

### Business Description

- Headquartered in Richmond, California, Sangamo Therapeutics, Inc. (“Sangamo,” the “Company,” or the “Debtor”) is a genomic medicine company that develops therapies for serious neurological diseases by directly targeting the genes that cause or drive disease, rather than addressing symptoms alone.
- In 2023, Sangamo recast itself as a neurology-focused enterprise built on two complementary capabilities:
  - Epigenetic regulation therapies — precision medicines designed to treat serious neurological diseases; and
  - Novel engineered adeno-associated virus (“AAV”) capsids — delivery vehicles designed to carry those therapies to their intended neurological targets.
- The business rests on three proprietary platforms — the zinc finger protein (“ZFP”) platform, the SIFTER AAV capsid engineering platform, and the Modular Integrase (“MINT”) genome editing platform — applied across a pipeline of wholly owned and partnered programs targeting diseases with few or no adequate treatments.

<sup>(1)</sup> Sangamo Therapeutics, Inc. filed for Chapter 11 protection on June 23, 2026 (the “Petition Date”) in the U.S. Bankruptcy Court for the District of Delaware, reporting \$100 million to \$500 million in both assets and liabilities.

### Corporate History

- Sangamo was founded in 1995 as Sangamo BioSciences, Inc. by Edward Lanphier to commercialize zinc finger protein technology, securing an exclusive license to the foundational zinc-finger-nuclease research of Srinivasan Chandrasegaran of Johns Hopkins — who pioneered the fusion of engineered zinc fingers to the FokI nuclease — supplemented by early licenses from Johns Hopkins, MIT, and The Scripps Research Institute.
- The Company was incorporated in Delaware in June 1995, completed its Nasdaq initial public offering in April 2000, and rebranded from Sangamo BioSciences to Sangamo Therapeutics in 2017.

### Organizational Structure

- Sangamo Therapeutics, Inc. is the sole Debtor in these proceedings and maintains three wholly owned, non-debtor subsidiaries:
  - Sangamo Therapeutics France S.A.S. (formerly TxCell S.A.; majority stake acquired October 2018);
  - Sangamo Therapeutics UK Ltd. (formerly Gendaq Limited; acquired July 2001); and
  - Ceregene, Inc. (Delaware; dormant; acquired October 2013).
- The Debtor funds its two foreign non-debtor subsidiaries — Sangamo France and Sangamo UK — in the ordinary course at roughly \$100,000 to \$300,000 per month each, subject to an interim cash-management order capping aggregate intercompany transfers at \$425,000 and prohibiting intercompany loans absent further order of the Court.
- Sangamo France is maintained principally to collect approximately €12.5 million in French R&D tax credits — including an approximately €4.7 million tranche expected in October 2026 — and to fulfill long-term patient-monitoring obligations, certain of which extend through 2039.

### Technology Platforms

- Zinc Finger Protein (“ZFP”) — Naturally occurring human proteins that Sangamo engineers into precision tools that selectively silence or activate a targeted gene.
- SIFTER (AAV capsid engineering) — Sangamo's proprietary AAV capsid engineering platform, designed to identify delivery vehicles with improved ability to reach the brain and central nervous system.
  - The platform screens tens of millions of unique capsid variants through successive rounds of testing to identify those with superior delivery to the brain and spinal cord.
  - This process yielded STAC-BBB — a proprietary capsid shown to cross the blood-brain barrier in nonhuman primates and mice after intravenous administration — as well as STAC-102 and STAC-103, designed for alternative CNS delivery routes with improved performance versus existing benchmark capsids.
- MINT — A genome editing platform designed to integrate large DNA sequences into the genome without creating double-stranded DNA breaks, potentially allowing a single medicine to treat patients with different mutations in the same disease-causing gene, and compatible with multiple delivery methods.

