



**THE FOUNDATION  
FOR SECURE  
MARKETS®**

#51718

**Date:** January 04, 2023

**Subject:** Sorrento Therapeutics, Inc. – Conditional Stock Distribution  
Option Symbol: SRNE  
New Symbol: SRNE1  
Date: 01/05/2023

Sorrento Therapeutics, Inc. (SRNE) has announced a Conditional Stock Dividend of Scilex Holding Company (SCLX) Common Shares (the "Dividend Stock") to SRNE record holders as of the close of business on January 9, 2023. The distribution ratio is approximately 0.1410365 of an SCLX share for each SRNE share held. Cash will be paid in lieu of fractional shares, if any.

The payable date is to be determined but will be no later than March 10, 2023 (the "Payment Date"). **Payment of the dividend is conditioned upon SRNE's board of directors not revoking the dividend prior to the Payment Date. The Dividend Stock will be subject to certain transfer restrictions through May 11, 2023.**

SRNE will not be quoted "ex-dividend" on the NASDAQ. On January 5, 2023, SRNE options will be adjusted to include the distributed shares of SCLX, if any.

#### Contract Adjustment

**Effective Date:** January 5, 2023

**Option Symbol:** SRNE changes to SRNE1

**Strike Prices:** No Change

**Number of Contracts:** No Change

**Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 1.00 yields \$100.00)

**New Deliverable Per Contract:**

- 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
- 3) Cash in lieu of fractional SCLX shares, if any

Note: If the dividend is revoked by the SRNE board of directors, the dividend will not be paid, and no SCLX shares or cash will be attached to the SRNE1

deliverable.

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.

**Settlement**

**Allocation:** SRNE: 40%  
SCLX: 60%

**CUSIPs:** SRNE: 83587F202  
SCLX: 80880W106

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

**Pricing**

Until the term of the distribution have been finalized, the underlying price for SRNE1 will be determined as follows:

$$\text{SRNE1} = \text{SRNE} + 0.1410365 (\text{SCLX})$$

**Delayed Settlement**

OCC will delay settlement of the SRNE and SCLX components 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, if any, is determined.

**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](mailto: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](mailto:memberservices@theocc.com).