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Sonnet BioTherapeutics to Receive Non-Dilutive Funding Through New Jersey Tax Certificate Transfer and Australia R&D Tax Incentive Programs

PRINCETON, NJ, Oct. 04, 2024 (GLOBE NEWSWIRE) -- Sonnet BioTherapeutics Holdings, Inc. (the "Company" or "Sonnet") (NASDAQ: SONN), a clinical-stage company developing targeted immunotherapeutic drugs, today announced it has received preliminary approval for a tax credit from the New Jersey Technology Business Tax Certificate Transfer Program administered by the New Jersey Economic Development Authority (NJEDA). Sonnet received approval of its application to sell up to \$8,143,144 of its New Jersey State net operating losses (NOLs) and \$62,810 of its New Jersey State research and development (R&D) tax credits for proceeds of up to \$0.795 million through the New Jersey Technology Business Tax Certificate Transfer Program, subject to execution of such sale. Sonnet also expects to receive a \$0.7 million net cash refund from the R&D Tax Incentive Program in Australia.

Pankaj Mohan, Founder and Chief Executive Officer of Sonnet commented, "We are grateful for NJEDA's continued support of the biotechnology industry and to be one of the recipients to benefit from the New Jersey Technology Business Tax Certificate Transfer Program. With the addition of the net cash refund from the Australian R&D Tax Incentive Program, this will provide Sonnet with non-dilutive capital to continue to direct our resources towards advancing our pipeline of targeted immunotherapeutic drugs."

The Technology Business Tax Certificate Transfer Program administered by the NJEDA enables qualified companies to sell up to \$20 million of their unused New Jersey NOLs and R&D tax credits to unaffiliated, profit-generating corporate taxpayers in the State of New Jersey. The Technology Business Tax Certificate Transfer Program is designed to allow technology and biotechnology companies with NOLs to turn their tax losses and credits into cash proceeds to fund more R&D, expand its workforce and cover other allowable expenditures. Sonnet is one of several biotechnology/technology companies to qualify in this competitive process to share in the funding this year.

The Australian R&D Tax Incentive Program allows certain companies to claim a significant percentage of their costs related to R&D activities they have or are planning to undertake in Australia.

The Company expects to receive the Australian net cash refund before calendar year end 2024 and the proceeds from the sale of its New Jersey NOLs and R&D tax credits before the end of the first calendar quarter of 2025, subject to execution of such sale.

About Sonnet BioTherapeutics Holdings, Inc.

Sonnet is an oncology-focused biotechnology company with a proprietary platform for innovating biologic drugs of single or bifunctional action. Known as F_HAB (Fully Human Albumin Binding), the technology utilizes a fully human single chain antibody fragment (scFv) that binds to and "hitch-hikes" on human serum albumin (HSA) for transport to target tissues. Sonnet's F_HAB was designed to specifically target tumor and lymphatic tissue, with an improved therapeutic window for optimizing the safety and efficacy of immune modulating biologic drugs. F_HAB is the foundation of a modular, plug-and-play construct for potentiating a range of large molecule therapeutic classes, including cytokines, peptides, antibodies, and vaccines.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and Private Securities Litigation Reform Act, as amended, including those relating to the proceeds from the Company's New Jersey State NOLs and R&D tax credits, the Company's Australia net cash refund, the outcome of the Company's clinical trials, the Company's cash runway, the Company's product development, clinical and regulatory timelines, market opportunity, competitive position, possible or assumed future results of operations, business strategies, potential growth opportunities and other statements that are predictive in nature. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management's current beliefs and assumptions.

These statements may be identified by the use of forward-looking expressions, including, but not limited to, "expect," "anticipate," "intend," "plan," "believe," "estimate," "potential," "predict," "project," "should," "would" and similar expressions and the negatives of those terms. These statements relate to future events or our financial performance and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include those set forth in the Company's filings with the Securities and Exchange Commission. Prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this press release. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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