



# SWK HOLDINGS

Collaborative Approach to Life Science Financing

## Shareholder Presentation

November 2024



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# SWK Holdings - Overview

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

### Underserved, High-Need Market

- SWK targets \$5M to \$25M financings, a market niche that is less competitive and generates attractive full-cycle returns
- Business focus is secured financings and royalty monetizations
- Experienced and aligned management and Board with extensive life science network
- As of November 2024, completed financings with 56 parties deploying \$799M of capital

### Demonstrated Success, Attractive Returns

- Targets unlevered, mid-teens gross return on capital with a portfolio effective yield of 14.6% for 3Q24<sup>1</sup>
- 33 exits from inception through 3Q24, generating an 17.3% IRR and 1.4x MOIC
- Specialty finance segment generated an 6.9% LTM adjusted return on finance segment tangible book value<sup>2</sup>

### Focus on Shareholder Returns

- Year-to-date 2024 through November 13, SWK has repurchased ~345K shares of stock for a total cost of ~\$5.9M
- Shareholder value creation strategy:
  - Increase book value per share at a 10% CAGR
  - Serve as partner of choice for small and mid-sized life sciences companies and inventors
  - Generate current income to utilize SWK's substantial NOL asset, \$87.7M as of December 31, 2023

1) *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*

2) *Numerator is specialty finance division's adjusted non-GAAP net income. Denominator is shareholders equity less the deferred tax asset and Enteris PP&E*

# Operating 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
- Hybrid structures



## ENTERIS BIOPHARMA

- CDMO and CMO services
- Peptelligence<sup>®</sup> dosing technologies
- 505b2 drug outlicensing

# Why Life Science Finance?

## Tap into underlying demand that is pervasive, growing, and minimally correlated with economic cycles

- Healthcare spend is large and increasing, representing 20% of U.S. GDP; forecast to grow at a 5% CAGR through 2030<sup>1</sup>
- Sector has demonstrated durability as S&P 500 sales declined 9% in 2009, while Healthcare subsector sales grew 10%<sup>2</sup>

## Leverage FDA-approved assets that have protected and “portable” value

- Clinical trials and FDA approval requires substantial investment of time and money and limits competition
- Assets are attractive acquisition candidates for strategics, which avoid internal development and approval risk; high gross margins immediately accretive for acquirers with existing sales infrastructure

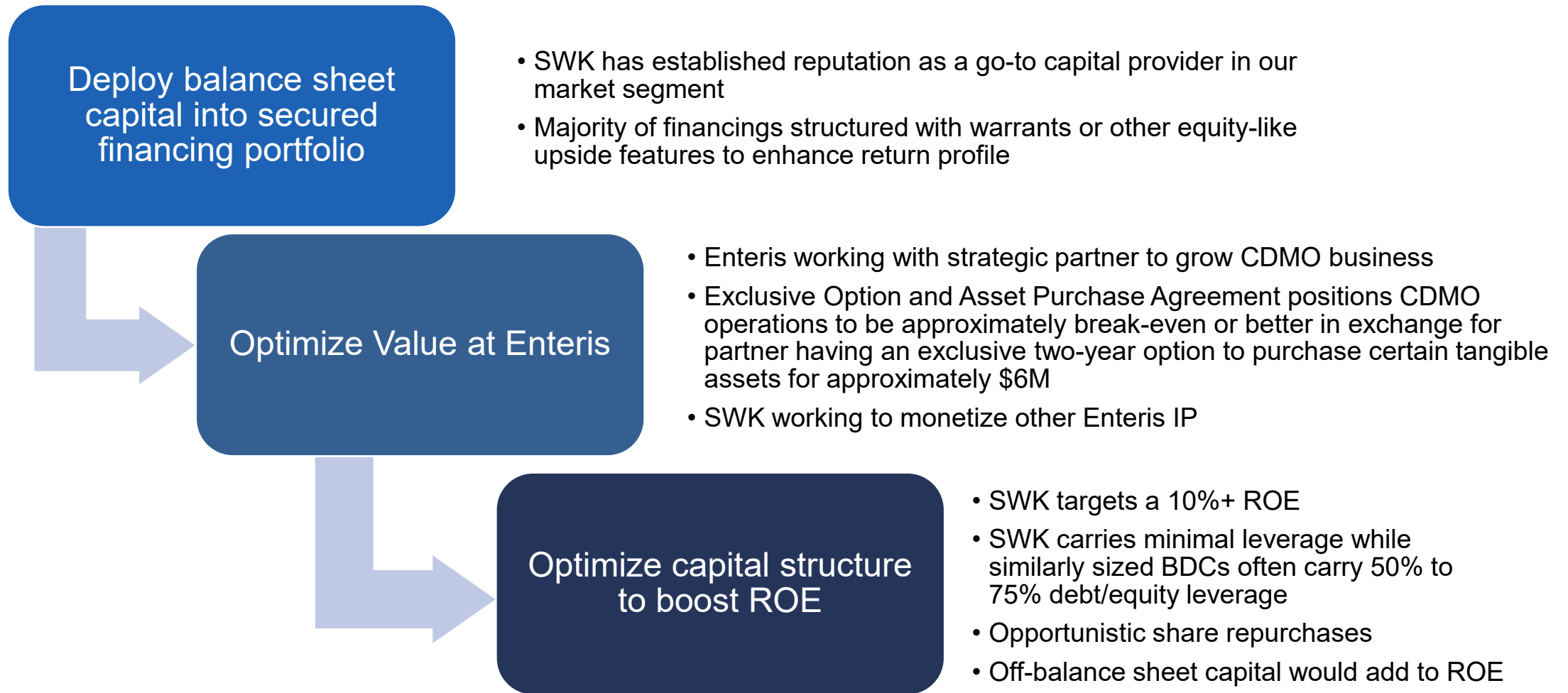
## Invest where competition is limited and risk-adjusted return superior

