
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 26, 2018

SORRENTO THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36150
(Commission
File Number)

33-0344842
(IRS Employer
Identification No.)

4955 Directors Place
San Diego, CA 92121
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (858) 203-4100

N/A
(Former Name, or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On March 26, 2018, Sorrento Therapeutics, Inc. (the “Company”) entered into a Securities Purchase Agreement (the “Securities Purchase Agreement”) with certain accredited investors (collectively, the “Purchasers”), pursuant to which, among other things, the Company agreed to issue and sell to the Purchasers, in a private placement transaction (the “Private Placement”), (1) convertible promissory notes in an aggregate principal amount of \$120,500,000 (the “Notes”), which will accrue simple interest at a rate equal to 5.0% per annum and mature upon the earlier to occur of (a) the date that is five years from the date of issuance, and (b) the date of the closing of a change in control of the Company (the “Maturity Date”), and (2) warrants to purchase shares of the common stock of the Company, par value \$0.0001 per share (“Common Stock”). Upon the closing of the Private Placement (the “Closing”), the Company will issue to each Purchaser (1) a Note with a face value equal to the amount of the Purchaser’s investment, and (2) a warrant to purchase such number of shares of Common Stock as is equal to 50% of the number of shares of Common Stock into which such Purchaser’s Note is initially convertible (each, a “Warrant”). The aggregate number of shares of Common Stock issuable upon exercise of the Warrants will be 8,591,794 shares.

At any time and from time to time before the Maturity Date, each Purchaser shall have the option to convert any portion of the outstanding principal amount of such Purchaser’s Note that is equal to or greater than the lesser of: (1) \$4,000,000, and (2) the then-outstanding principal amount of such Purchaser’s Note into shares of Common Stock at a price per share of \$7.0125, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions. Accrued but unpaid interest on the Notes shall be paid in cash semi-annually in arrears on or prior to the 30th day of June and 31st day of December of each calendar year commencing with December 31, 2018. If a Purchaser elects to convert any of the principal amount of their Note, then all accrued but unpaid interest on such portion of the principal amount shall become due and payable in cash. The Notes contain restrictive covenants and event of default provisions that are customary for transactions of this type.

Each Warrant will have an exercise price of \$8.77 per share, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions, will become exercisable on the date that is 181 days following the date of the Closing, will have a term of five and a half years from the date of issuance and will be exercisable on a cash basis, unless there is not an effective registration statement covering the resale of the shares issuable upon exercise of the Warrants (the “Warrant Shares”), in which case the Warrants shall also be exercisable on a cashless exercise basis.

In connection with the Private Placement, at the Closing, the Company and the Purchasers will enter into a Registration Rights Agreement (the “Registration Rights Agreement”) pursuant to which, among other things, the Company will agree to prepare and file one or more registration statements with the Securities and Exchange Commission (the “SEC”) for the purpose of registering for resale the shares of Common Stock issuable upon conversion of the Notes (the “Note Shares”) and the Warrant Shares. Under the Registration Rights Agreement, the Company will agree to file a registration statement with the SEC registering all of the Note Shares and the Warrant Shares for resale by no later than the date 45 days after the closing of the transactions contemplated by the Securities Purchase Agreement.

The Securities Purchase Agreement contains customary representations and warranties of the Company and the Purchasers. In addition, the Notes contain restrictive covenants and event of default provisions that are customary for transactions of this type. The Closing is subject to customary closing conditions and the Company expects that the Closing will occur within 30 business days of March 26, 2018.

The foregoing summaries of the Securities Purchase Agreement, the Notes, the Warrants and the Registration Rights Agreement do not purport to be complete and are qualified in their entirety by reference to the copies of the Securities Purchase Agreement, the form of Note, the form of Warrant and the Registration Rights Agreement that the Company will file as exhibits to a Current Report on Form 8-K to be filed with the SEC following the Closing.

The representations, warranties and covenants contained in the Securities Purchase Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to the Securities Purchase Agreement, and may be subject to limitations agreed upon by the contracting parties. Accordingly, the Securities Purchase Agreement is incorporated herein by reference only to provide investors with information regarding the terms of the Securities Purchase Agreement, and not to provide investors with any other factual information regarding the Company or its business, and should be read in conjunction with the disclosures in the Company’s periodic reports and other filings with the SEC.

Item 8.01. Other Information.

As of March 26, 2018, the Company has 91,028,089 shares of Common Stock outstanding.

On March 27, 2018, the Company issued the press release attached hereto as Exhibit 99.1 announcing the entry into the Securities Purchase Agreement.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

[99.1 Press release, dated March 27, 2018.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SORRENTO THERAPEUTICS, INC.

