

**SWK Holdings Provides Portfolio Update Highlighting Recent Achievements  
Specialty Finance Portfolio Growth, Underlying Credit Performance Highlight Strong 2020  
Closed Four Transactions During 2020, Deploying \$35 Million  
Two Milestone Payments Received from Cara Therapeutics Related to the Development of Oral  
KORSUVA™  
Fourth Quarter and Full-Year 2020 Financial Results Expected in March 2021**

DALLAS, Feb. 16, 2021 /PRNewswire/ -- SWK Holdings Corporation (Nasdaq: SWKH), a life sciences focused specialty finance company catering to small and mid-sized commercial-stage companies, today provided an update on the progress and achievements of its portfolio and partner companies during the past year.

"SWK's strong performance is highlighted by 20% year-over-year growth in our earning assets to approximately \$208 million accompanied by strong underlying credit trends," stated Winston Black, Chairman and CEO of SWK Holdings. "During the third and fourth quarters, SWK closed three royalty transactions and one loan, deploying approximately \$35 million, and advanced an additional \$2 million to an existing borrower as part of upsizing its credit facility. We continue to be encouraged with the attractiveness of our pipeline and ability to opportunistically deploy capital in line with our strategy focusing on financings to small and mid-sized life sciences companies and unique royalty assets.

Mr. Black continued, "We are also pleased with the progress at our subsidiary, Enteris BioPharma. Under CEO Rajiv Khosla, Enteris has completed construction of its expanded manufacturing facility and has increased the business development pipeline for the Peptelligence® and ProPerma™ technologies. Enteris has also refined its 505(b)(2) internal development strategy with plans in 2021 to progress an asset, which we expect to disclose in additional detail in the coming quarters. The partnership with Cara Therapeutics continues to demonstrate the value potential of Peptelligence as Oral KORSUVA™ is now the subject of four separate clinical programs, including an anticipated Phase 3 trial for the treatment of pruritus in patients with stage III-IV chronic kidney disease. As previously announced, Enteris has received two milestone payments from Cara, with Enteris' portion of the payments totaling \$3 million. We anticipate additional milestone payments over the next several quarters, subject to the achievement of development milestones."

**Enteris BioPharma, Inc.**

In August 2019, SWK Holdings acquired Enteris BioPharma, a biotechnology company developing innovative oral formulations of peptide- and small molecule-based therapies built around its proprietary drug delivery technology, Peptelligence.

- Enteris has completed construction of its expanded manufacturing facility, including a high-potency API suite. Once operational, Enteris' manufacturing facility will be able to produce clinical trial material Phase 3.
- Enteris continues to advance its work with Cara Therapeutics on Cara's first-in-class KOR agonist, CR845, commonly known as Oral KORSUVA.
  - During the fourth quarter of 2020, Enteris received two milestone payments from Cara totaling \$5 million, of which Enteris is entitled to retain \$3 million. SWK Holdings anticipates additional milestone payments over the next several quarters, subject to the achievement of development milestones.
  - Cara Therapeutics expanded its clinical program for Oral KORSUVA in January 2021 with the initiation of a Phase 2 trial for the treatment of pruritus in patients suffering from notalgia paresthetica, a nerve disorder characterized by chronic pruritus of the upper to middle back. Oral KORSUVA is now the subject of four late-stage clinical programs, including pruritus in patients with hepatic impairment due to primary biliary cholangitis, stage III-V chronic kidney disease, and atopic dermatitis.
  - In December 2020, Cara announced it had fully enrolled the 400-patient KARE Phase 2 dose-ranging clinical trial of Oral KORSUVA for the treatment of pruritus in atopic dermatitis patients with topline data expected in the first half of 2021.
  - Previously, Cara announced positive top-line results from its Phase 2 clinical trial of Oral KORSUVA for the treatment of pruritus in patients with stage III-IV chronic kidney disease. Cara intends to complete an End of Phase 2 Meeting with the FDA in the first quarter of 2021.

**Transactions Completed During the Second Half of 2020**

**EyePoint Pharmaceuticals, Inc.**

EyePoint Pharmaceuticals is a pharmaceutical company developing and commercializing innovative ophthalmic therapeutics. In December 2020, EyePoint entered into a royalty monetization agreement with SWK Holdings. SWK Holdings paid \$16.5 million for royalties payable to EyePoint under its license agreement with Alimera Sciences for ILUVIEN.

**Flowonix Medical, Inc.**

In January 2021, SWK Holdings and Flowonix, a medical device company focused on providing advanced, implantable drug delivery solutions, announced the closing of a \$33 million financing, which included \$10 million in debt from SWK Holdings and a \$23 million Series B equity round led by Farallon Capital Management.

**PDL BioPharma Inc.**

In August 2020, SWK Holdings paid \$4.4 million to PDL BioPharma for royalties on sales of Coflex, Kybella, and Zalviso.

**Trio Healthcare Ltd.**

In October 2020, SWK Holdings paid \$3.9 million to Trio Healthcare for a royalty on a portfolio of Ostomy products.

**SWK Holdings Portfolio Updates****Aimmune Therapeutics, Inc.**

In February 2019, SWK Holdings committed \$5 million to Aimmune Therapeutics' structured credit agreement as part of a larger financing syndicate.

- In October 2020, Nestle acquired Aimmune for a fully diluted equity value of \$2.6 billion.
- SWK Holdings deployed approximately \$3.7 million into the facility and generated a 1.2x MOIC and 20% IRR.

**Biolase, Inc.**

Biolase is a global leader in dental lasers. In November 2018, Biolase entered a \$15 million structured credit arrangement with SWK Holdings.

- In January 2021, Biolase announced preliminary fourth quarter 2020 sales of \$8.2 million to \$8.5 million, representing sequential growth of 26% to 31%, and disclosed cash on-hand of \$25 million.
- In February 2021, Biolase closed a \$14 million equity offering.