- Few sources of non-dilutive capital exist for sub-\$25M financings and equity is our primary competition
- Achieve superior risk-reward via better pricing, lower leverage, tighter covenants, and downside protection

1) Centers for Medicare & Medicaid Services

2) Bloomberg

# Value Creation Strategy

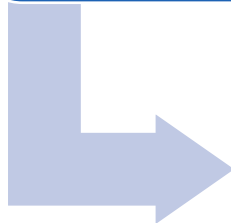


SWK believes this strategy will continue to achieve a 10%+ book value per share CAGR

# Book Value Components

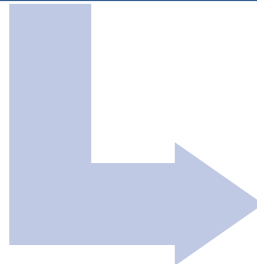
Tangible Finance Book Value / Share = \$20.42

- Excludes value of deferred tax asset and Enteris PP&E
- SWK's targets 10%+ CAGR of tangible finance book value / share



Plus: Enteris Biopharma Net Book Value / Share = \$0.40

- Strategic partner has option to purchase certain property and equipment for approximately \$6M, or \$0.49 per share, through January 1, 2026



Plus: Deferred Tax Asset / Share = \$2.12

- At 12/31/23 SWK had federal net operating losses (NOL) of \$87.7M
- Last tranche of NOLs will expire in 2037

3Q24 Total Book Value per Share of \$22.94



# Corporate Milestones

## 2016

- ✓ Team rebuilt and investment process improved
- ✓ Focus on 1LTs and Royalties only (no 2Ls, equity, high yield)
- ✓ Ended year with \$130.0M investment assets

## 2018

- ✓ Secured \$20M credit facility with Cadence Bank (f/k/a State Bank)
- ✓ Announced share repurchase program in 4Q18
- ✓ Ended year with \$169.9M investment assets

## 2019

- ✓ 17th partner exit realized, bringing the weighted avg. IRR on all exits to 20%
- ✓ Acquired Enteris BioPharma
- ✓ Ended year with \$178.7M investment assets

## 2020

- ✓ Uplisted to Nasdaq and added to Russell 2000 Index
- ✓ Ended year with \$212.5M investment assets

## 2022

- ✓ Reconstituted Board of Directors
- ✓ Ended year with \$237.9M investment assets

## 2023

- ✓ Jody Staggs named Chief Executive Officer
- ✓ JD Tamas promoted to Director of Underwriting
- ✓ Expanded team, adding VP of Underwriting and VP of Originations
- ✓ Announced new \$10M 10b5-1 share repurchase program
- ✓ Closed new RLOC with \$60.0M of committed from bank syndicate
- ✓ Closed public offering of \$33M Senior Unsecured Notes
- ✓ Ended year with \$290.2M investment assets

## 2024

- ✓ SWK and Enteris subsidiary entered into Exclusive Option and Asset Purchase Agreement with strategic partner
- ✓ Appointed Adam Rice as Chief Financial Officer
- ✓ Promoted Courtney Baker to Controller
- ✓ Announced new \$10M 10b5-1 share repurchase program



# Third Quarter 2024 Recap

## CORPORATE UPDATES

- During the third quarter of 2024, SWK repurchased ~190K shares of stock for a total cost of ~\$3.2M
- Year-to-date 2024 through November 11, SWK has repurchased ~345K shares of stock for a total cost of ~\$5.9M

## FINANCE RECEIVABLES UPDATES

- As of 3Q24, non-GAAP tangible finance segment book value per share was \$20.42, a 5.5% increase from 3Q23
- As of 3Q24, net finance receivables were \$255.9M, a 14% increase from 3Q23
- 3Q24 finance portfolio *effective* yield was 14.6%, a ~60 bps increase from 3Q23
- 3Q24 finance portfolio *realized* yield was 13.8%, an ~80 bps decrease from 3Q23
- For the trailing twelve months ended 3Q24, SWK's core finance receivables segment generated a 6.9% adjusted return on tangible book value

# Finance Segment Portfolio Overview: 2Q24

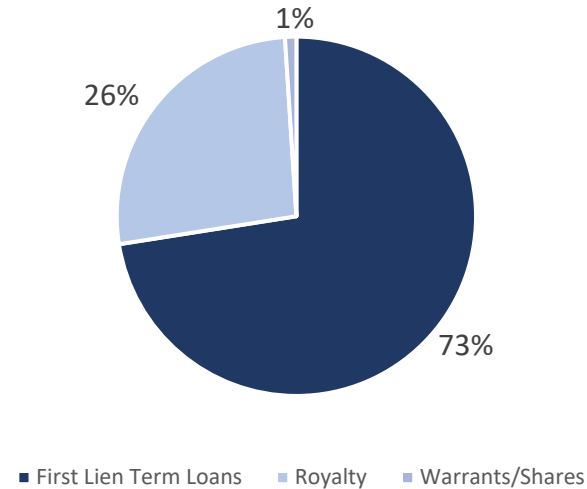
## Financing Segment Portfolio Value

- Gross Finance Receivables: \$270.2M
- Gross Total Investment Assets: \$273.0M<sup>1</sup>
- Allowance for Loan Loss: \$14.3M

## Metrics

- Number of Assets: 26
- Avg. GAAP Balance per Asset: \$10.4M
- Gross Receivables Non-Accrual Balance: \$22.4M
- Total Unfunded Commitments: \$38.8M<sup>2</sup>

