission is to advance non-opioid therapeutic options to treat acute and chronic pain in patients with greatest unmet needs. SCILEX is committed to harnessing the power of novel formulations and delivery systems designed to provide improved therapies safely and effectively to those who need them most.

Vision

Our Goal is to become the global pharmaceutical leader in pain management by striving to implement social, environmental, economic, and ethical principles into our business operations and practices.

Values

Responsibility/Excellence

Accountability/Diversity

Integrity/Quality

Message From Our Leadership Team

Scilex is dedicated to the development and commercialization of non-opioid pain management products. Our goal is to become the global pharmaceutical leader in pain management by striving to implement social, environmental, economic, and ethical principals into our business operations and practices. At Scilex, our vision is to transform lives through innovative opioid-sparing therapies. With a patient-first approach, we aim to meet the global demand for safer, more effective non-opioid pain management solutions. Through rigourous research and development, we believe we are on the path to establishing scilex as a pre-eminent organization in commercial non-opioid pain management, targeting acute and chronic pain conditions with our innovative therapies. Our three non-opioid pain management products are designed to improve patient outcomes and address the global opioid crisis. We believe in a multimodal approach to pain management, challenging and transforming the way we think about pain treatment. The unmet need in pain management is a societal imperative. Countless individuals grapple with pain daily, often with limited options due to the risks of opioid treatments. Scilex recognizes its role in addressing this need, pioneering non-opioid alternatives that redefine safety and accessibility standards in pain management. We at Scilex are honored to continue our legacy of positive change. Our obligation to advance this legacy is profound, requiring us to uphold the values and principles of our past successes as we write the next chapter in Scilex's history. Our strategy focuses on advancing patient health, fostering an inclusive workforce, and reducing negative environmental impact where possible. We are committed to expanding access to non-opioid pain management medicines and healthcare services. To enable this strategy we are ensuring access of our medication to patients as a core mission, from raising awareness to obtaining broader public reimbursement and providing copay assistance. We are also committed to scientific excellence, investing in capabilities to provide more medicines to more patients faster. Our team of passionate talented people are working together to make a difference in the world of non-opioid pain management. We believe that we are all entitled to live healthy and pain-free lives because we are patients too. Scilex's commitment to corporate responsibility is reflected in our evolving ESG strategy, building a legacy of innovation, responsibility, and growth. Thank you for your interest in Scilex.

On behalf of the Leadership Team,
Jaisim Shah, CEO & President.

About This Report

We are proud to present Scilex's inaugural Environmental, Social, and Governance (ESG) Report and we believe implementing and promoting sound environmental, social and governance principles is foundational to who we are as a company and what we care about as an organization to our employees, our communities and our planet. We are proud of the efforts and initiatives you will read about in this report, and we are dedicated to effecting lasting and meaningful change. This report demonstrates our commitment to increased tranparency and going forward we plan to issue annually Environmental Social and Governance Report with updates on our progress. This inaugural ESG report marks our effort to highlight some of our current practices and initiatives in several important areas — Our patients, people, healthcare providers, environmental management and governance and leadership. We will continue to enhance our practices and initiatives as we are just at the beginning of our journey.

Unless otherwise noted, data provided within this report is as of our 2023 fiscal year, which ended December 31, 2023. Unless the context requires otherwise, in this report the terms "Scilex", "we," "us," "our" and "the Company" refer to Scilex Holding Company.

This report contains certain forward-looking statements based on Scilex Holding Company management's current beliefs, assumptions and expectations. These statements include, but are not limited to, statements related to our environmental, social and governance strategy, goals, commitments and programs or other business plans, initiatives and objectives. You can identify these forward-looking statements by the use of words such as "aim," "hope," "believes," "aspires," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. All such statements are intended to be covered by the safe harbor for forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees and are subject to various risks and uncertainties, which may cause actual future results (including the achievement of our targets, goals or commitments) to differ materially from those projected or implied in forward-looking statements. Such factors include, but are not limited to, the risk factors discussed our most recent Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission ("SEC"), as well as, with respect to our ESG goals and commitments outlined in this report or elsewhere and the challenges, risks, uncertainties, factors and assumptions identified in this report. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. Scilex Holding Company cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law.

About Our People

Scilex is focused on acquiring, developing and commercializing non-opioid pain management products for the treatment of acute and chronic pain. There is a leadership vacuum in the non-opioid pharmaceutical space that we are expanding to fill.

The statistics from the Center for Disease Control and prevention are sobering:

- The number of people who died from a drug overdose in 2021 was over six times the number in 1999.
- The number of drug overdose deaths increased more than 16% from 2020 to 2021. Learn More
- Over 75% of the nearly 107,000 drug overdose deaths in 2021 involved an opioid.

Scilex products help to combat the opioid crisis in a tangible way. Analgesics like our ZTlido® lidocaine patch can provide pain relief both on their own as well as in combination with other non-opioid medication (e.g. gabapentin) — eliminating the need for many patients to progress to opioids, or weaning them off prolonged opioid use. Our other two commercial products, Elyxyb® for acute migraine and Gloperba® for gout flare prophylaxis, are also non-opioid.

