Sonnet BioTherapeutics
Executive Summary

ABOUT SONNET

We are experts in cytokine biology with a clinical stage pipeline comprising five therapeutic candidates, including a lead compound ready to enter Phase 2 development, closely followed by four others undergoing preclinical study.

Sonnet's proprietary FHAB™ (Fully Human Albumin Binding) technology serves as the foundation of our modular, plug-and-play platform for developing innovative, targeted biologic drugs with enhanced single- or bi-specific mechanisms. The FHAB platform 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. Our internal focus is immune oncology, however, FHAB is suited for drug development across the spectrum of human disease.

Sonnet's FHAB construct attaches to albumin in the bloodstream, resulting in significantly enhanced pharmacokinetics. It also naturally accumulates at sites of inflammation, including tumors, thus delivering the therapeutic payload in a targeted fashion. Our platform has demonstrated a 10-fold increase in half-life, in vivo, and 30+ fold increase in efficacy as, compared to recombinant interleukins without FHAB, in a mice melanoma model. The versatile platform can generate a large immune-oncology pipeline, including combinations with checkpoint inhibitors and possibly conjugated drugs. The Sonnet platform is differentiated from the Ablynx platform in that FHAB utilizes a fully human sequence, with a human glycosylation profile that can be manufactured using a standard CHO process.

CORPORATE BACKGROUND

- Founded 2011 - Incorporated in New Jersey
- Headquarters: Princeton, New Jersey; Other Locations: New York City, Boston, Geneva
- Employees, Consultants and Contracted Scientists/Experts: Approximately 30 people
- Capital Invested Since Inception: Approximately $30 Million (No Debt)
- Internal Pipeline Focus: Immuno-Oncology -Proprietary technology platform is patent protected
- Significant Existing Licensing/Partnership interest from large multinational pharmaceutical co.
- External opportunities also exist outside oncology
- Strategic Financial Partner In Place: Up to $100 million in capital committed by a multibillion-dollar institutional investor

Valuation

- Strategic Investor Valuation = $233 million
- Valuation Discount Available to Merger Company (20%) = $186 million
- Comparable Average Oncology Valuation at IPO: Approximately $400 million
- Technology Platform Peer with more mature pipeline Acquired for $4.8 billion (Ablynx)

PROGRESS

Our most advanced asset is a low-dose IL-6 product that has successfully completed Phase 1 study, and is ready to enter Phase 2 development. This asset was developed prior to the FHAB platform (see detail on page 2).

- The FHAB platform has achieved several developmental milestones, including:
- Demonstrating superior efficacy with a single dose of Sonnet's cytokine IL12-FHAB compared to the parent recombinant human cytokine IL12 (Figure 2).
- Demonstrating dose-dependent efficacy with a single dose of Sonnet's cytokine-FHAB in preclinical mouse tumor models.
- IP Filed: Non Provisional and PCT with extensive coverage for a large pipeline. (continued on page 2)

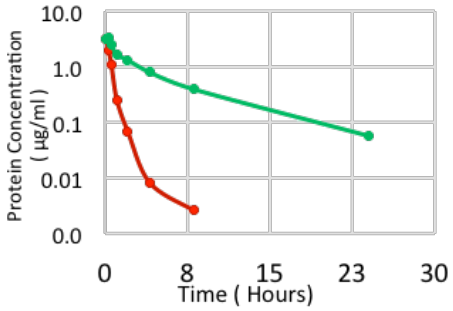

Figure 1 shows that cytokine IL15 injected alone (red line) is excreted rapidly, resulting in a precipitous drop in concentration. The Sonnet molecule carrying the same cytokine IL15 (green line) survives at higher concentration for a much longer period of time.

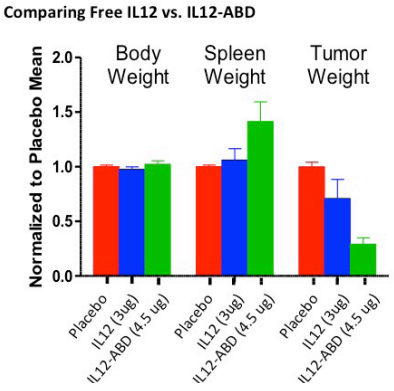

Figure 2 illustrates that Sonnet's Interleukin IL12-ABD construct achieves significantly greater impact on decreasing tumor weight than IL12 alone. The increase in spleen weight reflects the expected increased immune activity that results from dosage of the Sonnet construct.