Portfolio Composition

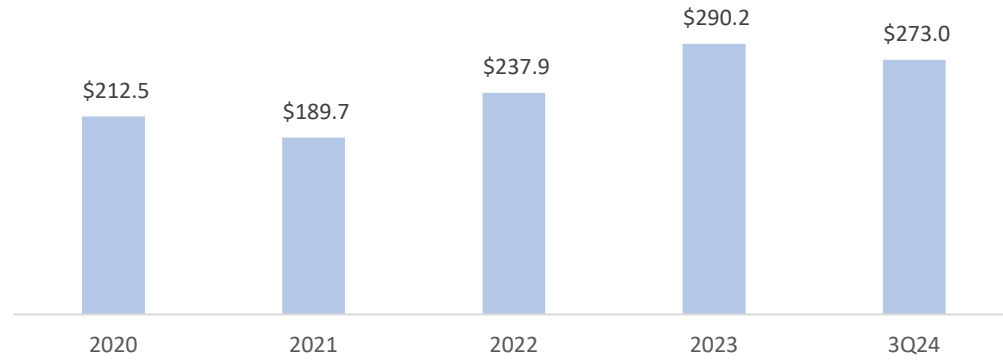


1) Includes public company warrants and shares; private warrants carried at zero value  
2) As of November 2024

# Financial Snapshot

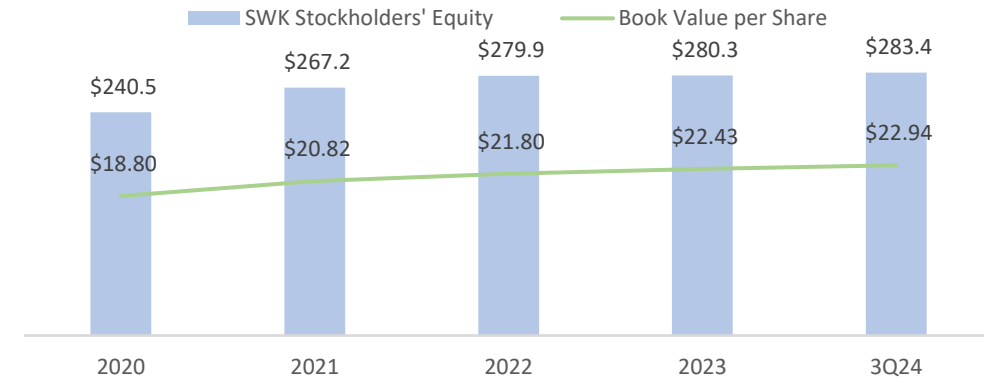
## Total Investments Assets

(\$ in millions; at end of period; gross of/before CECL)



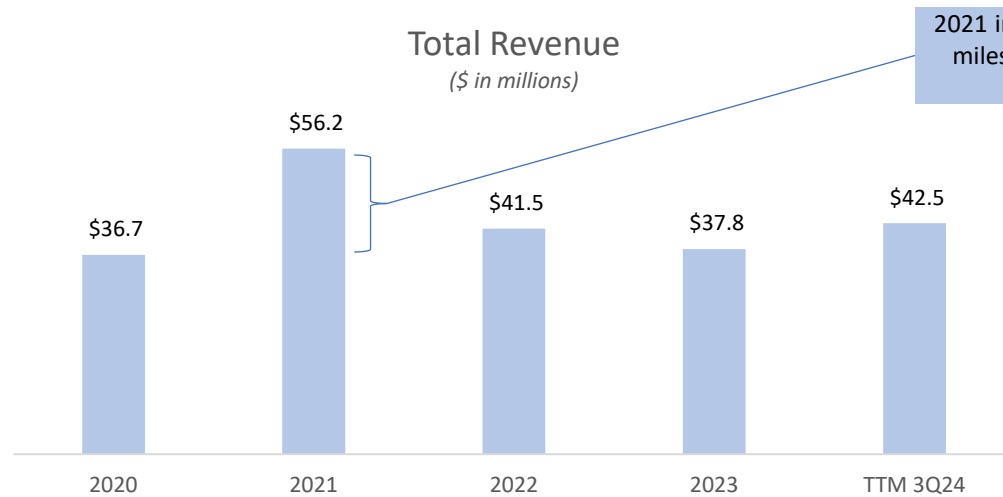
## SWK Stockholder's Equity

(\$ in millions; except per share data)



## Total Revenue

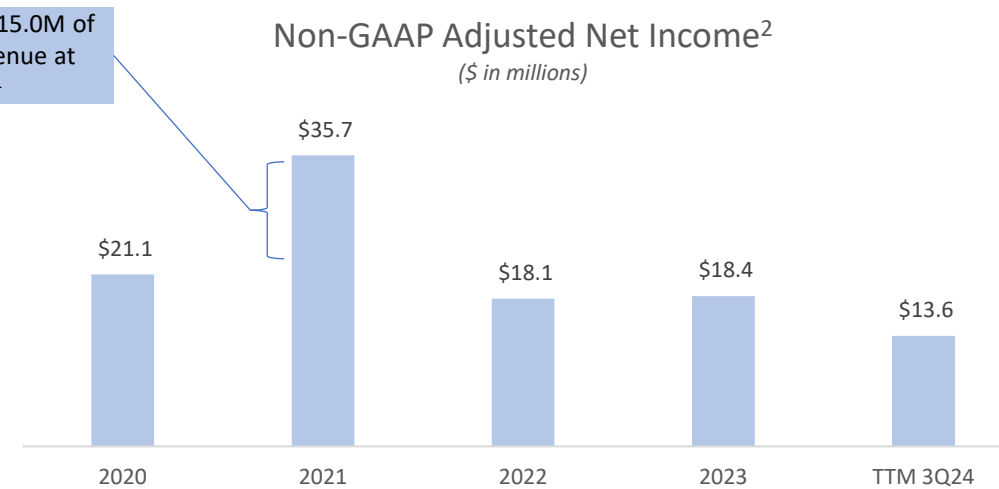
(\$ in millions)