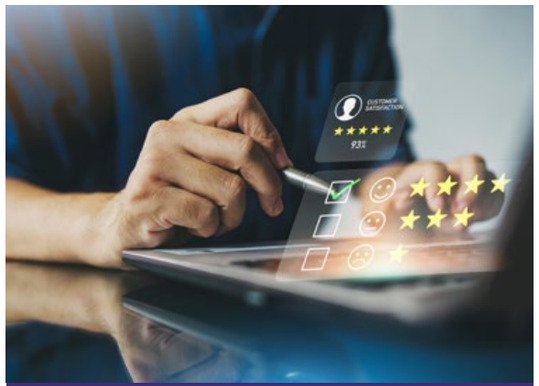
The Scilex pipeline does not, and never will, include an opioid. We have products in development for sciatica, fibromyalgia and pain conditions, all designed to offer non-opioid pain relief.

Creating a diverse, equitable and inclusive team culture is critical to attracting and retaining the top talent. Investing in a work environment where our employees feel inspired to deliver their best work every day is key to how we do business. Grounded and deeply rooted in our core values — Responsibility, Excellence, Accountability, Diversity, Integrity and Quality — our efforts are focused on creating a collaborative environment where everyone feels respected and valued. Beyond our daily operations, we actively engage with our community, striving to make a positive impact and give back wherever we can! We are a team of passionate and dedicated people who have faith in forward-thinking technologies and who believe that helping patients better manage their pain can lead toward a better quality of life. Our dedication extends beyond business success; it's about building a better world together.

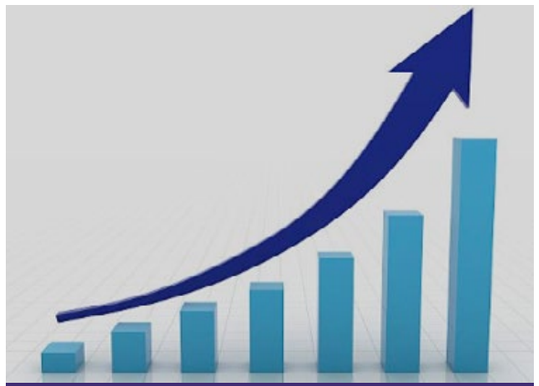
Milestones

Back to back years of a non-opioid product launch in 2024

Nasdaq listed since 2022
SCLX



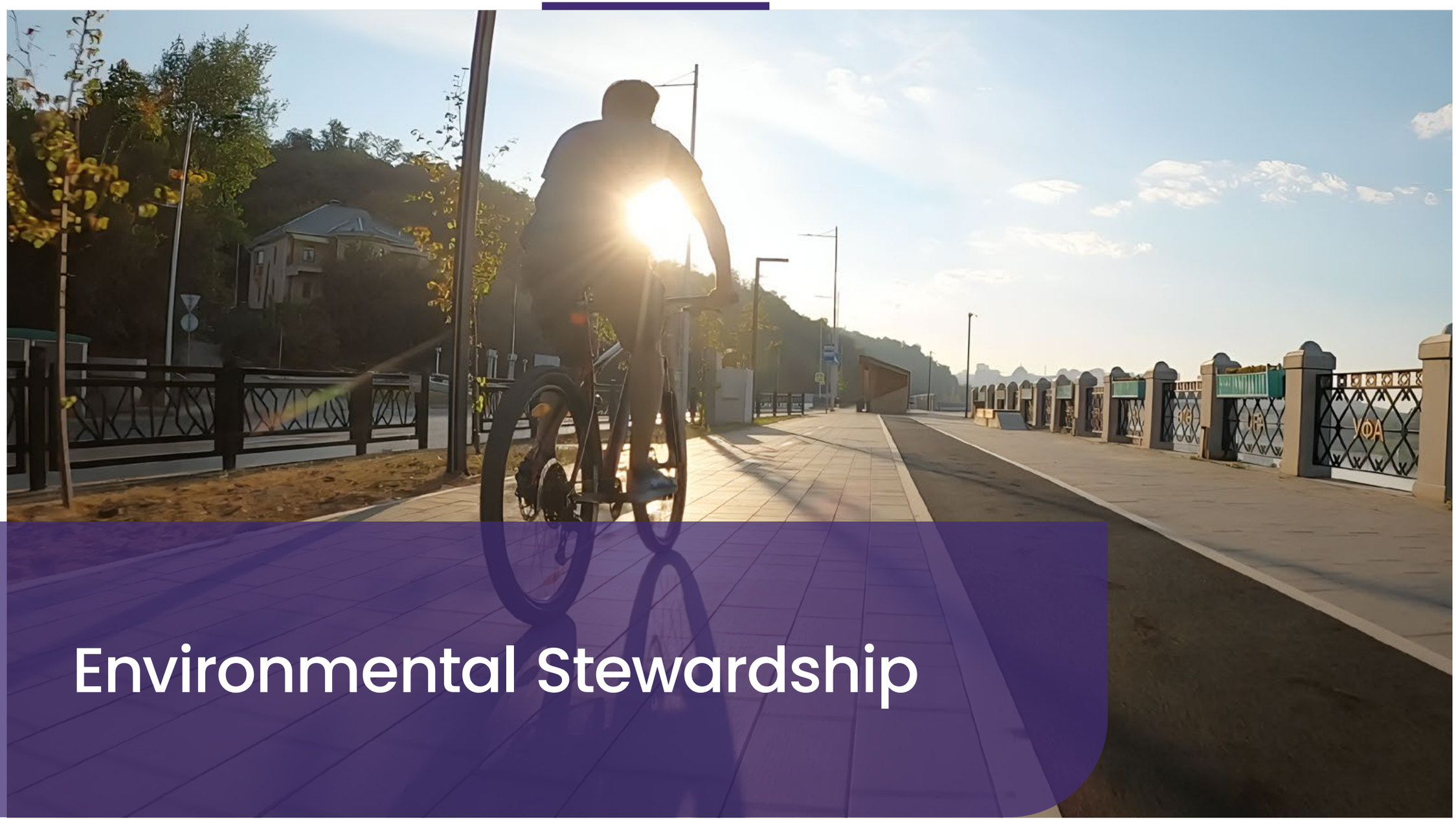
Approximately 90% of patients are satisfied with Ztlido treatment



