



Collaborative Approach to Life Science Financing

Corporate Presentation

September 10, 2020



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SWK Holdings - Overview

Custom financing solutions for commercial-stage healthcare companies and royalty owners

Underserved, High-Need Market

- SWK targets \$5mm to \$20mm financings, a market niche that is largely ignored by larger market participants and generates attractive full-cycle returns
- Business focus is secured financings and royalty monetizations, but will selectively consider equity-like opportunities and M&A

Demonstrated Success, Attractive Returns

- Targets unlevered, mid-teens return on capital with a portfolio effective yield* of 13.2% for 2Q20
- 17 exits from inception through June 30, 2020 generating a 20% IRR and 1.2x MOIC
- As of August 31, 2020 completed financings to 37 different parties deploying \$544mm of capital
- LTM specialty finance segment generated a 12.2% adjusted return on tangible book value**
- Compounded book value per share at a 10% CAGR from 4Q12 to 2Q20's \$18.06

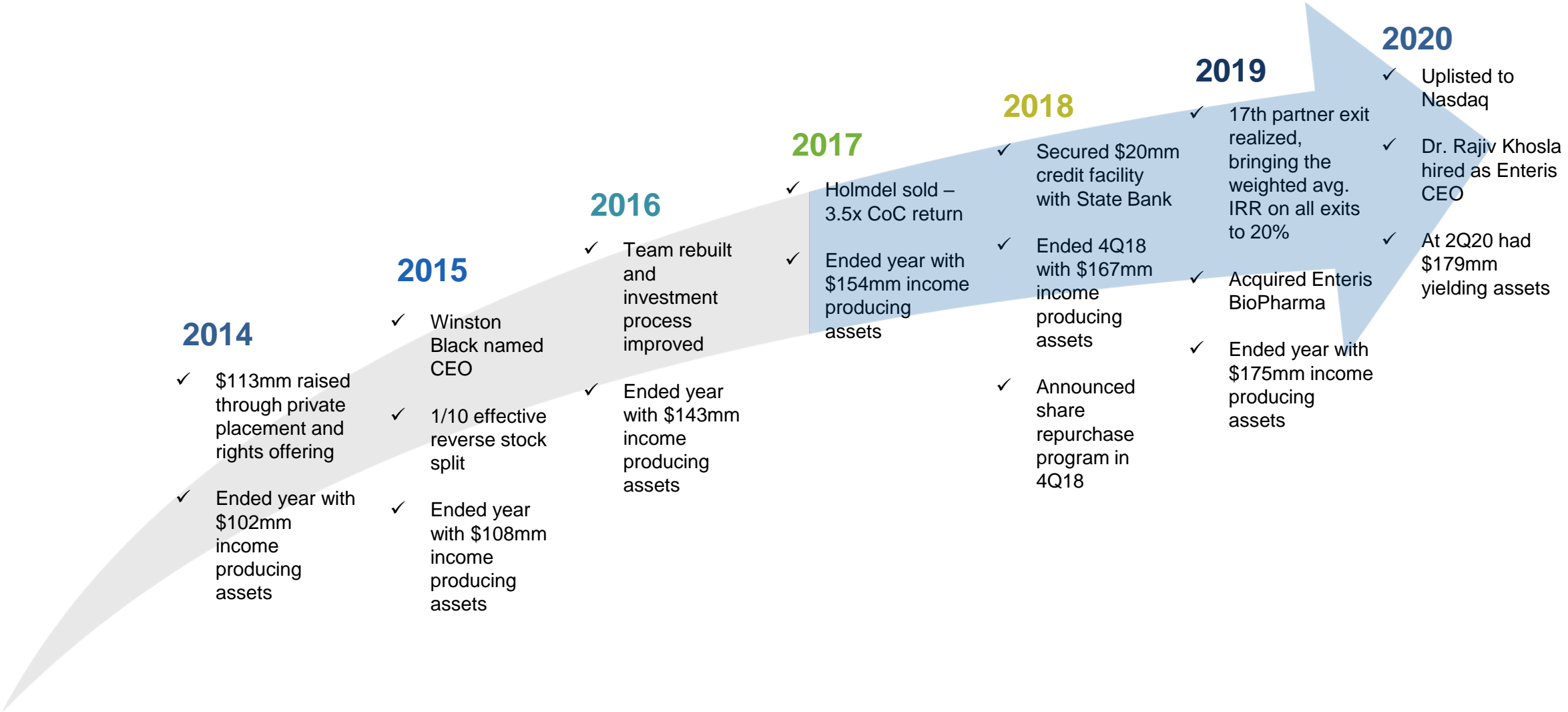
Targeting Multiple Growth Opportunities

- Enteris BioPharma acquisition and NASDAQ uplist demonstrate focus on shareholder value creation
 - Increase book value per share at a 10%+ CAGR
 - Be recognized as partner of choice for life sciences companies and inventors seeking \$20mm or less
 - Generate current income to utilize SWK's substantial NOL asset, \$360mm at December 31, 2019
- COVID-19 has not interrupted business; in fact could provide opportunity given SWK's investment niche