2021 includes \$15.0M of milestone revenue at Enteris<sup>1</sup>

## Non-GAAP Adjusted Net Income<sup>2</sup>

(\$ in millions)



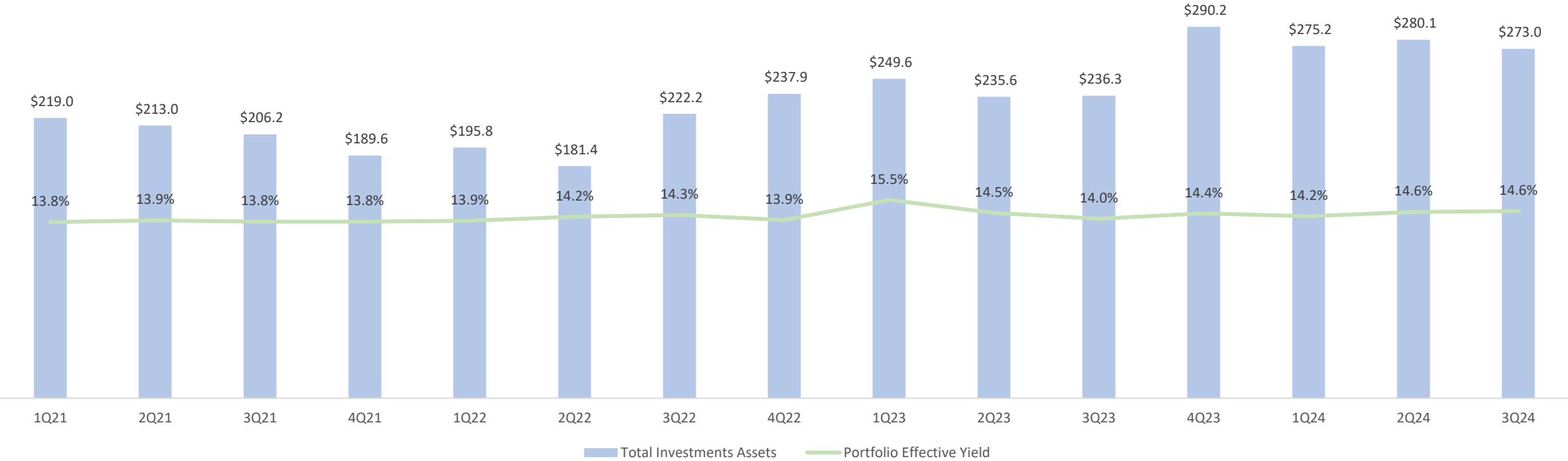
1) 2021 includes \$15.0M of milestone revenue/net income related to a licensing agreement between Enteris and Cara Therapeutics

2) Eliminates provision for income taxes, Enteris intangibles amortization, and non-cash mark-to-market changes on warrant assets and equity securities—see reconciliation on subsequent pages.

# Attractive Portfolio Yields

SWK Targets Low-to-Mid Teens Effective Yields<sup>1</sup>  
 3Q24 Finance Segment Effective Yield was 14.6%

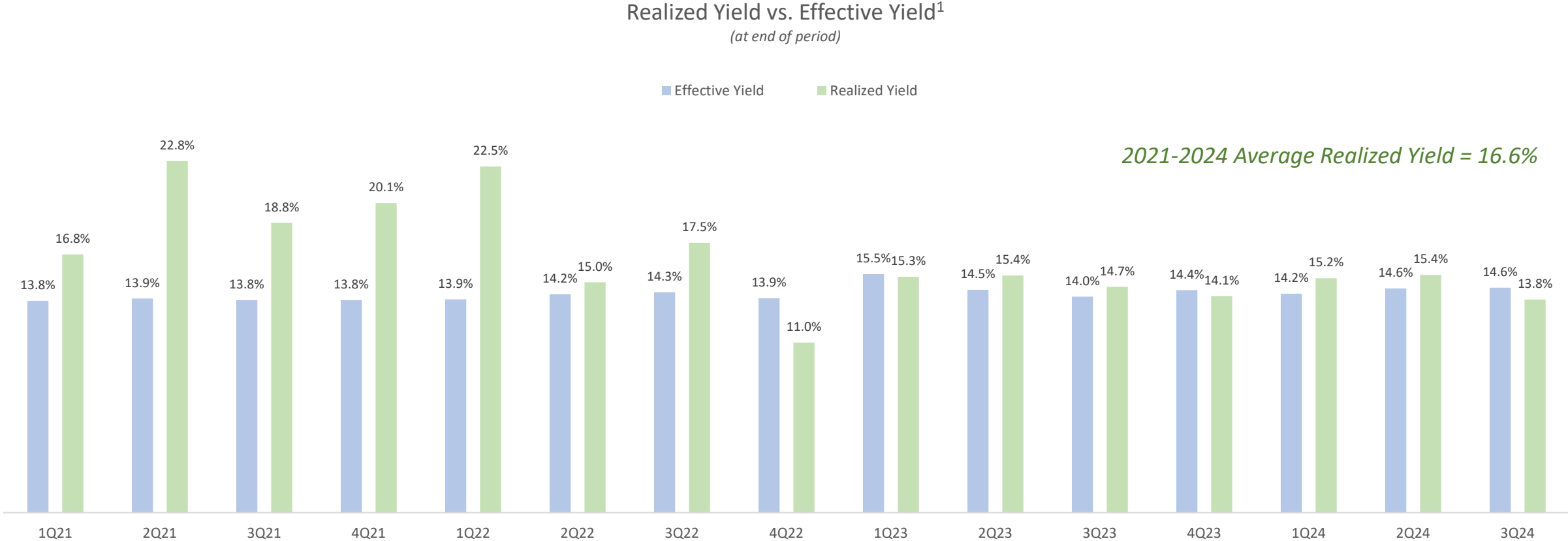
Gross Investments Assets and Weighted Effective Yield  
 (\$ in millions)



