

May 3, 2021



Sonnet BioTherapeutics Completes Licensing Agreement with New Life Therapeutics

- ***New Life Therapeutics (NLT) to develop low-dose Interleukin 6 for Diabetic Peripheral Neuropathy in ASEAN territories***
- ***Upfront and potential milestone payments totaling up to \$21 Million with up to 30% royalties on commercial sales***
- ***NLT to fund Phase 1b/2a clinical trial and submit an IND planned for the second half of 2021***

PRINCETON, NJ / ACCESSWIRE / May 3, 2021 /Sonnet BioTherapeutics Holdings, Inc. (NASDAQ:SONN) ("Sonnet" or the "Company"), a biopharmaceutical company developing innovative targeted biologic drugs, announced today that it has executed a definitive agreement with New Life Therapeutics Pte. Ltd. (NLT) of Singapore for the license of low-dose Interleukin 6, or IL-6, for the treatment of Diabetic Peripheral Neuropathy (DPN). The licensed territory includes the ASEAN countries of Singapore, Malaysia, Indonesia, Thailand, The Philippines, Cambodia, Brunei, Vietnam, Myanmar and Lao PDR.

Under the terms of the agreement, Sonnet is entitled to an upfront payment of \$1.0 Million from NLT (including the \$500,000 previously paid during 2020). Sonnet is also eligible to receive potential additional amounts up to a maximum of \$20.0 Million, in the aggregate, in regulatory and commercial milestone payments, and tiered royalties ranging from 12% to 30% on net sales. NLT will be responsible for conducting a Phase 1b/2a pilot-scale efficacy study with low-dose IL-6 in DPN, to include the ASEAN region, expected to commence during the second half of 2021. Sonnet will continue to be the manufacturer of low-dose IL-6 for clinical development and commercial purposes. NLT has an option to negotiate a license for commercial rights in Chemotherapy-Induced Peripheral Neuropathy. NLT also has an option to negotiate a license for expanding the exclusive territory to include China and India.

Pankaj Mohan, Ph.D., Founder and CEO of Sonnet commented, "We are excited about the opportunity to partner with NLT to advance our diabetic peripheral neuropathy program. The agreement affords Sonnet reach into territories with compelling commercial market dynamics, and also removes some of the development burden from the Company. Most importantly, this is one step closer to a new treatment to benefit patients suffering from diabetic peripheral neuropathy."

"We founded NLT to address the critical unmet medical needs in treating neuropathies across the ASEAN region, said Rakesh Aggarwal, CEO of NLT. "With the explosion of diabetes in this part of the world, we are looking forward to the opportunity to advance low-dose IL-6, which has the potential to help diabetic patients recover from the debilitating effects of peripheral diabetic neuropathies, subject to successful clinical trials and regulatory approval in the territory. This is an important first step as we join forces with Singapore and

other ASEAN countries to fight the war on diabetes."

Data from various animal models of neuropathy have demonstrated the potential of low-dose IL-6 as a disease modifier. In proof-of-concept studies, treatment with low dose IL-6 displayed neurorestorative properties, including nerve regrowth, reinstatement of physiological nerve conductance and restoration of nerve fiber density, which consequentially reduced pain and aberrant sensations in animals suffering from neuropathy. In addition, safety monitoring of previous clinical trials in thrombocytopenia that had enrolled more than 200 cancer patients undergoing chemotherapy concluded that low-dose IL-6 was generally safe and well tolerated.

Gael Hedou, Ph.D., COO of Sonnet BioTherapeutics C.H. S.A. and one of the early developers of low-dose IL6 stated, "I have worked on the IL-6 program for the treatment of neuropathies for several years, and this partnership with NLT is an exciting step toward potentially bringing this critically needed treatment to patients and to demonstrate the therapeutic potential of low-dose IL-6." Dr. Hedou further commented, "We believe the low levels of IL-6 that are naturally released by the muscles upon exercise are a key mediator of nerve health. The ability to release IL-6 is often hindered in diabetic patients and, furthermore, the intensity of exercise needed to release therapeutic levels of IL-6 is not generally possible in the daily routine of these patients. Low-dose IL-6 intermittently administered to DPN patients reaching physiologically active levels has the potential to alleviate a patient's symptoms by regrowing nerves and ultimately by normalizing sensations that are affected by neuropathic disease."

About Sonnet BioTherapeutics Holdings, Inc.

Sonnet BioTherapeutics is an oncology-focused biotechnology company with a proprietary platform for innovating biologic drugs of single or bispecific action. Known as FHAB™ (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. FHAB™ 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 license agreement with NLT and the development of low dose IL-6, 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. There can be no assurance that a definitive agreement will be executed by the parties. 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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