Over 1 Million patients treated with ZTlido since launched

#1 prescribed branded non—opioid analgesic by the pain specialist

3 commercial non-opioid products and 3 pipeline pain programs in development



Environmental Stewardship

Environmental Management

The health of our global environment impacts everyone and is everyone's responsibility. We are committed to reducing our enviromental footprint. Our company mission — Our mission is to advance non-opioid therapeutic options to treat acute and chronic pain in patients with greatest unmet needs. SCILEX is committed to harnessing the power of novel formulations and delivery systems designed to provide improved therapies safely and effectively to those who need them most.

Contract Manufacturing Suppliers

We manufacture and distribute our commercial drug products and clinical drug products using Good Manufacturing Practice (GMP) certified contract manufacturers and distributors. Our contract manufacturers of our FDA-approved products are located in North America and Asia. We use 3rd Party Logistics Companies located in the US for storage, supply and distribution of our products.

Supply Chain Management

We currently contract with third parties for the manufacture, assembly, testing, packaging, storage and distribution of our products. Our technical team has extensive pharmaceutical development, manufacturing, analytical, quality and distribution experience and is qualified and capable of managing manufacturing and supply chain operations. Our Quality System, Standard Operating Procedures and contract manufacturing organizations ("CMOs") comply with cGMP and regulatory requirements. We selected our CMOs for specific competencies having met our development, manufacturing, quality and the FDA regulatory requirements. These CMOs manufacture our clinical supplies and commercial batches.

Product Quality and Safety

ZTlido (lidocaine topical system) 1.8% and Lidoderm (lidocaine 5% patch) are bioequivalent prescription lidocaine patches approved for the relief of nerve-related pain that develops with shingles and lingers after the shingles have been resolved. Clinical trials have demonstrated that the lidocaine 5% patch commercially available has inferior adhesion compared to ZTlido, which may result in inadequate pain relief and potentially impact the patients' ability to reduce opioids. Using patient data from a payer database, we evaluated the impact of ZTlido and lidocaine 5% patch on the use of opioids in patients with nerve-related pain. The final analysis included over 6,000 patients receiving opioids and either ZTlido or lidocaine 5% patch. 51.9% of ZTlido patients either decreased or discontinued opioid use after starting ZTlido compared to 45.5% of lidocaine 5% patch patients. ZTlido patients also had no change in opioid dose after starting their prescription whereas lidocaine 5% patch patients had an increase in opioid dose. Based on this analysis, ZTlido use may help reduce use in patients with nerve-related pain to a larger extent than a lidocaine 5% patch.

Good manufacturing guidelines and regulations are cornerstones of responsible drug development and manufacturing. Our quality assurance guidelines are designed to ensure an ongoing state of quality control, effective risk management, and product/study quality monitoring. Our Quality System, Standard Operating Procedures and contract manufacturing organizations ("CMOs") comply with Current Good Manufacturing Practices ("cGMP") and regulatory requirements. Scilex also conducts or uses third parties to conduct announced quality assurance audits of suppliers and contract manufacturers to assess compliance with these high standards and to ensure that the services and pharmaceutical products provided to Scilex comply with GMP and regulatory requirements and the products meet the identity, strength, purity, and quality characteristics designed to ensure the safety and effectiveness.

Our Medical Affairs team includes in-house healthcare professionals with expertise in generating and publishing data in the post-marketing setting to support the medical and payor communities. These data include investigator-initiated studies, sponsored studies, real-world data analyses, and post-hoc analyses, to name a few. Medical Affairs also partners with key opinion leaders, professional societies and patient advocacy groups help educate and support the appropriate use

of pain therapeutics, including topical pain products. The Medical Affairs team also develops lifecycle plans and works with our clinical development team to inform registrational or supportive studies. Adverse events and product complaints regarding our FDA-approved products are reported to us at 1-866-SCILEX3 for safety surveillance. Adverse events can also be reported to FDA's MedWatch program (1-800-FDA-1088 or fda.gov/medwatch). Questions from patients, caregivers or healthcare professionals about our FDA-approved products can be directed to Scilex Medical Information at 1-866-SCILEX3.

Resource Utilization

Caring about the environment means contributing to a more sustainable planet. Our collective actions over the next decade are essential in altering the current carbon emission trajectory and, through sustainable best practices, we remain committed to leading our industry and positively impacting the communities we serve at every level. Protecting the environment and mitigating any negative environmental impact of our operations is an important consideration. We monitor and attempt to improve the efficiency of our resource use and at the same time reduce our emissions and waste. Some of the initiatives we have undertaken in the two main areas of energy and waste include:

Energy — we intend to continue sustainable business practices in our facilities and any future office spaces to reduce our carbon footprint. Through thoughtful planning, we intend to make a conscious effort to occupy spaces that meet and exceed building sustainability standards.