1) 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
















# Attractive Portfolio Yields

## SWK's Portfolio Realized<sup>1</sup> Yield Has Typically Exceeded the Projected Yield as Actual Receipts Exceeded Internal Forecasts



1) Portfolio Realized Yield is inclusive of all fees and is calculated based on the simple average of finance receivables at the beginning and end of period

# Current Structured Credit Portfolio

 <p><b>4WEB Medical</b> 07.01.2021 \$20.0 million Structured Credit</p>	 <p><b>Advanced Oxygen Therapy</b> 03.21.2022 \$14.0 million Structured Credit</p>	 <p><b>BIOLASE</b> Global Leadership in Lasers 11.09.2018 \$15.0 million Structured Credit</p>	 <p><b>Biotricity</b> 12.27.2021 \$12.0 million Structured Credit</p>	<p><i>Private Transaction</i></p> <p><b>CDMO</b> 09.13.2023 \$5.0 million Sponsor-Backed CDMO</p>	 <p><b>Elutia</b> 08.10.2022 \$25.0 million Structured Credit</p>
 <p><b>eTon Pharmaceuticals</b> 11.14.2019 \$10.0 million Structured Credit</p>	 <p><b>Exeevo</b> 07.01.2022 \$7.5 million Structured Credit</p>	 <p><b>Journey Medical</b> 12.27.2023 \$25.0 million Structured Credit</p>	 <p><b>MedMinder Systems</b> 08.18.2022 \$25.0 million Structured Credit</p>	 <p><b>MolecuLight</b> 01.04.2022 \$10.0 million Structured Credit</p>	 <p><b>NeoLight</b> 02.17.2023 \$5.0 million Structured Credit</p>
 <p><b>Nicoya</b> 10.13.2023 \$6.0 million Structured Credit</p>	 <p><b>Shield Therapeutics</b> 10.02.2023 \$20.0 million Structured Credit</p>	 <p><b>Sincerus Pharmaceuticals</b> 03.19.2021 \$9.0 million Structured Credit</p>	 <p><b>Trio Healthcare</b> 07.01.2021 \$9.5 million Structured Credit</p>		

# Current Royalty Portfolio



Advanced  
Biomarker  
Technologies

**Best ABT**

11.12.2018

**\$5.8 million**  
Reorg Royalty



**Coflex & Kybella**

08.31.2020

**\$4.4 million**  
Royalty Portfolio  
Acquisition



Diclofenac Potassium for Oral Solution

**Cambia**

07.31.2014

**\$9.5 million**  
Royalty Acquisition

**FLOWONIX**

**Flowonix Medical**

12.23.2020

**\$10.0 million**  
Reorg Royalty Financing



**ForFivo (IntelGenx)**

08.05.2016

**\$6.0 million**  
Royalty Acquisition



IDEAL IMPLANT®

**Ideal Implant**

04.27.2021

**\$5.0 million**  
Reorg Synthetic Royalty  
Financing



**Iluvien**

12.18.2020

**\$16.5 million**  
Royalty Acquisition

**Private  
Transaction**

**IVIG Portfolio**

12.27.2023

**\$15.0 million**  
Royalty Acquisition

**Private  
Transaction**

**Project Duo**

11.30.2022

**\$16.5 million**  
Royalty Acquisition



**Relief Therapeutics**

08.02.2024

**\$11.0 million**  
Royalty Portfolio  
Acquisition



**Veru Healthcare**

03.05.2018

**\$12.0 million**  
Synthetic Royalty Financing



# Portfolio Realizations

Exit History

**~12 Yrs.**

Exited Deals

**33 Exits**

Cash Deployed

**~\$370M**

Cash Returned

**~\$530M**

MOIC

**1.4x**

IRR

**17.3%**

(\$s in Ms)			Date		Cash			
Investments	#	Security	Invested	Paid Off	Invested	Received	MOIC	IRR
Nautilus	1	Loan	Dec-12	Dec-13	\$ 6.4	\$ 8.5	1.3x	34%
Parnell I	2	Loan	Jan-14	Jun-14	10.0	11.0	1.1x	24%
Response	3	Loan	Jul-14	Oct-15	12.3	5.8	0.5x	(47%)
PDI	4	Loan	Oct-14	Dec-15	20.0	25.0	1.3x	23%
Tribute	5	Loan	Aug-13	Feb-16	13.8	18.1	1.3x	18%
Galil	6	Loan	Oct-14	Jun-16	12.5	16.6	1.3x	21%
Nanosphere	7	Loan	May-15	Jun-16	10.0	14.4	1.4x	48%
Syncardia	8	Multi	Dec-13	Jun-16	20.0	11.8	0.6x	(37%)
Holmdel	9	Equity	Dec-12	Feb-17	6.0	21.1	3.5x	63%
Hooper I	10	Loan	Apr-15	May-17	5.0	6.8	1.4x	20%
Narcan	11	Royalty	Dec-16	Feb-18	17.5	42.9	2.4x	84%
OraMetrix	12	Loan	Dec-16	May-18	8.5	10.6	1.2x	19%
Parnell II	13	Loan	Nov-16	Jul-18	13.5	19.3	1.4x	26%
Hooper II	14	Loan	May-17	Oct-18	21.3	19.2	0.9x	(16%)
EyePoint	15	Loan	Mar-18	Feb-19	19.7	25.4	1.3x	35%
Thermedx	16	Loan	May-16	May-19	3.5	5.8	1.6x	21%
Cheetah	17	Loan	Jan-19	Sep-19	10.0	12.5	1.2x	32%