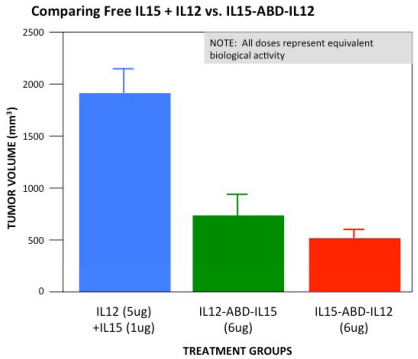

Figure 3 illustrates that Sonnet's construct of IL12 and IL15 with the Albumin Binding Domain achieves significantly greater impact on decreasing tumor weight than free IL12 and IL15 (with no ABD). The green and red bars represent the IL12 and IL15 in alternate orientations.

- Demonstrating the ability to link two different cytokines to the same F_HAB construct while retaining full biologic activity for each cytokine, in in vitro assays.
- Demonstrating that Sonnet's dual cytokine-FHAB retained biologic activity in a mouse tumor model.
- Demonstrating that the dual cytokine-F_HAB was more active than the single armed cytokine-FHAB (Figure 3).
- Validating the versatility of the F_HAB platform with recombinant protein.
- Confirmed expression in mammalian cells.
- Sonnet data has been presented at leading cancer conferences, including The American Association for Cancer Research (Oct 2017) and The Society for Immunotherapy of Cancer (Nov 2017).

LEAD ASSET

Our lead asset, SON-080, is a low-dose recombinant formulation of human IL-6 scheduled to enter Phase 2 trials for chemotherapy induced peripheral neuropathy (CIPN) during 1H20. CIPN is a degeneration of nerve fibers that results from chemotherapy. In peripheral neurons, IL-6 triggers a series of pathways for the maintenance of mitochondrial function and axonal regeneration. Currently, more than 50% of cancer patients that receive chemotherapy develop CIPN, and CIPN persists in 50% of cancer survivors. The current standard of care achieves limited efficacy with a high side effect burden. There are currently no disease modifying treatments for CIPN. Several prior clinical trials with IL-6 have demonstrated the compound's safety in cancer patients.

Each year, there are approximately 25 million new patients receiving chemotherapy with an overall cancer survivor population approximating 50 million people. Sonnet estimates that CIPN represents a $2 billion commercial opportunity.

	Program	Indications	Discovery	Pre-Clinical	Phase I	1H 2020 Milestones:
	low-dose IL-6	Chemotherapy Induced Peripheral Neuropathy				Phase II Initiation
F_HAB Platform	IL12-F_HAB	Undisclosed Solid Tumor				GLP Tox
	IL15-F_HAB-IL12	Undisclosed Solid Tumor				Non-GLP Tox
	GMcSF-F_HAB-IL18	Early Stage Cancer				Preclinical Efficacy
	Anti-IL6-F_HAB-Anti-TGFβ	Tumor and Bone Metastases				Preclinical Efficacy

R&D Opportunities: 2 new INDs per year, beginning 2020; 2 new pipeline asset announcements per year

CROSSOVER INVESTMENT HIGHLIGHTS

The table below details the unit offering terms for a single unit. The crossover round is being offered at a $148 million valuation (20% discount to IPO target).

Investment Components	Terms	Comments
100 Common Shares	$250 per 100 common shares	20% discount to IPO valuation target
50 Warrants	Strike price at 25% premium for 3 years	50% warrant coverage
Full Ratchet	Reset	Shares and warrants would adjust in the event of a drop below IPO price during the first week of trading
Registration Rights	Freely trading security at IPO	No lockup
New Jersey Tax Credit	10% investment credit from the state of NJ	Investors outside NJ, including overseas, may qualify to receive cash

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