Energy Conservation — We have upgraded our thermostats to enhance energy efficiency and reduce our carbon footprint, reflecting our commitment to sustainable practices and environmental stewardship. We encourage and expect most of our employees to work from home periodically to minimize our environmental footprint and unnecessary carbon emissions associated with daily commutes to work. We have maintained our remote hybrid policy of certain collaboration days in the office and allowing other days for remote work for maximum efficiency. We have two EV charging stations available to employees who own electric vehicles. We offer employees the benefit commuter program in which funds are available for staff who choose to use mass transit including train, bus, subway, ferry or vanpool.

Waste — as a pharmaceutical company, our environmental footprint is relatively small in comparison to other industries, yet we strive to reduce our footprint as much as possible. We recognize the severity of environmental impact and the need to continuously identify and assess areas of risks. As a result, we continue to work towards further implementing sustainability objectives into our operations. For example, we participate in an industry program that collects and responsibly disposes of surplus, leftover, and expired medicines that are returned by patients to local collection centers.

Waste Conservation — We minimize the distribution of single use plastics by providing and encouraging employees to use reusable dishware and cutlery throughout the office. We are moving towards a paper free environment, operating primarily in the digital space and choosing to largely forgo single use printers or using larger printing devices. The use of software like DocuSign eliminates the need for printing documents. We use recycle bins placed throughout the office space including in kitchens and each individual office to minimize trash heading to city, county, and regional landfills. We also compost foods, fruits, meats, eggshells, dairy, paper napkins, towels and food boxes.

We continue to embrace the opportunity to partner with product manufacturers to identify and implement sustainability initiatives that align with our mutual goals of energy and waste management. Reducing costs associated with use of materials, energy, emissions, and disposal results in improved environmental impacts, but also creates safer operations by reducing or eliminating potentially hazardous waste.

Development Excellence

Pipeline

	Phase 1	Phase 2	Phase 3	NDA/MAA Filing	Approved	Milestones
ZTlido® (lidocaine topical system) 1.8% (Post-herpetic Neuralgia-PHN, Shingles pain	505(b)(2)					Launched in the U.S. in October 2018.
GLOPERBA® (colchicine USP) oral solution (Prophylaxis of Gout Flares)	505(b)(2)					Scilex launched Gloperba® on June 2024.
ELYXYB® (celecoxib) oral solution (Acute Treatment of Migraine)	505(b)(2)					In-licensed U.S. and Canada rights. Launched in US in April 2023. Expected 2024/2025: Acute pain filing.
SP-102 (Lumbar Radicular/Sciatica Pain)	Fast Track and Pre NDA					Pivotal Phase 3 trial met primary and secondary endpoints. Finalizing Phase 3 safety trial protocol required by FDA.
SP-103 Lidocaine Topical System 5.4% (3X) (Chronic Neck Pain)	Fast Track					2Q 2023: Completed Phase II Trial. Planning to finalize phase 2/3 trial design in neck pain in 2024. 3Q 2022: Received Fast Track for low back pain.
SP-104 Delayed Burst Release Low Dose Naltrexone (Fibromyalgia)	Prepare Phase 2 Trial					Completed multiple Phase 1 trials.

Innovative Products

Scilex is dedicated to improving the lives of patients by discovering, developing and commercializing innovative non-opioid pain management medicines that address significant unmet medical needs. We are uncompromising in our focus to become the global pain management leader committed to social, environmental, economic, and ethical principles to responsibly develop pharmaceutical products to maximize quality of life. We are focused on the greatest unmet need for patients — speed to pain freedom and durability of response. Our commercial products are: (i) ZTLido® (lidocaine topical system) 1.8%, a prescription lidocaine topical product approved by the FDA for the relief of neuropathic pain associated with postherpetic neuralgia ("PHN"), which is a form of post-shingles nerve pain; (ii) ELYXYB®, a potential first-line treatment and the only FDA-approved, ready-to-use oral solution for the acute treatment of migraine, with or without aura, in adults; and (iii) GLOPERBA®, the first and only liquid oral version of the anti-gout medicine colchicine indicated for the prophylaxis of painful gout flares in adults, which was launched in June 2024. Our guiding principle has always been and remains a patient-first approach, which drives our mission to meet the increasing global demand for more effective and safer non-opioid pain management solutions. Through rigorous research and development, we believe we are on the cusp of establishing Scilex as the preeminent name in commercial non-opioid pain management, specifically targeting the unmet needs in both acute and chronic pain with our innovative and leading therapies. We believe that we have not only responded to the global demand for safer, more effective pain-relief solutions, but also made substantial progress in demonstrating the rapid onset and enhanced safety of our products. We are committed to harnessing the power of novel formulations and delivery technologies designed to provide therapies safely and effectively to those who need them the most. Our talented and diverse workforce exhibits the passion, integrity, responsibility, and accountability needed to make a difference in the world of non-opioid pain management every day. We believe in the "law of science" and that we are all entitled to live healthy and pain-free lives — because we are patients, too. We don't just seek answers. We seek THE answer.

