

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
SORRENTO THERAPEUTICS, INC., <i>et al.</i> ¹)	Case No. 23-90085 (DRJ)
Debtors.)	(Jointly Administered)
)	

NOTICE OF BID PROCEDURES AND POTENTIAL SALES

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On February 13, 2023, Sorrento Therapeutics, Inc. and Scintilla Pharmaceuticals, Inc. (the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

2. The Debtors are conducting a dual-track (i) financing process for the potential raising of debt, equity, or hybrid financing or consummation of a restructuring transaction through a chapter 11 plan of reorganization (any of the foregoing, a “Capital Transaction”) and (ii) marketing process for the sale or disposition of all or any portion of the Debtors’ assets (the “Assets”) under section 363 of the Bankruptcy Code, including (x) the Debtors’ equity interests in its non-debtor subsidiaries, including, but not limited to, Scilex Holding Company (a “Stock Sale”) and (y) the Debtors’ other assets (an “Asset Sale” and together with the Stock Sale, the “Sales”).

3. On April 10, 2023, the Debtors filed the *Debtors’ Emergency Motion for Entry of an Order (I) Approving Bid Procedures, (II) Approving Any Sale of the Debtors’ Assets Free and Clear, (III) Approving Assumption and Assignment Procedures, and (IV) Granting Related Relief* [Docket No. 390], seeking approval of (a) procedures pursuant to which the Debtors are authorized to solicit and pursue a Capital Transaction or Sale (the “Bid Procedures”), (b) one or more Sales, free and clear of any liens, claims, and encumbrances under section 363 of the Bankruptcy Code, and (c) the procedures in connection with the assumption and assignment of any executory contracts or unexpired leases the Debtors wish to have assumed and assigned (the “Assumption and Assignment Procedures”).

¹ The Debtor entities in these chapter 11 cases, along with the last four digits of each Debtor entity’s federal tax identification number, are: Sorrento Therapeutics, Inc. (4842) and Scintilla Pharmaceuticals, Inc. (7956). The Debtors’ service address is: 4955 Directors Place, San Diego, CA 92121.

4. On April 14, 2023, the Court entered the *Order (I) Approving Bid Procedures, (II) Approving Assumption and Assignment Procedures, and (III) Granting Related Relief* [Docket No. 447] (the “Bid Procedures Order”),² approving the Bid Procedures and the Assumption and Assignment Procedures, each as attached to the Bid Procedures Order.

5. Pursuant to the Bid Procedures Order, a party interested in submitting a bid for a Sale or Capital Transaction (a “Bidder” and such bid, a “Bid”) must deliver written copies of their Bid in both Portable Document Format (.pdf) and Microsoft Word (.doc/.docx) to Moelis & Company (Project_Stallion_Sorrento_Bids_EXT@moelis.com), by the following deadlines and in compliance with the requirements set forth in the Bid Procedures:

(a) **Stock Sale**

Initial Bid Deadline: May 16, 2023 at 12:00 p.m. (Central Time)

Final Bid Deadline: June 15, 2023, at 12:00 p.m. (Central Time)

(b) **Asset Sale**

Initial Bid Deadline: May 25, 2023 at 12:00 p.m. (Central Time)

Final Bid Deadline: June 29, 2023, at 12:00 p.m. (Central Time)

(c) **Capital Transaction**

Initial Bid Deadline: May 16, 2023 at 12:00 p.m. (Central Time)

Final Bid Deadline: June 15, 2023, at 12:00 p.m. (Central Time)