(\$s in Ms)			Date		Cash			
Investments	#	Security	Invested	Paid Off	Invested	Received	MOIC	IRR
Aimmune	18	Loan	Feb-19	Oct-20	3.7	4.4	1.2x	20%
Tenex	19	Loan	Jul-16	Apr-21	8.3	13.1	1.6x	16%
Harrow	20	Loan	Jul-17	Apr-21	10.3	18.7	1.8x	20%
Veru FC2	21	Royalty	Mar-18	Aug-21	10.0	19.6	2.0x	37%
Misonix	22	Loan	Jun-15	Oct-21	27.6	43.8	1.6x	14%
Besivance	23	Royalty	Apr-13	Nov-21	6.0	7.6	1.3x	7%
DxTerity	24	Loan	Apr-15	Nov-21	9.5	19.9	2.1x	19%
Celonova	25	Loan	Jul-17	Dec-21	7.5	10.6	1.4x	15%
Acerus	26	Loan	Oct-18	Feb-22	9.0	13.3	1.5x	16%
B&D Dental	27	Loan	Dec-13	Mar-22	8.5	11.5	1.4x	4%
Keystone	28	Loan	May-16	Jun-22	20.0	33.5	1.7x	14%
Beleodaq	29	Royalty	Jun-18	Jul-22	7.5	13.7	1.8x	27%
Trio Royalty	30	Royalty	Oct-20	Jul-22	4.3	6.9	1.6x	35%
TRT	31	Royalty	Jun-13	Dec-22	3.3	1.9	0.6x	(21%)
Acer	32	Loan	Mar-22	Jun-23	13.4	15.3	1.1x	18%
Epica	33	Loan	Jul-18	Sep-24	12.1	22.0	1.8x	14%
<b>Total Realized</b>	<b>33</b>				<b>\$ 370.9</b>	<b>\$ 530.3</b>	<b>1.4x</b>	<b>17.3%</b>

Figures reflective of SWKH balance sheet (i.e., excludes managed/partner transactions)

# Portfolio Realizations to Strategic Buyers

- 13 realizations to strategic buyers demonstrated a median 28% LTV of SWK's original loan value
- 9 of the 13 businesses were not profitable at time of sale, validating SWK's revenue and IP-based underwriting methodology

(\$s in Ms)

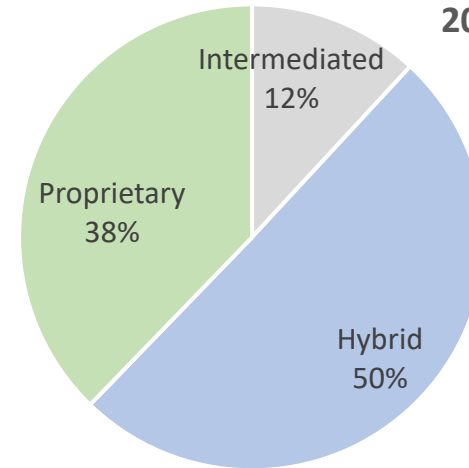
Target	Buyer	Close Date	Transaction TEV	SWK Attachment Point <sup>1</sup>	SWK Attach / Transaction EV	LTM Sales	EV / LTM Sales	Target Profitable Sale?	Notes
Nautilus	Depomed	Dec-13	\$ 48.7	\$ 22.5	46%	\$ 15.4	3.2x	N	Key asset was Cambia
Response Genetics	Cancer Genetics	Oct-15	5.8	12.3	212%	\$ 16.7	0.3x	N	
PDI	Publicis	Dec-15	33.0	20.0	61%	\$ 129.3	0.3x	Y	CSO division only; Transaction EV assumes 50% near-term earn-outs achieved
Tribute	Aralez	Feb-16	147.6	13.8	9%	\$ 26.5	5.6x	N	
Galil	BTG plc	May-16	84.4	12.5	15%	\$ 22.7	3.7x	N	Transaction EV excludes \$26M of milestones
Nanosphere	Luminex	Jun-16	77.0	25.0	32%	\$ 23.1	3.3x	N	
Holmdel	ANI Pharma	Feb-17	30.5	6.0	28%	\$ 11.1	2.7x	Y	Key asset was InnoPran XL
Orametrix	Dentsply Sirona	May-18	90.0	8.5	9%	\$ 20.0	4.5x	Y	Transaction EV excludes up to \$60M in earn-outs
Hooper II	Quest	Oct-18	27.8	21.3	77%	\$ 61.3	0.5x	N	Loan value includes non-SWK revolver (\$8M); Workout fees totaled \$4M
Cheetah Medical	Baxter	Oct-19	190.0	20.0	11%	\$ 22.2	8.6x	N	Transaction EV excludes up to \$40M in earn-outs
Aimmune	Nestle	Oct-20	2,139.0	131.5	6%	n.a.	n.a.	N	SWK partnered with KKR on the transaction as a 4.5% participant
Tenex	Trice	Apr-21	25.0	8.3	33%	\$ 12.3	2.0x	Y	Excludes earn-outs
Misonix	Bioventus	Oct-21	\$ 518.0	\$ 27.6	5%	\$ 74.0	7.0x	N	
<b>Weighted Average<sup>2</sup></b>			<b>\$ 191.6</b>		<b>28.3%</b>		<b>3.4x</b>		

1) Attachment point measured as face value of loan and inclusive of all subsequent add-ons and any pari or senior debt outstanding at exit