* Effective yield is the rate at which income is expected to be recognized pursuant to the Company's revenue recognition policies, if all payments are received pursuant to the terms of the finance receivable; excludes warrants

** Numerator is specialty finance division's adjusted non-GAAP net income; Denominator is shareholders equity less the deferred tax asset and net Enteris-related intangibles and goodwill, which adds-back the contingent consideration payable

Corporate Milestones



Leadership Team



Winston Black
Chief Executive Officer

- Appointed CEO in 2016
- Co-founded PBS Capital Management
- Prior leadership positions at Highland Capital Management, Mallette Capital Management and ATX Communications



Charles Jacobsen
Chief Financial Officer

- Appointed CFO in 2012
- Currently serves as Partner of Strategic Growth for CFGI
- Has served in CEO and CFO roles at multiple financing and investment firms



Jody Staggs
Managing Director

- Joined in 2015
- Previously VP of Investments at Annandale Capital
- Co-founded PBS Capital Management
- Prior to PBS, served as Senior Portfolio Analyst at Highland Capital Management



Yvette Heinrichson
Chief Accounting Officer

- Joined in 2016
- Proficient in technical GAAP accounting, SEC financial reporting, SOX implementation
- Served as financial statement auditor and tax professional with Deloitte for multiple years

SWK Holdings - Segments

SWK operates through two segments: Life Science Specialty Finance and Enteris BioPharma
Centered on SWK's core focus on monetizing revenue streams and intellectual property

LIFE SCIENCE SPECIALTY FINANCE

- Senior secured term loans
- Royalties
- Synthetic royalties
- Product acquisitions



ENTERIS BIOPHARMA

- Peptelligence® dosing technology
- CDMO services
- 505b2 drug development

Life Science Finance Opportunity

Custom financing solutions for commercial-stage healthcare companies and royalty owners – biopharma, medical devices, diagnostics and tools

Targeting \$5mm to \$20mm financings, a niche that is largely ignored by larger market participants

Focus is secured financings and royalty monetizations, but will selectively consider equity-like opportunities and M&A (Enteris BioPharma)

Since 2012, SWK has completed financings with 37 different parties deploying \$544mm of capital, including partner co-investments

Current Structured Credit Portfolio



Acerus Pharmaceuticals
10.11.18
\$11 million – Structured Credit



Aimmune Therapeutics
02.12.19
\$5 million – Structured Credit



B&D Dental
12.10.13
\$6.5 million – Structured Credit



BIOLASE
Global Leadership in Lasers
11.09.18
\$15 million – Structured Credit



CeloNova BioSciences
07.31.17
\$25 million – Structured Credit



DxTernity Diagnostics
04.06.15
\$9.5 million – Structured Credit



Epica International
07.25.18
\$14 million – Structured Credit



Eton Pharmaceuticals
11.14.19
\$10 million – Structured Credit



Harrow Health (f/k/a Imprimis Pharmaceuticals)
07.19.17
\$21 million – Structured Credit



Keystone Dental
05.23.16
\$20 million – Structured Credit



Misonix
BETTER MATTERS®
9.27.19
\$30 million – Structured Credit



Tenex Health
07.01.16
\$9 million – Structured Credit



Thermedx LLC
FluidSmart System
Innovative irrigation...
05.05.16
\$0.4 million – Note Financing



Veru
03.05.18
\$12 million – Synthetic Royalty Financing




4WEB Medical
06.03.19
\$20 million - Structured Credit

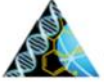
Current Royalty Portfolio



Beleodaq (Onxeo)
06.06.18
\$7.5 million – Royalty Acquisition



Besivance
04.02.13
\$16 million – Royalty Acquisition



Best ABT
11.12.18
\$5.8 million – Royalty Reorganization



Cambia
07.31.14
\$9.5 million – Royalty Acquisition



ForFivo (IntelGenx)
08.05.16
\$6 million – Royalty Acquisition



Narcan (Opiant)
11.07.16
\$17.5 million – Royalty Acquisition



Tissue Regeneration Therapeutics
06.12.13
\$3.3 million – Royalty Acquisition

Secured Royalty Financing for Pharmaceutical Product

Women's Health
06.07.13
\$3.0 million – Royalty Financing

Enteris BioPharma Acquisition – A Transformational Opportunity

Synergistic & Value Enhancing

- Natural extension to SWK’s existing royalty monetization business, which generates income via royalties on life science products in a mix of structures
- Enteris offers opportunity to create wholly-owned portfolio of milestones and royalties on IP-protected biotherapeutics with substantial upside optionality