Unmet Need In Patients

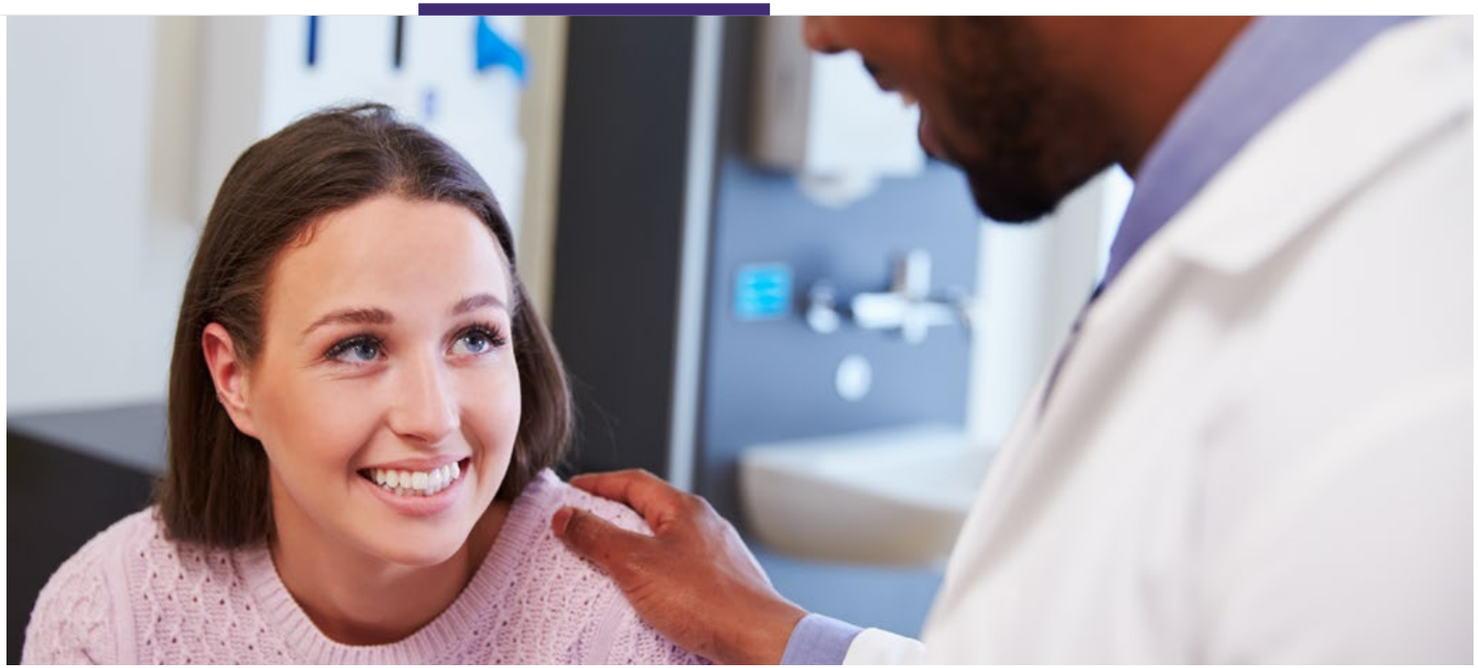
We engage with patients and patient advocacy groups to listen, learn, collaborate, and address areas of unmet patient need and to incorporate their perspectives before we launch our non-opioid pain management medicines.

We have a passionate team of talented people working together to make a difference in the world of pain management. Our team-spirited approach ensures a collaborative, engaged, and focused atmosphere where we push thinking further, fostering innovation and fervently pursuing viable solutions for patients and providers through groundbreaking technologies. We prioritize our vibrant company culture by celebrating employee birthdays, work anniversaries, and cultural holidays at regularly meetings. We engage with advocacy groups and will work closely with them to address patients needs.

Accountability / Affordability

Scilex is committed to providing access and affordability solutions to our customers. For commercial patients who have insurance and must pay a copay for a Scilex product, we buy down their copay to affordable rates. Most of these customers do not pay more than $25 per month, and many pay $0. For patients who do not have insurance or are paying cash, we offer to buy down the cost of our products to improve affordability.

We strive to have Scilex products added to Medicaid and Medicare formularies by offering aggressive discounts. This allows patients who are covered by these government programs (and by law, not permitted to access our copay savings programs) to have better access to Scilex products.



At Scilex, we are advancing patient care and non-opioid pain management. We are committed to setting new standards in pain management technology and innovation, as well as patient engagement and accessibility to new and affordable medicines.

The FDA recently established criteria for the expanded access of investigational medicines* to patients outside of clinical trials (compassionate use/expanded access) when no comparable or satisfactory alternative therapy options are available.

Our development resources are currently focused specifically on conducting clinical trials that evaluate the safety and effectiveness of our investigational medicines for treating acute and chronic pain. Our clinical trial programs are the primary way to gain access to a Scilex investigational medicine and we encourage patients to speak with their primary physicians about participating in a clinical trial whenever possible.

*Investigational medicines have not yet been approved or cleared by FDA and FDA has not found these products to be safe and effective for their specific use. The investigational medicine may, or may not, be effective in the treatment of the condition, and use of the product may cause unexpected serious side effects.

Patient Welfare

Our clinical study standards are based on the living experiences of our patients. By working for and with patients, caregivers, and advocates directly, we are able to better understand and serve the evolving needs of patients everywhere.

Clinical trials involve the administration of the drug candidate to healthy subjects or patients with the target disease under the supervision of qualified investigators, generally physicians not employed by the trial sponsor. Clinical trials are conducted under written study protocols detailing, among other things, the objectives of the clinical trial, subject selection and exclusion criteria, dosing procedures, and the parameters to be used to collect data and to monitor subject safety. Each protocol must be submitted to the FDA as part of the Investigational New Drug Application (IND), and timely safety reports must be submitted to the FDA and investigators for suspected adverse reactions that are serious and unexpected. Clinical trials must be conducted in accordance with applicable statutes, the FDA's regulations and Good Clinical Practice (GCP) requirements. Further, each clinical trial must be reviewed and approved by an Institutional Review Board (IRB) at or servicing each institution at which the clinical trial will be conducted. An IRB is charged with protecting the welfare and rights of trial participants and ensures the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the informed consent form that must be provided to and signed by each clinical trial subject or his or her legal representative and must monitor the clinical trial until it is completed.