Date: March 27, 2018

By: /s/ Henry Ji, Ph.D.

Name: Henry Ji, Ph.D.

Title: Chairman of the Board, President and Chief Executive Officer



FOR IMMEDIATE RELEASE

SORRENTO THERAPEUTICS ANNOUNCES UNSECURED \$120.5M CONVERTIBLE NOTE FINANCING

SAN DIEGO, March 27th, 2018 /GlobeNewswire/ -- SAN DIEGO – Sorrento Therapeutics, Inc. (NASDAQ: SRNE, "Sorrento"), announced today that it has entered into a securities purchase agreement to sell \$120.5 million of unsecured convertible notes in a private placement to certain accredited investors.

The notes will be convertible into shares of Sorrento common stock at a price of \$7.0125 per share and will accrue interest at a rate of 5% per year. Each purchaser of the convertible notes will also receive a warrant to purchase 50% of the number of shares of Sorrento common stock into which such purchaser's note is initially convertible. The warrants will have an exercise price of \$8.77 per share, or 125% of the initial conversion price of the notes.

The closing of the purchase and sale of the notes is expected to occur within 30 business days of March 26, 2018, subject to customary closing conditions.

"We are extremely pleased with this financing. This shows how much we have progressed in the last few years, and our loyal investor base continues to support our long-term efforts," stated Dr. Henry Ji, Chairman and CEO for Sorrento.

Subject to the closing of this financing, together with current cash on hand, Sorrento expects to have approximately \$150 million in cash, allowing the company to continue executing for the next 18 - 24 months on its long-term strategy to increase stockholder value.

The notes, warrants and shares issuable upon conversion of the notes and exercise of the warrants have not been registered under the Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction, and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

At the closing of the financing, Sorrento and the purchasers of the notes will enter into a registration rights agreement pursuant to which, among other things, Sorrento will agree to prepare and file one or more registration statements with the Securities and Exchange Commission (the SEC) for the purpose of registering for resale the shares issuable upon conversion of the notes and exercise of the warrants. Under the registration rights agreement, Sorrento will agree to file a registration statement with the SEC registering all of shares issuable upon conversion of the notes and exercise of the warrants for resale by no later than the date 45 days after the closing of the financing.

About Sorrento Therapeutics, Inc.

Sorrento is a clinical stage, antibody-centric, biopharmaceutical company developing new therapies to turn malignant cancers into manageable and possibly curable diseases. Sorrento's multimodal multipronged approach to fighting cancer is made possible by its' extensive immuno-oncology platforms, including key assets such as fully human antibodies ("G-MAB™ library"), clinical stage immuno-cellular therapies ("CAR-T"), intracellular targeting antibodies ("iTAb"), antibody-drug conjugates ("ADC"), and clinical stage oncolytic virus ("Sephrevir®").

Sorrento's commitment to life-enhancing therapies for cancer patients is also demonstrated by our effort to advance a first-in-class (TRPV1 agonist) non-opioid pain management small molecule in Resiniferatoxin ("RTX") and ZTlido™. Resiniferatoxin is completing a phase IB trial in terminal cancer patients. ZTlido was approved by U.S. FDA on February 28, 2018.

For more information visit www.sorrentotherapeutics.com

Forward-Looking Statements

This press release contains forward-looking statements related to Sorrento Therapeutics, Inc., under the safe harbor provisions of Section 21E of the Private Securities Litigation Reform Act of 1995 and subject to risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements include statements including but not limited to statements about the terms, timing and size of the convertible note and warrant transaction set forth above, Sorrento's use of the proceeds from the financing and its expectations regarding cash on hand and the use and timing thereof to execute Sorrento's long-term strategy. Risks and uncertainties that could cause our actual results to differ materially and adversely from those expressed in our forward-looking statements, include, but are not limited to: risks relating to the closing of the proposed financing; risks related to Sorrento's and its subsidiaries' technologies and prospects; risks related to convertible note and warrant transaction, including the closing and funding of the transaction; Sorrento's ability to use the proceeds effectively and as described in the press release; Sorrento's ability to achieve any planned strategy; Sorrento's ability to complete and close the transaction and any future financing transactions; and other risks that are described in Sorrento's most recent periodic reports filed with the Securities and Exchange Commission, including Sorrento's Annual Report on Form 10-K for the year ended December 31, 2017, including the risk factors set forth in those filings. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release and we undertake no obligation to update any forward-looking statement in this press release except as required by law.

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Media and Investor Relations

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