Highly Favorable Deal Economics

- Attractive valuation with SWK buying undervalued portfolio of “call options” of current & future licenses, owned drug candidate assets, and manufacturing operations
- Risk-adjusted economics from existing/expected licenses anticipated to exceed purchase price

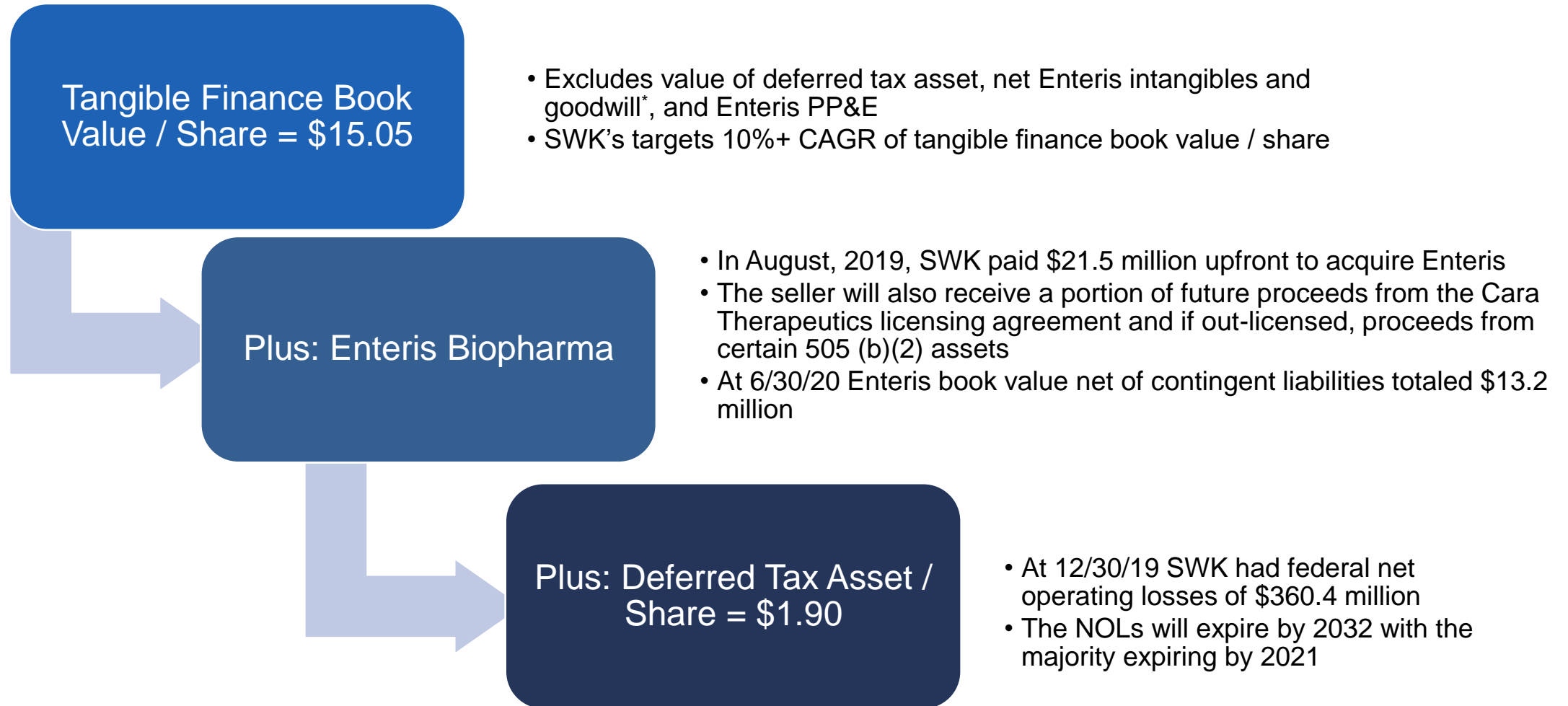
“Game-Changing” Platform Technology

- Peptelligence® enables injectable-to-oral conversion of peptides and difficult to formulate small molecules
- Targets substantial market and serves as cornerstone for “asset-light” licensing revenue model
- Franchise-like model (“multiple shots on goal”) leverages partners’ significant R&D and marketing/commercialization spend
- Existing 505(b)(2) pharmaceutical development candidates plus ability to internally expand owned-product portfolio creates engine for additional future licenses

Strong Company; Positioned for Success

- Enteris possesses proven technology, clinical experience and in-house manufacturing which is unique compared with peers, some of which sport multi-hundred million dollar market values
- Potential to expand Peptelligence® platform via acquisition of dosing technologies and CDMO assets