2) Averages weighted to SWK attachment point or cash invested basis

# SWK Sourcing

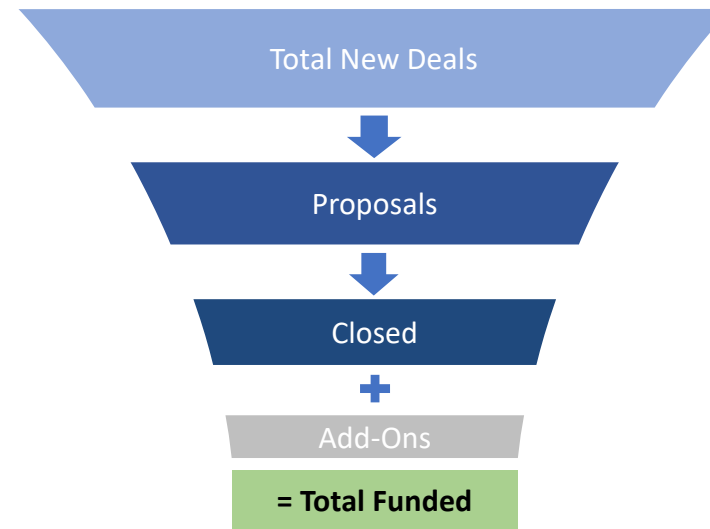
- Cultivates and maintains a diverse array of longstanding, proprietary deal sources
- Consistently sources over 100 actionable investment opportunities per year
- Maintains disciplined “look-to-book” ratio of approximately 5%



2023 Total Deals Count by Source Type

- “Intermediated” = deals widely marketed by mid-market life science investment banks
- “Hybrid” = introduction via boutique banks, but not a traditional banking process
- “Proprietary” = directly sourced by SWK with no intermediation or marketing process

5-Year Avg. (2019 – 2023 CYs)		
No. Of Deals	% of Deals	\$ Opp. (Ms)
103	100%	\$ 1,484.5
21	20%	\$ 221.4
5	5%	\$ 53.6
5		\$ 8.6
<b>10</b>		<b>\$ 62.2</b>



2023 CY		
No. Of Deals	% of Deals	\$ Opp. (Ms)
143	100%	\$ 2,175.9
26	18%	\$ 350.6
7	5%	\$ 77.1
3		\$ 3.1
<b>10</b>		<b>\$ 80.2</b>

# Financing Structures

## Structured Debt

- Primarily first lien, senior secured, floating rate loans
- Typically include covenants, prepayment penalties, origination and exit fees, and warrant coverage
- Provide working capital to support product commercialization and M&A

## Royalties

- Companies: fund pipeline development & leverage a lower cost of capital for higher ROI projects
- Institutions: capital planning for operating budgets, funding R&D initiatives, & financial asset diversification
- Inventors: financial asset diversification, fund start-up company

## Synthetic Royalty

- Marketer creates a 'royalty' by selling an interest in a future revenue stream in exchange for an upfront payment and potential future payments
- Ability to structure tiered revenues, reverse tiers, minimum payments, caps, step-downs and buy-out options, like a license agreement between innovator and marketer

## Hybrid Financing

- Combination of royalty and revenue-based financings
- Can take on many forms, including structured debt or equity

## Product Acquisition

- Target legacy products with established revenue trends, minimal marketing and infrastructure requirements
- Leverage successful Homdel structure

# 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 \$13.8M in exchange for a royalty that was capped at a 1.5x Cash-on-Cash (CoC) return
  - On August 8, 2017, upon achieving \$25.0M in cumulative sales during two consecutive quarters, SWK funded additional \$3.8M with a 1.5x CoC return cap
- Narcan sales exceeded forecasts; CoC return cap achieved in February 2018
- December 2022 SWK sold remaining economics for \$2.5M; investment generated a 2.4x CoC return

# Historical Financing: Galil Medical

*Galil is a privately-held medical device company that delivers innovative cryotherapy solutions for tumor ablation*

## OPPORTUNITY

- In 2014, Galil was on the cusp of accelerating revenue growth, but was not yet cash-flow positive and could not tap traditional financing channels
- Galil needed additional capital to run clinical trials and expand its sales force

## SOLUTION

- In December 2014, SWK provided a \$12.5M senior secured term loan structured to delay principal repayment until growth initiatives matured
- In late 2015, SWK committed to provide additional financing to support Galil's proposed acquisition of a competitor
  - The transaction was not consummated, but SWK's support permitted opportunistic bid
- By early 2016, the growth initiatives were bearing fruit, and in June 2016, Galil was acquired by BTG plc for \$84.0M plus up to \$26.0M in earn-outs
- The SWK facility gave Galil capital to grow the business and garner a higher acquisition price while allowing the equity owners to capture maximum upside
- SWK facility represented 15% LTV of the take-out price
- SWK generated a 1.3x cash-on-cash return and 20% IRR

# Enteris Corporate Overview

## *Revenue-generating CDMO platform*

### CDMO Platform

- Generates revenue three ways:
  - Formulation and development work
  - Clinical trial material and drug manufacturing
  - Technology licenses consisting of milestones and royalties
- Upgraded high potency manufacturing suite operational in 2021

### Internal 505(b)(2) Pipeline

- Oral leuprolide
  - Indication: Pediatric endocrine disorder
- Pre-clinical nasal psychiatric asset
- SWK does not expect to fund additional clinical work and is seeking to outlicense assets

### Drug Delivery Technology

- Peptelligence platform allows oral delivery of drugs that are typically injected, including peptides and BCS class II, III, and IV small molecules
- Extensive intellectual property estate with protection through 2036

### Strategic Partnership

- In March 2024 signed Exclusive Option and Asset Purchase Agreement with strategic partner
- Agreement positions CDMO operations to be approximately break-even or better in exchange for partner having an exclusive two-year option to purchase certain tangible assets for approximately \$6M
- Option agreement expires January 1, 2026



# Leadership Team



**Jody Staggs**  
*President and CEO*

- Joined in 2015
- Co-founded PBS Capital Management, predecessor to SWK
- Prior to PBS, served as Senior Portfolio Analyst at Highland Capital Management
- Investing experience in multiple asset classes



**Adam Rice**  
*Chief Financial Officer*

- Joined in July 2024
- 18 years of senior-level finance and accounting leadership experience with both private and public companies
- Previously, CFO of Park Cities Asset Management, an SEC registered alternative investment advisory firm



