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Sonnet BioTherapeutics Announces Acquisition Agreement with Relief Therapeutics Holding SA for Atexakin Alpha (Interleukin-6)

PRINCETON, NJ / ACCESSWIRE / August 12, 2019 /Sonnet BioTherapeutics, Inc., an oncology-focused biotechnology company developing innovative targeted biologic drugs, today announced it has entered into an agreement with Relief Therapeutics Holding SA (RLF) to develop atexakin alfa through the acquisition of its subsidiary, Relief Therapeutics SA, via a share exchange transaction.

Atexakin alfa is a low-dosage formulation of interleukin-6 (IL-6), a cytokine of 185 amino acids with pleiotropic functions in different tissues and organs that has completed Phase I studies. Based on previous clinical investigations in different settings involving more than 700 patients, a maximum tolerated dose (MTD) has been established. Sonnet will pursue development of atexakin alfa (SON-080) in Chemotherapy Induced Peripheral Neuropathy (CIPN). The asset could also be extended to other neuropathies including Diabetic Neuropathy.

Pankaj Mohan, PhD, Chairman of Sonnet commented, "After carefully reviewing the preclinical and clinical data, we believe atexakin can be a safe and effective treatment for CIPN, where there are currently no approved disease modifying therapies. Owing to the size of the patient population and corresponding high unmet medical need, we see atexakin as having blockbuster commercial potential. We are excited to integrate it into our existing pipeline of oncology assets."

The terms of the share exchange agreement include payment to Relief of 7,111,947 common shares of Sonnet out of the aggregate total number issued and outstanding common stock as of the date of the agreement. Upon closing, Sonnet will immediately assume the development of SON-080, together with its proprietary experimental drugs. The transaction, subject to normal closing conditions, is expected to close at the time that Sonnet becomes a publicly traded corporation.

Additionally, a multinational investor has committed up to \$100 million, through a common stock purchase agreement, to finance Sonnet's public operations, which is expected to close at the time Sonnet becomes a publicly traded corporation.

"This common stock purchase agreement affords Sonnet access to capital, if needed, at a low cost, while preserving the flexibility to pursue other avenues of financing. With the agreement in place, we believe we will be in a unique position to focus on the successful execution of our R&D strategy", commented Jay Cross, Sonnet's Chief Financial Officer.

Chardan acted as a financial advisor to Sonnet on the transaction with Relief Therapeutics.

Rajiv Khanna, Shareholder, and Daniel Richey, Associate, Buchannan Ingersoll & Rooney PC led the legal team that represented Sonnet in this transaction. Damien Conus, Partner, CPV Partners led the legal team that represented Relief in this transaction.

About Chemotherapy Induced Peripheral Neuropathy

Chemotherapy Induced Peripheral Neuropathy (CIPN) is a degeneration of nerve fibers resulting from chemotherapy. It is a debilitating condition for which there are currently no approved disease modifying treatments. Symptoms of CIPN include pain, motor weakness, loss of sensory perception at the extremities and autonomous nervous system impairment. It is estimated that over 50% of cancer patients receiving chemotherapy develop CIPN and that the condition persists in over 50% of cancer survivors.

About Sonnet BioTherapeutics, Inc.

Founded in 2011, Sonnet BioTherapeutics is an oncology-focused biotechnology company with a proprietary platform for innovating biologic drugs of single- or bi-specific 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.

About Relief Therapeutic Holding SA

Relief Therapeutics Holdings develops drugs via participation in active entities that have obtained intellectual properties through their own research activities or via in-licensing. Relief’s development efforts focus primarily on clinical-stage projects with molecules of natural origin (peptides and proteins) supported by a history of clinical testing and commercial use. Currently, Relief is concentrating its efforts on developing new treatment solutions for indications related to diabetic complications and respiratory diseases.

Forward-Looking Statements

To the extent that statements in this press release are not strictly historical, all such statements are forward-looking, and are made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. The terms “expect,” “anticipate,” “believe,” “estimate,” “project,” “plan,” “should” and “intend” and other words or phrases of similar import are intended to identify forward-looking statements. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual future experience and results to differ materially from the statements made. The statements in this press release are valid only as of the date hereof and we disclaim any obligation to update this information, except as may be required by law.

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