Book Value Components



At 6/30/20 Total Book Value per Share was \$18.06

* Intangible assets, net plus goodwill less contingent consideration payable

Historical Financing: Narcan Royalty

Narcan is the only FDA approved, intranasal Naloxone product for the treatment of opioid overdose
Narcan is appropriately priced with revenue growth from expanded distribution, not price hikes

OPPORTUNITY

- Opiant is a publicly traded drug development company that receives a royalty on Narcan for developing the drug's unique formulation
- Novel formulation has a faster time to onset and more convenient and safer administration
- Opiant needed capital to pursue development programs
- At time of monetization, Opiant was a thinly traded OTC stock and management believed the share price did not reflect underlying asset value, thus a share offering was not an attractive option

SOLUTION

- SWK structured a capped royalty that was smaller than competing proposals, and allowed Opiant to retain tail economics
- In December 2016, SWK funded \$13.8mm in exchange for a royalty that was capped at a 1.5x CoC return
 - On August 8, 2017 upon achieving \$25mm in cumulative sales during two consecutive quarters, SWK funded additional \$3.8mm with a 1.5x CoC return cap
- Narcan sales exceeded forecasts; CoC return cap achieved in February 2018
- SWK retains a residual royalty ranging from 5% to 10% through expiry of Narcan IP

Historical Financing: Cheetah Medical

Cheetah is a privately-held medical device company that specializes in non-invasive fluid management technology

OPPORTUNITY

- Cheetah Medical was a private company
- Cheetah used the loan proceeds to retire existing debt and to invest in its sales and marketing efforts in the US

SOLUTION

- In January of 2019, SWK entered into a \$20 million structured credit agreement
- In October of 2019, Baxter International, Inc. (NYSE:BAX), a leading global medical products company agreed to acquire Cheetah Medical for more than \$200 million.
- Transaction included \$190 million upfront cash payment and the potential for an additional \$40 million in clinical and commercial milestone Payments
- This deal was SWK's 10th realization to a strategic buyer since 2013

This is a great example of the collateral value we believe underpins our loans

Royalty Financing Example: Veru Inc.

Veru (NASDAQ:VERU) is a biopharmaceutical company focused on developing novel medicines for prostate cancer

OPPORTUNITY

- Through Veru's Female Health Company division, they market the FC2 "female condom" with sales in 140 countries
- Veru needed to raise capital to advance its biotech development pipeline and any equity raise at the time would have been extremely dilutive given its ~\$73 million market cap and exhausted cash reserves

SOLUTION

- In 2018, SWK provided a \$10 million "synthetic royalty financing" based on FC2 sales.
- SWK receives a mid-teens percent tiered royalty on FC2 net sales until it achieves a 1.7625x CoC return, and post achieving the CoC threshold, receives a 5% residual royalty on FC2 net sales
- Successful transaction for both Veru and SWK
 - Sales of the FC2 "female condoms" have nearly doubled from \$15.9 million in 2018 to \$30.9 million in fiscal 2019.
 - Veru stock price has appreciated from \$1.37 per share prior to closing to \$2.76 per share (September 9, 2020), "saving" Veru shareholders significant dilution

Nasdaq Uplisting

SWK uplisted to NASDAQ on January 23, 2020 as part of broader strategy to provide shareholder value by:

- Increasing visibility within the investment community
- Increasing stock liquidity
- Broadening shareholder base via enhanced retail and institutional exposure
- 'First to market' – 6 months ahead of Royalty Pharma



Growth Opportunity

2020 represents a year of potentially substantial growth for SWK

LIFE SCIENCE SPECIALTY FINANCE

- Potential to grow SWK's B/V per share at >10% per year
- Deal pipeline remains strong
- Anticipate additional originations in the 2H 2020



ENTERIS BIOPHARMA

- Enhancing management team
- Augmenting BD function
- Completing manufacturing expansion
- Cara license continues to provide returns

Why Invest in SWKH -- Attractive Risk Reward Scenario

“Unearthed Diamond”

- SWK story is not widely known, having uplisted to Nasdaq w/out benefit of traditional IPO
- Inclusion in Russell 2000 should help increase SWK’s visibility

Lower Risk Bio-Basket

- Diverse, non correlated range of life science products with limited downside risk
- Potential for upside via the royalty portfolio and warrants associated with our borrowers

Stable Earnings Longer-Term Upside Potential

- Current portfolio of debt and royalty investments has provided a 13.2% portfolio effective yield; above targeted >10% goal
- Longer term, milestones, royalties and potential licensing opportunities could drive significant upside to our numbers

Strong Management/ Proven Processes

- SWK is run by a concentrated group of experienced financing professionals with decades of knowledge in financing and the healthcare arena
- SKW utilizes proven algorithms and methods of underwriting potential clients with an eye towards minimizing risk and maximizing returns

Undervalued

- With a Book Value per share of \$18.06 and a stock price of \$14.01 as of September 9, 2020, we are trading at a discount