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): September 8, 2020

SORRENTO THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-36150**	**33-0344842**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(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))

Securities Registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, $0.0001 par value	SRNE	The Nasdaq Stock Market LLC

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 September 8, 2020, Sorrento Therapeutics, Inc. (the "Company") entered into a patent and know-how license agreement (the "License Agreement") with Mayo Foundation for Medical Education and Research ("Mayo"). Pursuant to the License Agreement, among other things, Mayo granted the Company a sublicensable license under certain of Mayo's patents, know-how, and materials relating to targeted nanoparticle therapies ("Patent Rights", "Know-How", and "Materials", respectively) to reproduce, use, commercialize, and exploit related products, processes and services ("Licensed Products") for the prevention, diagnosis and/or treatment of human diseases and conditions worldwide. The license is exclusive (subject to certain exceptions and conditions) with respect to the Patent Rights and Materials and non-exclusive with respect to the Know-How.

As consideration for the license under the License Agreement, the Company has agreed to (i) pay Mayo an upfront license fee of $9.3 million (the "Upfront Fee"), (ii) reimburse Mayo up to $3.4 million for preclinical and clinical research expenses associated with the Know-How, Patent Rights and Materials arising prior to the entry into the License Agreement, and (iii) reimburse Mayo approximately $2.0 million for expenses related to the development and manufacturing of the Materials arising prior to the entry into the License Agreement.

The Upfront Fee may be comprised: (i) solely of common stock of the Company ("Common Stock"), or (ii) of a combination of no more than 25% cash and the remainder in Common Stock, in each case as determined by the Company. If the Company elects to make any payment in shares of Common Stock, the per share price used for calculating the number of shares of Common Stock issuable to Mayo shall be the volume weighted average price of the shares of Common Stock for the eleven trading days beginning on the fifth trading day prior to September 8, 2020; provided that the shares will not be issued at a price that is less than $4.96 or greater than $7.44 per share. The Company has also agreed to file a registration statement registering any shares of Common Stock that the Company issues to Mayo under the License Agreement within 30 days of the issuance thereof.

The Company also agreed to pay Mayo (i) certain milestone payments upon the initiation of certain clinical trials, (ii) certain milestone payments upon the receipt of certain regulatory approvals, and (iii) certain milestone payments upon the achievement of certain commercial sales milestones.

The Company will also pay certain royalties in the low-single digit to mid-single digit percentages of annual net sales of Licensed Products by the Company and a share of any sublicense revenue received by the Company from sublicensees.

The foregoing summary of the License Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the License Agreement. A copy of the License Agreement will be filed with the Securities and Exchange Commission (the "SEC") as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (the "Form 10-Q") or via an amendment to this Current Report on Form 8-K. Certain terms of the License Agreement have been omitted from this Current Report on Form 8-K and will be omitted from the version of the License Agreement to be filed as an exhibit to the Form 10-Q or via an amendment to this Current Report on Form 8-K pursuant to Item 601(b)(10) of Regulation S-K because such terms are both (i) not material and (ii) would likely cause competitive harm to the Company if publicly disclosed.

The representations, warranties and covenants contained in the License Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to the License Agreement, and may be subject to limitations agreed upon by the contracting parties. Accordingly, the License Agreement is incorporated herein by reference only to provide investors with information regarding the terms of the License 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 Events.

On September 14, 2020, the Company issued a press release announcing its entry into the License Agreement. A copy of the press release is filed herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1	Press Release, dated September 14, 2020
104	Cover Page Interactive Data File, formatted in Inline Extensible Business Reporting Language (iXBRL).

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: September 14, 2020

By: /s/ Henry Ji, Ph.D.
Name: Henry Ji, Ph.D.
Title: Chairman of the Board, President and Chief Executive Officer

Exhibit 99.1

FOR IMMEDIATE RELEASE

September 14, 2020

SORRENTO SECURES EXCLUSIVE LICENSE FROM MAYO CLINIC FOR ANTIBODY-DRUG-NANOPARTICLE ALBUMIN-BOUND IMMUNE COMPLEX (ADNIC) PLATFORM

SAN DIEGO, September 14th, 2020 /GlobeNewswire/ -- Sorrento Therapeutics, Inc. (Nasdaq: SRNE, "Sorrento") today announced it has entered into an exclusive license agreement with Mayo Clinic for a potential breakthrough technology platform that is capable of generating a great diversity of stable antibody-drug-nanoparticle albumin-bound (nab) immune complexes (ADNICs) targeting many types of human diseases including various solid and liquid tumors. The ADNIC is the next generation in antibody drug conjugate (ADC) technology that potentially addresses limitations of current ADC technology, such as complex manufacturing processes (e.g., antibody-chemotherapy linkers), which can affect drug half-life, stability and tumor accessibility, and result in high cost of goods (COGs). The ADNIC platform is currently generating clinical data at Mayo Clinic through clinical trials with multiple investigational products in a variety of cancers including ovarian, endometrial, and multiple lymphoma sub-types. These trials will continue and are expected to be expanded.

The ADNIC technology, developed at Mayo Clinic, offers many potential advantages:

- Optimizes the likelihood that a chemotherapeutic payload will be preferentially delivered to the specific, targeted cancer cell type (supported by existing preclinical pharmacokinetic (PK) data);
- Potentially more efficient and effective than traditional ADCs because ADNICs allow for the entire ADNIC complex to be absorbed into the targeted cancer cell rather than just the chemotherapeutic payload; and
- Uses non-covalent binding to external albumin sites to potentially facilitate delivery of both a monoclonal antibody and chemotherapeutic payload directly to the tumor and its microenvironment.