6. If the Debtors determine, in accordance with the Bid Procedures, to conduct an auction with respect to a Sale or Capital Transaction (an “Auction”), they will provide further notice of such Auction as soon as reasonably practicable. The Auction for a Stock Sale (if necessary) will likely take place between June 19, 2023 and June 30, 2023; and the Auction for an Asset Sale (if necessary) will likely take place between July 3, 2023 and July 14, 2023. If any Auction is scheduled, the Debtors will provide notice of such Auction to parties in interest. Unless otherwise ordered by the Bankruptcy Court for cause shown, only the applicable Qualified Bidders are eligible to participate at the applicable Auction. The Consultation Parties and the U.S. Trustee, however, shall be permitted to attend the Auctions. In addition, any creditor of the Debtors, or any party the Debtors deem appropriate, may observe the Auctions; *provided, however*, that any such party must provide notice of its intent to observe to the Debtors at least one day before the applicable Auction by electronic mail to Ebba Gebisa (ebba.gebisa@lw.com) and Jonathan Gordon (jonathan.gordon@lw.com).

² Capitalized terms used but not defined herein have the meanings ascribed to them in the Bid Procedures Order.

7. Objections to approval of the Sale(s) (with the exception of objections related solely to the conduct of the Auction(s), identity of the Successful Bidder(s), and ability of the Successful Bidder(s) to provide adequate assurance of future performance, which must be received by a later deadline set forth in the next paragraph), must be filed with the Bankruptcy Court before **4:00 p.m. (Central Time) on May 5, 2023.**

8. Objections related solely to the conduct at the Auction(s), identity of the Successful Bidder(s), and adequate assurance of future performance by the Successful Bidder(s) must be filed with the Bankruptcy Court **no later than seven business days after the filing of the Notice of Successful Bidder.**

9. Objections to approval of a Capital Transaction will be due by a date to be determined and separately noticed. If the Debtors seek to consummate a Capital Transaction or Sale, they will also provide further notice of the hearing to consider approval of such transaction.

10. UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE DEBTORS' REQUESTED RELIEF WITHOUT FURTHER HEARING AND NOTICE.

11. This notice is subject to the terms and conditions of the Bid Procedures Order. The Debtors encourage all parties-in-interest to review the Bid Procedures Order in its entirety (including the Bid Procedures attached thereto). Parties interested in receiving more information regarding the Capital Transaction or Sales and/or copies of any related document, including the Bid Procedures or Bid Procedures Order, may email Ebba Gebisa (ebba.gebisa@lw.com) or Jonathan Gordon (jonathan.gordon@lw.com). In addition, copies of the Bid Procedures, the Bidding Procedures Order, this notice, and other documents filed in these chapter 11 cases are available on the Debtors' claims and noticing agent's website free of charge at <https://cases.stretto.com/Sorrento>.

Dated: April 14, 2023

/s/ *Kristhy M. Peguero*

JACKSON WALKER L.L.P.

Matthew D. Cavanaugh (TX Bar No. 24062656)

Kristhy M. Peguero (TX Bar No. 24102776)

Genevieve M. Graham (TX Bar No. 24085340)

1401 McKinney Street, Suite 1900

Houston, Texas 77010

Telephone: (713) 752-4200

Facsimile: (713) 752-4221

Email: mcavanaugh@jw.com

kpeguero@jw.com

ggraham@jw.com

– and –

Caroline Reckler (S.D. Tex Bar No. IL6275746)

Ebba Gebisa (admitted *pro hac vice*)

Jonathan Gordon (admitted *pro hac vice*)

LATHAM & WATKINS LLP

330 North Wabash Avenue, Suite 2800

Chicago, IL 60611

Telephone: (312) 876-7700

Facsimile: (312) 993-9667

Email: caroline.reckler@lw.com

ebba.gebisa@lw.com

jonathan.gordon@lw.com

– and –

Jeffrey E. Bjork (admitted *pro hac vice*)

Kimberly A. Posin (admitted *pro hac vice*)

LATHAM & WATKINS LLP

355 South Grand Avenue, Suite 100

Los Angeles, CA 90071

Telephone: (213) 485-1234

Facsimile: (213) 891-8763

Email: jeff.bjork@lw.com

kim.posin@lw.com

Counsel to the Debtors

Certificate of Service

I certify that, on April 14, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Kristhy M. Peguero

Kristhy M. Peguero