**DxTerity Diagnostics, Inc.**

DxTerity Diagnostics is a private, patient-centered genomics company that offers home-RNA monitoring to improve the management of immune-mediated disease. In April 2015, DxTerity entered a \$9.5 million structured credit agreement with SWK Holdings.

- In March 2020, DxTerity launched its COVID-19 employee screening service.
- In October 2020, DxTerity's COVID-19 PCR diagnostic received FDA Emergency Use Authorization (EUA) for unsupervised at-home testing.
- In January 2021, DxTerity announced that its self-administered, saliva-based COVID-19 diagnostic test is for sale on Amazon.

**Emergent BioSolutions, Inc. -- Narcan®**

Narcan, also known as naloxone, is the only FDA-approved needle-free emergency opioid overdose reversal drug approved by the FDA. In December 2016, SWK Holdings paid \$17.5 million to Opiant Pharmaceuticals to acquire certain royalties associated with Narcan sales.

- In November 2020, Emergent reported Narcan sales for the three months ended September 30, 2020 totaled \$88.8 million, an 18% year-over-year increase.
- In February 2021, Emergent disclosed a 2021 Narcan sales forecast of \$305 million to \$325 million.

**Eton Pharmaceuticals, Inc.**

Eton Pharmaceutical is a specialty pharmaceutical company focused on developing innovative products utilizing the FDA's 505(b)(2) regulatory pathway. In November 2019, Eton entered a \$10 million structured credit agreement with SWK Holdings, which was amended in August 2020 to increase the facility size to \$15 million.

- During the second half of 2020, Eton and its partners submitted NDAs for dehydrated alcohol injection, zonisamide oral suspension, ephedrine injection and topiramate oral solution.
- In September 2020, ALKINDI SPRINKLE received FDA approval. Eton formally launched the product in November 2020.
- In October 2020, Eton closed a \$22.5 million equity offering.
- In February 2021, Eton announced the sale of its neurology portfolio for up to \$45 million plus royalties.

**4WEB, Inc.**

4WEB, Inc. is a privately-held medical-device company, based in Frisco, TX, that utilizes a proprietary truss implant technology to develop and market spinal implants. In June 2019, 4WEB entered a \$20 million structured

credit agreement with SWK Holdings.

- In October 2020, 4WEB announced the U.S. commercial launch of its Stand-Alone Anterior Lumbar Interbody Fusion Device, which followed 510(k) clearance of the device from the FDA.

#### **Misonix, Inc.**

In September 2019, Misonix, a provider of minimally invasive therapeutic ultrasonic medical devices, acquired Solsys Medical, LLC, a privately held regenerative medicine company. Misonix assumed Solsys' credit facility with SWK Holdings. Following the acquisition, SWK Holdings upsized its credit facility with Misonix to \$30 million to support the company's growth objectives.

- In December 2020, Misonix announced that the second-largest U.S. commercial payer will cover [TheraSkin](#) for all lower extremity dermal wounds. TheraSkin is a proven cellular and tissue-based treatment for difficult to heal chronic wounds.
- In February 2021, Misonix reported financial results for its fiscal 2021 second quarter with domestic surgical revenue increasing 20%. The company reported \$1.6 million of EBITDA in the quarter.

#### **Veru Inc.**

Veru Inc. is a biopharmaceutical company focused on oncology therapeutics. Through Veru's Female Health Company division, the company also markets the FC2 "female condom." In 2018, Veru completed a \$10 million "synthetic royalty financing" on FC2 sales with SWK Holdings.

- In December 2020, Veru reported fiscal year 2020 FC2 sales increased 31% year-over-year to \$40.6 million.
- In February 2021, Veru announced fiscal 2021 first quarter earnings with FC2 revenue increasing 32% year-over-year to \$13.8 million and U.S. FC2 prescription revenues increasing 50% year-over-year to \$9.1 million.

#### **About SWK Holdings:**

SWK Holdings Corporation is a specialized finance company with a focus on the global healthcare sector. SWK Holdings partners with ethical product marketers and royalty holders to provide flexible financing solutions at an attractive cost of capital to create long-term value for both SWK Holdings' business partners and its investors. SWK Holdings believes its financing structures achieve an optimal partnership for companies, institutions and inventors seeking capital for expansion or capital and estate planning by allowing its partners to monetize future cash flow with minimal dilution to their equity stakes. SWK Holdings also owns Enteris Biopharma, whose core Peptelligence™ drug delivery technology creates oral formulations of peptide-based and BCS class II, III, and IV small molecules. With Enteris, SWK Holdings has the opportunity to grow its specialty finance business by actively building a wholly-owned portfolio of milestones and royalties through licensing activities. Additional information on the life science finance market is available on the Company's website at [www.swkhold.com](http://www.swkhold.com).

#### **Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as "believes," "expects," "anticipates," "intends," "estimates," "plan," "will," "may," "look forward," "intend," "guidance," "future" or similar expressions are forward-looking statements. Because these statements reflect SWK Holdings' current views, expectations and beliefs concerning future events, these forward-looking statements involve risks and uncertainties. Investors should note that many factors, as more fully described under the caption "Risk Factors" and elsewhere in SWK's Form 10-K, Form 10-Q and Form 8-K filings with the Securities and Exchange Commission and as otherwise enumerated herein, could affect SWK Holdings' future financial results and could cause actual results to differ materially from those expressed in such forward-looking statements. The forward-looking statements in this press release are qualified by these risk factors. These are factors that, individually or in the aggregate, could cause SWK Holdings' actual results to differ materially from expected and historical results. You should not place undue reliance on any forward-looking statements, which speak only as of the date they are made. We assume no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

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