We are committed to ensuring that participants in our clinical trials represent the diverse demographic make-up of the real-world patient population, an effort that has recently received focus by FDA, just be renewed not received.

Diversity In Clinical Trials

Scilex ensures GCP compliance by adhering to relevant International Councils of Harmonization (ICH) Guidelines (E6R2, E2A) and Code of Federal Regulations (CFR), CFR Title 21, Part 11, 50, 54, 56, 312, and 314 for all clinical trials using Scilex investigational products to guarantee protection and safety of human rights of trial participants. Per Scilex Standard Operating Procedures (SOPs) qualified Investigators are selected for participation and essential ICH/CFR-required documents for the trial conduct are reviewed and approved. Informed Consent Forms are approved by IRBs prior to enrolling subjects into clinical trials. Data quality, reliability, reproducibility, and validity of Scilex trials is ensured by contracting with qualified Contract Research Organizations and vendors, after which are audited and selected through competitive bidding process. Scilex clinical operation and development teams oversee the work performed by our service providers.

Privacy

We are committed to the responsible, transparent, and secure use of personal data entrusted to us by patients, business partners, employees, and others. We require all patient hub providers, as well as pharmacies and healthcare providers, to protect patient information. We also implement technical and organizational security safeguards designed to help protect against inappropriate disclosure, misuse or unauthorized access to personal information in our possession or control. We train each new employee on the importance of protecting personal information, permitted and appropriate uses of personal information, and how to recognize and address inadvertent access to personal information. Opt-in language on patient-facing websites and materials is designed to describe storage and use of patient data consistent with applicable privacy laws. For more information, please review our Privacy Policy. We are committed to compliance with all applicable privacy laws, including the Health Insurance Portability and Accountability Act and state privacy laws in the U.S. that address the protection of personal information, including protected health information or individually identifiable health information.

Selling Practices

Scilex is committed to the ethical promotion and selling of our products — the two are entwined in our corporate DNA. We exercise rigor in the early stages of product commercialization, beginning with market research, to ensure they meet areas of significant unmet need, as articulated by our potential customers. Usually, this research is masked, without the product being identified, to prevent any bias. Then, as we begin to shape the "voice" of the product, we ensure that strict medical, regulatory and legal scrutiny accompanies the development of marketing and sales materials that would be used in product promotion. The sales team, who delivers the messaging, is trained to do so in compliance with the highest industry standards, and their training is refreshed on a periodic basis.

Commitment to Compliance

Scilex has a deep commitment to ensure that all its business activities are conducted in full compliance with the applicable laws, regulations and standards that govern those activities. From corporate governance laws to FDA rules for preclinical and clinical drug development, to drug promotion rules and industry guidelines, to accounting, reporting and other financial rules, to applicable employment laws, Scilex strives to follow and strictly adhere to many legal requirements for its industry and for corporations in general. Scilex takes seriously its obligation to be a good corporate citizen and to operate its business in a manner that reflects the best intentions of its leaders and the trust placed in it by its shareholders.

Social Orientation To Reinforce A Promising Future!

Employee Rights

We are committed to conducting business in an ethical and responsible manner. This includes respecting internationally recognized employee rights throughout our operations. Our responsibility to respect human rights extends throughout our operations, including our diverse global supply chain of numerous local and global third-party vendors and product manufacturers.

At Scilex, we abide by the California Transparency in Supply Chains Act which requires certain companies doing business in the state of provide consumers with information regarding its efforts to address the issues of slavery and human trafficking within their direct supply chains. We are committed to conducting business only with suppliers who adhere to high ethical standards and comply with laws and regulations applicable to their business.

Employee Engagement

We have a passionate team of talented people working together to make a difference in the world of pain management. Our team-spirited approach ensures a collaborative, engaged, and focused atmosphere where we push thinking further, fostering innovation and fervently pursuing viable solutions for patients and providers through groundbreaking technologies. We prioritize our vibrant company culture by celebrating employee birthdays, work anniversaries, and cultural holidays at quarterly meetings. Scilex is supported by patient advocacy groups across all regions, ensuring comprehensive support for individuals.

Diversity, Equity and Inclusion

We believe our success will be significantly impacted by our ability to create and maintain a safe inclusive environment where everyone is empowered to do their best work — regardless of race, gender, religion, national origin, sex, sexual orientation, or disability and other characteristics protected by law.

At Scilex, we are focused on building a more inclusive collegial experience, advancing equitable health outcomes, and transforming society through external partnerships. Diversity, equity and inclusion (DEI) is a path we choose both mindfully and actively, and we attempt to cultivate a workplace that listens, learns, and connects with our colleagues, patients, and communities. We focus on accountability and transparency by setting clear goals for increasing non-discrimination and inclusion trainings and improving employee satisfaction and we can benchmark against our progress.

We strive to build a diverse environment where our employees can thrive and one that inspires exceptional contributions and professional and personal development in order to achieve our vision to become the leading pain management company that can have a transformative impact on patients' lives.

As of December 31, 2023, we had approximately 105 full-time employees.