The ADNIC technology potentially eliminates the need to use covalent linker technology by incorporating therapeutically or immunologically active antibodies in a reversible manner with a nanoparticle composed of albumin and a payload of one or more drugs.

The platform has indicated clinical benefits in an FDA-cleared investigator-sponsored trial at Mayo Clinic under the supervision of Svetomir Markovic, M.D., Ph.D., a medical oncologist and hematologist. Preliminary results suggest that patients have experienced clinical benefit from receiving prototype product candidates that utilize the ADNIC technology developed by Dr. Markovic and Wendy Navalo at Mayo Clinic, including objective responses in heavily pre-treated patients with advanced cancers.

The technology platform is protected by a rich intellectual property portfolio comprised of 17 patent families, 32 patents granted to date with life through at least 2035 and another 135 patents pending.

“This stable complex potentially allows for the delivery of higher doses of active drug directly into the tumor as demonstrated in animal studies and in preliminary trials in cancer patients,“ according to Dr. Markovic, the inventor of the ADNIC technology at Mayo Clinic. The reversibility of complex formation may allow for deeper tumor penetration, thereby potentially enabling a better anti-tumor effect. The exclusive license to the ADNIC platform also includes access to a proprietary and scalable manufacturing process that is expected to enable high product yield and low COGs.

“The Mayo Clinic-developed ADNIC platform is a perfect fit for our extensive G-MAB antibody products including but not limited to our anti-PD-L1, anti-CD38, anti-BCMA and anti-ROR1 antibodies. We will accelerate the development and commercialization of this amazing technology by generating and developing multiple next-generation ADNIC product candidates for the potential treatment of cancer, COVID-19 and other human diseases,” stated Henry Ji, Ph.D., Chairman and CEO of Sorrento Therapeutics. “Teaming with Mayo Clinic, this license expands Sorrento’s mission of developing innovative life-saving medicines for unmet medical needs,” continued Dr. Ji. Sorrento will continue to execute on the clinical development strategy developed by Mayo Clinic for multiple ADNIC lead product candidates in COVID-19 and multiple solid and hematologic malignancies.

Mayo Clinic, Dr. Markovic and Ms. Navalo have financial interests in the technology referenced in this release. Mayo Clinic will use any revenue it receives to support its not-for-profit mission in patient care, education and research.

About Sorrento Therapeutics, Inc.

Sorrento is a clinical stage, antibody-centric, biopharmaceutical company developing new therapies to treat cancers. 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”, “DAR-T™”), antibody-drug conjugates (“ADCs”), and clinical stage oncolytic virus (“Seprehvir™”, “Seprehvec™”). Sorrento is also developing potential antiviral therapies and vaccines against coronaviruses, including COVIDTRAP™, ACE-MAB™, COVI-MAB™, COVI-GUARD™, COVI-SHIELD™ and T-VIVA-19™; and diagnostic test solutions, including COVI-TRACK™ and COVI-TRACE™.

Sorrento’s commitment to life-enhancing therapies for patients is also demonstrated by our effort to advance a first-in-class (TRPV1 agonist) non-opioid pain management small molecule, resiniferatoxin (“RTX”), and ZTlido® (lidocaine topical system) 1.8% for the treatment of post-herpetic neuralgia. RTX is completing a phase IB trial for intractable pain associated with cancer and a phase 1B trial in osteoarthritis patients. ZTlido® was approved by the FDA on February 28, 2018.

For more information visit www.sorrentotherapeutics.com

Forward-Looking Statements

This press release and any statements made for and during any presentation or meeting contain 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 regarding the potential applications for the ADNIC technology; the ability for the ADNIC technology to address issues with current ADC technology, including complex manufacturing processes associated with ADC technology; the potential for ADNIC technology to allow for preferential delivery of a chemotherapeutic payload to specific, targeted cancer cell types; the potential for ADNIC technology to allow for more efficient and/or effective absorption of the ADNIC complex into the targeted cancer cell; the potential for ADNIC technology to facilitate delivery of antibody(ies) and/or chemotherapeutic drug(s) directly to its target; the potential for ADNIC technology to eliminate the need to use covalent linker technology; the potential for ADNIC technology to allow for delivery of higher doses of active drug; any anti-tumor effects of the ADNIC technology; the continuation and expansion of clinical trials at Mayo Clinic for investigational products in a variety of cancers; and Sorrento's research, clinical and commercial plans with respect to the ADNIC technology. 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 related to Sorrento's and its subsidiaries', affiliates' and partners' technologies and prospects and collaborations with partners, including, but not limited to risks related to seeking regulatory approval for any antibody product candidates utilizing the ADNIC technology; clinical development risks, including risks in the progress, timing, cost, and results of clinical trials and product development programs; risk of difficulties or delays in obtaining regulatory approvals; risks that clinical study results may not meet any or all endpoints of a clinical study and that any data generated from such studies may not support a regulatory submission or approval; risks that prior test results may not be replicated in future studies and trials; risks of manufacturing and supplying drug product; risks related to leveraging the expertise of its employees, subsidiaries, affiliates and partners to assist Sorrento in the execution of its cancer, anti-tumor and G-MAB antibody strategies; risks related to the global impact of COVID-19; 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, 2019, and subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission, 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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