



**THE FOUNDATION
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#51845

Date: January 25, 2023

Subject: Adjusted Sorrento Therapeutics, Inc. – Determination of Deliverable
Adjusted Option Symbol: SRNE1

Adjusted Sorrento Therapeutics, Inc. options were adjusted on January 5, 2023 (See OCC Information Memo #51718). The new deliverable became 1) 100 Sorrento Therapeutics, Inc. (SRNE) Common Shares, 2) Approximately 14 Scilex Holding Company (SCLX) Common Shares, conditioned upon SRNE's board of directors not revoking the dividend prior to the Payment Date, and 3) Cash in lieu of fractional SCLX shares, if any. Settlement of the SRNE, SCLX, and cash components of the SRNE1 options exercise/assignment activity was subject to delayed settlement.

The Payment Date for the distribution of SCLX shares ("Dividend Stock") was determined to be January 19, 2023. Additionally, the Board did not revoke the distribution prior to the Payment Date, so the dividend is no longer conditional. However, the Dividend Stock remains subject to certain transfer restrictions through May 11, 2023.

OCC has been informed that the final distribution ratio is 0.1410127 SCLX Common Shares per SRNE share held.

Terms of the SRNE1 options are as follows:

New Deliverable Per Contract: 1) 100 Sorrento Therapeutics, Inc. (SRNE) Common Shares
2) 14 Scilex Holding Company (SCLX) Common Shares
3) Cash in lieu of 0.10127 fractional SCLX shares

Note: Once determined, the cash in lieu of fractional share portion of the option deliverable will remain fixed and will not vary with price changes of any security.

Strike Prices: Unchanged

CUSIPs: SRNE: 83587F202
SCLX: 80880W106

Multiplier: 100 (i.e., a premium of 1.50 yields \$150)

Delayed Settlement

The SRNE component of the SRNE1 exercise/assignment activity, which was delayed from January 5, 2023 through January 24, 2023, will now settle through National Security Clearing Corporation (NSCC). OCC will continue to delay settlement of the SCLX component of the SRNE1 deliverable until the final terms of the distribution have been finalized, including transfer restrictions, if any. OCC will delay settlement of the cash portion of the SRNE1 deliverable until the cash in lieu of fractional SCLX Common Shares, is determined.

Pricing

Until the cash in lieu amount has been determined, the underlying price for SRNE1 will be determined as follows:

$$\text{SRNE1} = \text{SRNE} + 0.1410127 (\text{SCLX})$$

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.