Talent Stimulation

We focus on identifying, attracting, incentivizing, developing and retaining an exceptional team of highly talented and motivated employees to support our current product pipeline and future business goals. In order to drive innovation, we continuously improve our human capital management strategies and find ways to foster engagement and growth within our company. From day one, we strive to orchestrate a seamless onboarding journey ensuring new hires feel welcomed, informed and ready to make meaningful contributions.

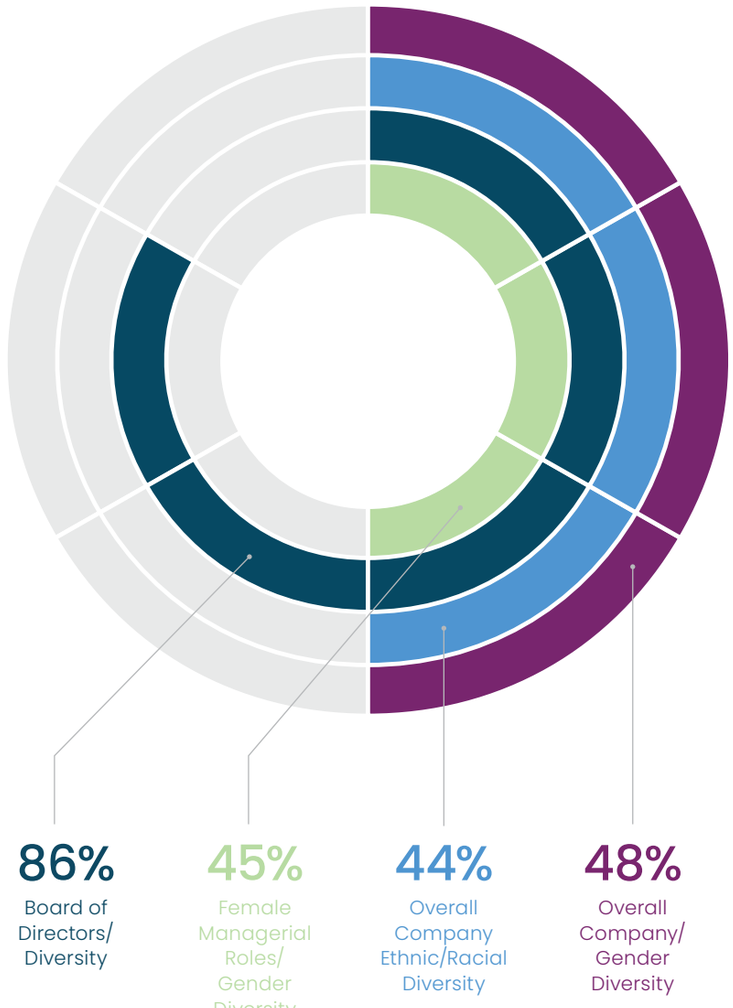
We offer innovative retention programs to cultivate a supportive environment, as well as long-term employee engagement and loyalty. Through flexible work arrangements, new hire mentors, continued learning opportunities, recognition awards, community engagement, and employee assistance programs, we strive to motive employees to perform to the best of their abilities and achieve our objectives.

We place a special focus on developing leaders and managers. We believe that investing in the growth and development of our employees through various training programs helps build and strengthen our employees' leadership and professional skills and ensures a strong future for both our employees and the organization.

Safety and Health

We strive to prioritize health and well-being among our employees and their families. We want to be an organization that provides innovative solutions for organizational structures, workplace policies and total rewards, which engage and motivate employees. We are committed to helping protect our employees' physical safety and providing an environment that prioritizes health and mental well-being for everyone in the Scilex community. It is mandatory for all our employees to complete compliance training courses. In addition, all employees receive annual training on Scilex's Code of Business and Ethics Conduct and certify that they will abide by the Code of Business and Ethics Conduct.

Scilex at a glance in Q1 2024



Governance To Support Steady Progress

Governance

Transparent corporate governance equals accountability and balancing the short- and long-term interests of our community of stakeholders, patients, suppliers and employees is an ongoing process. Our Board of Directors has adopted a Code of Business Conduct which applies to all officers, directors and employees, Corporate Governance Guidelines, an Insider Trading and Compliance Policy, and charters for our Audit Committee, Compensation Committee and our Nominating and Corporate Governance Committee. Our Nominating and Governance Committee has primary Board responsibility for ESG-related issues. These governance charters, as well as our Code of Business Conduct and Insider Trading and Compliance Policy, and to are reviewed and certified annually, and provide a framework for the comprehensive oversight of designated risk areas by the Board and its committees.

Corporate Guidelines

- Our Board of Directors sets high standards for all employees, officers and directors. It is the duty of the Board to serve as a prudent fiduciary for shareholders and to oversee the management of our business.
- Our Corporate Governance Guidelines assist the Board of Directors in the exercise of its responsibility to serve in the best interest of Scilex and its shareholders.
- The Board's principal responsibility is to oversee the management of Scilex and, in doing so, to fulfill his or her fiduciary duties of care and loyalty and otherwise to exercise his or her business judgment in the best interests of Scilex and it shareholders.
- Directors must be informed about our business and ensure effective systems are in place for periodic and timely reporting to the Board on important organizational matters.
- The majority of the members of our Board are independent, and the independent directors meet regularly in executive session.
- Directors have full and free access to management and, as necessary and appropriate, independent advisors.
- Our Board and its committees conduct a self-evaluation periodically to determine how to function most effectively.
- Our Board possesses a balance of skills and experience with an emphasis on independent oversight and continuous improvement.
- Our Board is diverse in expertise and experienced in matters pertaining to our business, as well as in background and perspective, including with respect to age, gender, race, place of residence and specialized experience.
- Our Board has responsibility for the oversight of our risk management processes, including risk identification, management and mitigation strategies, as well as the maturation of our ESG Compliance Program.