**John David ("JD") Tamas**  
*Director of Underwriting*

- Joined in early 2022
- 15+ years of providing credit and equity capital to lower- and middle-market companies
- Prior firms include NXT Capital, ORIX, Wachovia
- Healthcare and related sector coverage for over a decade



**Dr. Paul Shields**  
*Enteris subsidiary CEO*

- Joined in 2013 and was previously COO
- Held variety of positions at Unigene, including Director of Plant Operations, and VP Manufacturing Operations
- Ph.D. in Biochemistry

# Why Invest in SWKH – Attractive Risk Reward Scenario

## “Unearthed Diamond”

- SWK story is not widely known, having uplisted to Nasdaq without benefit of traditional IPO
- Analyst coverage and proactive investor relations effort have helped to increase SWK’s visibility
- With a Book Value per share of \$22.94 and a stock price of \$16.26 as of November 14, 2024, shares trade at a ~29% discount to book value

## Lower Risk Bio-Basket

- Diverse, non correlated range of life science products with limited downside risk
- As of 3Q24, the portfolio consists of 26 loans and royalties as well as warrant and equity stakes across a range of healthcare sub-sectors
- 3Q24 portfolio effective yield was 14.6%; realized yield has historically exceeded effective (modeled) yield

## Stable Earnings Longer-Term Upside Potential

- Potential upside to base-line effective yield from royalties, early-loan payoffs, and warrants
- Private warrants carried at zero on the balance sheet

## Strong Management/ Proven Processes

- Management has extensive expertise in life science finance
- Disciplined process to source and diligence opportunities with focus on minimizing risk and maximizing returns

## Minimally Levered Balance Sheet and Buyback

- Minimally levered balance sheet is latent source of earnings growth
- During 3Q24, repurchased ~190K shares of common stock for a total cost of ~\$3.2M, or \$16.88 average cost per share
- Year-to-date 2024 through November 11, repurchased ~345K shares of common stock for a total cost of ~\$5.9M, or ~\$16.99 average cost per share

# Reconciliation of Non-GAAP Adjusted Net Income

- The following table provides a reconciliation of SWK's reported (GAAP) consolidated net income to SWK's adjusted consolidated net income (Non-GAAP) for the periods denoted in the table. The table eliminates provisions for income taxes, non-cash mark-to-market changes on warrant assets and SWK's warrant, and Enteris amortization:

*\$ in 000s*

	TTM	FYE	FYE	FYE
	Sep-24	Dec-23	Dec-22	Dec-21
Net income	\$ 10,833	\$ 15,887	\$ 13,491	\$ 25,929
Add (subtract): income tax expense (benefit)	(62)	(1,273)	(4,000)	7,082
Add: Enteris amortization expense	922	1,704	1,774	3,489
Add (subtract): unrealized net loss (gain) on warrant assets	(868)	55	(416)	(272)
Add (subtract): unrealized net loss (gain) on equity securities	923	774	527	(1,839)
Add (subtract): loss (gain) on change in fair value of contingent consideration	(1,166)	(6,300)	5,170	(287)
Add (subtract): foreign currency transaction losses (gains)	(5,429)	(817)	215	
Add: non-recurring expense items	8,404	8,404	1,327	1,592
Non-GAAP adjusted net income	\$ 13,557	\$ 18,434	\$ 18,088	\$ 35,694

# Reconciliation of Non-GAAP Specialty Finance Net Income

- The following table provides a reconciliation of SWK's consolidated adjusted income before provision for income taxes, listed in the table above, to the non-GAAP adjusted net income for the specialty finance business for the periods denoted below. The table eliminates expenses associated with the acquisition of Enteris, and Enteris operating losses.

FINCO \$ in 000s	TTM	FYE	FYE	FYE
	Sep-24	Dec-23	Dec-22	Dec-21
Adjusted income before income tax (benefit) expense	\$ 13,557	\$ 18,434	\$ 18,088	\$ 35,694
Add (subtract): Enteris operating loss (gain), excluding amortization and change in fair value of contingent consideration	3,540	5,950	5,380	(4,949)
Non-GAAP Finance Receivables segment net income	<u>\$ 17,097</u>	<u>\$ 24,384</u>	<u>\$ 23,468</u>	<u>\$ 30,745</u>

- The following tables provide a reconciliation of SWK's book value per share to the non-GAAP adjusted book value per share for the specialty finance business. The table eliminates the net deferred tax asset, and Enteris-related net intangibles, goodwill, and net property, plant and equipment. Diluted shares outstanding are as of period end.

\$ in 000s, except per share amounts	Sep-24
<b>SWK Finance Receivables Segment Book Value, net</b>	
Stockholders' Equity (Book Value)	\$ 283,431
Less: Deferred Tax Assets, net	26,190
Tangible Book Value	\$ 257,241
Less: Enteris Book Value, net	4,969
Finance Receivables Segment Tangible Book Value	<u>\$ 252,272</u>
<b>Book Value per Share</b>	<u>\$ 22.94</u>
Tangible Book Value per Share	\$ 20.82
<b>Finance Receivables Segment Tangible Book Value per Share</b>	<u>\$ 20.42</u>
Shares Outstanding as of September 30, 2024	<u>12,355</u>

\$ in 000s, except per share amounts	Sep-24
<b>Enteris Book Value, net</b>	
Intangible Assets, net	\$ 220
Goodwill	-
Property and Equipment, net	4,749
Total Enteris-Related Assets	\$ 4,969
Less: Contingent Consideration Payable	-
Enteris Book Value, net	<u>\$ 4,969</u>
<b>Enteris Book Value, net per Share</b>	<u>\$ 0.40</u>
<b>Memo: DTA BVPS</b>	<u>\$ 2.12</u>
Memo: Enteris Purchase Option BVPS	\$ 0.49

# Contact Information

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# SWK HOLDINGS

Collaborative Approach to Life Science Financing

