

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
SORRENTO THERAPEUTICS, INC.		33-0344842	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
HENRY JI	858-203-4100	HJI@SORRENTOTHERAPEUTICS.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
4955 DIRECTORS PLACE		SAN DIEGO, CA 92121	
8 Date of action		9 Classification and description	
JANUARY 19, 2023		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
83587F202		SRNE	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ After the close of trading on the NASDAQ on January 19, 2023, Sorrento Therapeutics, Inc. ("Sorrento") issued a distribution of 76,000,000 common stock holdings of Scilex Holdings Company to the Sorrento record holders. Sorrento issued the distribution on a pro rata basis among shareholders in accordance with each holder's ownership percentage of Sorrento common stock as of the record date. The distribution ratio was 0.1410127 of a share of Scilex Holding Company common stock for each one share of Sorrento common stock. Fractional shares issued as part of the stock distribution will be paid in cash in lieu of distributing fractional shares.

At the time of this filing Sorrento estimates its current and accumulated earnings and profits will be insufficient to characterize the distribution as a dividend. Therefore, the estimate would provide that the common stock distribution would be characterized as non-dividend return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Based on information available at the time of this filing, Sorrento's reasonable assumption is the distribution on January 19, 2023 is expected to be characterized as a non-dividend distribution treated as a non-taxable return of capital to the extent of a Sorrento shareholder's tax basis in Sorrento common shares. Any non-dividend distribution exceeding the shareholder's shareholder's tax basis generally would be taxable as a capital gain.

Sorrento's viewpoint in calculating the fair value of the distribution is to look at the average of the high and low of the Scilex Stock on the distribution date. This results in a fair value of \$10.48 per share of Scilex stock received by the Sorrento shareholders.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See above.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **Sections 301, 316 and 317 of the U.S. Internal Revenue Code of 1986, as amended (and the applicable Treasury Regulations thereunder).**

Blank lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ **Please contact a suitable tax advisor. However, no loss is anticipated to be recognized by the Sorrento shareholders on the distribution.**

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **Please contact a suitable tax advisor to determine income tax consequences, if any. Sorrento is providing the details on this form for informational purposes only and not as legal or tax advice.**

Blank lines for providing other information necessary for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 2/13/2022

Print your name ▶ **HENRY JI** Title ▶ **CEO**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			