Corporate Committees:

- Audit Committee
- Compensation Committee
- Nominating & Governance Committee
- Commercialization & Transaction Committee

Board Independence and Diversity

In evaluating proposed director candidates, we consider factors such as relevant expertise, time to devote to the Company affairs, excellence in his or her field, ability to exercise sound business judgment, experience in publicly held companies, diverse personal background, perspective and experience, and commitment to rigorously represent the long-term interests of our shareholders. In conducting this assessment, the Board considers diversity (including diversity of gender, race, ethnicity, age, sexual orientation and gender identity), age, skills, and other factors. The overall diversity of our Board is an important consideration in the director nomination and selection process. Our Nominating and Governance Committee assesses diversity in connection with the annual nomination and director assessment process, as well as in new director searches. As we pursue Board recruitment efforts, our Nominating and Corporate Governance Committee will continue to seek candidates who can contribute to the diversity of views and perspectives of the Board in accordance with the Committee's policies for director candidates.

Business Ethics

Scilex follows strict promotional practices for its pharmaceutical products, guided by FDA regulations and Pharmaceutical Research and Manufacturers of America (PhRMA) guidelines. We train all our sales representatives — when they first join the company and periodically — with clinical and product knowledge, and with regard to ethical business practices. They are trained to promote each product only for the approved indication. If a healthcare practitioner wants to know about the use of our products in off-label indications, our Medical Affairs Department responds to such off-label queries. Scilex's Marketing Department develops promotional materials for Scilex products. Each promotional item goes through strict review by our Promotional Review Committee (PRC). The PRC is a cross-functional team comprised of representatives from our Compliance, Legal, Regulatory, Medical Affairs and Marketing groups. Comments and proposed edits on each item are discussed and evaluated by the PRC. Only after unanimous agreement is reached on the final version is an item approved for promotional use. Scilex follows PhRMA's strict "Code on Interactions with Health Care Professionals" with regard to all potential promotional and informational activities between representatives of Scilex and health care professionals, including those that may involve the transfer of anything of value, such as educational materials and meals. Scilex has also developed its own corporate Code of Conduct document, which its sales representatives read, sign and follow. Scilex also maintains a strict accountability policy with regard to samples of its pharmaceutical products. All samples that are provided to health care professionals are designated for personal use by patients, and not for sale. Our third-party provider handles all transfer of samples to our sales representatives, storage and inventory, monitors delivery to health care professionals, and conducts regular periodic audits. Sales representatives are required to collect an in-person signature from the health care provider for each set of samples. Scilex also complies with its reporting obligations under the federal Physician Payments Sunshine Act and state analog statutes, so that when it makes any material transfer of value to health care providers — educational trainings, meals, payments to speakers or advisors, etc. — such transfers are transparent to the public.

Internal Governance Structure

Scilex's Board, which has oversight responsibility for ESG at Scilex, entrusts its commitment to ESG to the primary guidance of its Nominating and Corporate Governance Committee and to the Scilex management team and employees who carry out the specific efforts to make that commitment a reality.

Enterprise Risk Management

We face a number of risks, including risks relating to our financial condition, development and commercialization activities, operations, strategic direction and intellectual property. In addition, as a pharmaceutical company, we are highly regulated and face the risks inherent in such a heavily regulated environment.

Risk assessment and oversight are an integral part of our governance and management processes. Our Board encourages management to promote a culture that incorporates risk management into its corporate strategy and day-to-day business operations. Management discusses strategic and operational (including cybersecurity) risks at regular management meetings and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks we face. Throughout the year, senior management reviews these risks with our Board at regular board meetings as part of management presentations that focus on particular business functions, operations or strategies, and presents the steps taken by management to mitigate or eliminate such risks.

Our Board is responsible for overseeing our overall risk management process. The responsibility for managing risk rests with executive management while the committees of our Board and our Board as a whole participate in the oversight process. Our Board's risk oversight process builds on management's risk assessment and mitigation processes, which include reviews of long-term strategic and operational planning, executive development and evaluation, regulatory and legal compliance and financial reporting and internal controls with respect to areas of potential material risk, including operations, finance, legal, regulatory, cybersecurity, strategic and reputational risk. At least annually, our Board discuss and assess enterprise risk to the Company as a whole.

Cybersecurity

At Scilex, safeguarding our digital assets and protecting the data of our stakeholders is a top priority. We have implemented comprehensive cybersecurity policies and procedures designed to prevent, detect, and respond to potential cyber threats. Our cybersecurity framework is aligned with industry standards and best practices, including regular risk assessments, employee training programs, and continuous monitoring of our IT infrastructure. We utilize advanced protection technologies, multi-factor authentication, and secure access controls to ensure the integrity and confidentiality of sensitive information. Additionally, we maintain a proactive incident response plan and conduct regular audits to evaluate and enhance our cybersecurity posture. Our commitment to cybersecurity extends to our Board of Directors, which receives regular updates on cybersecurity risks and strategies to ensure robust oversight and governance in this critical area.

SCILEX® HOLDING COMPANY

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General Inquiries
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Adverse Events
To report a side effect while taking a Scilex medicine:
866-SCILEX3

Product Complaint
To report a product quality issue:
866-SCILEX3