## Operations Overview – Wholly Owned Programs

Wholly Owned Programs	
<b>Fabry Disease Program (ST-920)</b>	Fabry disease is a rare inherited metabolic disorder in which a mutated enzyme causes a harmful buildup of fatty substances throughout the body, progressively damaging the heart, kidneys, and nervous system. Sangamo's Fabry Disease Program (ST-920) is a clinical-stage, wholly owned gene therapy for which the Company initiated a rolling BLA submission to the FDA in December 2025 under the accelerated approval pathway, with full submission potentially completing as early as the third quarter of 2026.
<b>Prion Disease Program (ST-506)</b>	Prion disease is a rare, rapidly progressive, and fatal neurological disorder in which a normally harmless brain protein misfolds, triggering a chain reaction that destroys brain tissue. Sangamo's Prion Disease Program (ST-506) is a preclinical-stage, wholly owned investigational therapy designed to reduce production of this protein. The Company has completed required animal safety studies, initiated preparatory steps toward human clinical trial authorization, engaged with the UK medicines regulatory agency on study design and safety requirements, and presented preclinical results at international scientific conferences.
<b>Chronic Neuropathic Pain Program (ST-503)</b>	Small fiber neuropathy is a condition in which damaged or malfunctioning small nerve fibers cause persistent, often debilitating pain symptoms including burning, prickling, and stabbing sensations. Sangamo's Chronic Neuropathic Pain Program (ST-503) is a clinical-stage, wholly owned investigational therapy that targets and reduces the activity of Nav1.7, a sodium ion channel responsible for transmitting pain signals. The FDA authorized human clinical trials in November 2024, and Sangamo has since activated seven clinical sites engaged in patient recruitment and enrollment.

# Operations Overview – Partnered Programs

Partnered Programs, Licensing Partners, and Collaborations (the “Outlicensing Agreements”)	
<b>Eli Lilly and Company – Central Nervous System Disease</b>	On April 2, 2025, Sangamo and Lilly entered into a global capsid delivery license agreement granting Lilly a worldwide exclusive license to STAC-BBB for one central nervous system target, with the right to add up to four additional targets upon payment of additional fees. Technology transfer for the initial target was completed in April 2025. Lilly is solely responsible for all preclinical and clinical development, regulatory interactions, manufacturing, and global commercialization of resulting products.
<b>Genentech, Inc. – Tauopathies and an Additional Neurology Target</b>	On August 2, 2024, Sangamo and Genentech entered into a global epigenetic regulation and capsid delivery license agreement granting Genentech an exclusive worldwide license to Sangamo's zinc finger repressors directed to the tau gene, implicated in Alzheimer's disease and related conditions, and a second undisclosed neurological target, together with an exclusive worldwide license to STAC-BBB for delivery to those targets. Genentech is solely responsible for all clinical development, regulatory interactions, manufacturing, and global commercialization of resulting products.
<b>Astellas Gene Therapies, Inc. – Neurodegenerative Disease</b>	On December 18, 2024, Sangamo and Astellas entered into a global capsid delivery license agreement granting Astellas a worldwide exclusive license to STAC-BBB for one neurodegenerative disease target, with the right to add up to four additional targets upon payment of additional fees. Astellas also holds a one-time right to exchange its STAC-BBB license for a substitute capsid, exercisable during the initial three-year term subject to availability. Astellas is solely responsible for all preclinical and clinical development, regulatory interactions, manufacturing, and global commercialization of resulting products.
<b>Alexion Pharmaceuticals, Inc. – ALS and FTL D</b>	Originally entered with Pfizer in December 2017 and assigned to Alexion in September 2023, this exclusive research collaboration and license agreement covers the development and commercialization of gene therapy products using zinc finger transcriptional regulators to treat ALS and frontotemporal lobar degeneration linked to certain gene mutations. Alexion is solely responsible for all subsequent development, manufacturing, and commercialization of licensed products.
<b>Takeda Pharmaceutical Company Limited (via Shire International GmbH) – Huntington's Disease</b>	Entered in January 2012 and amended in September 2015, Sangamo and Takeda's collaboration and license agreement covers the research, development, and commercialization of therapeutics for monogenic diseases using Sangamo's zinc finger technology. Takeda holds an exclusive worldwide license to zinc finger therapeutics for treating Huntington's disease.
<b>Sigma-Aldrich Corporation – Research Reagents and Commercial Cell Lines</b>	Entered in 2007 and amended in October 2009, Sangamo's license agreement with Sigma grants Sigma exclusive rights to use Sangamo's zinc finger technology to develop and commercialize research reagent products and services, zinc finger modified cell lines for commercial protein production, and certain zinc finger engineered transgenic animals. Sigma is solely responsible for all development, manufacture, and commercialization of licensed products.
<b>Other Partnerships</b>	Beyond human therapeutics, Sangamo has licensed its technology in plant agriculture and research reagents — including transgenic animal production and cell-line engineering — to partners including Corteva AgriScience and Ligand Pharmaceuticals. Collectively, the Company's outlicensing agreements represent potential value in the form of recurring licensing revenue, milestone payments, and royalties on commercial product sales.

### Other Programs

- **Hemophilia A Program (SB-525)** — A clinical-stage, liver-directed AAV gene therapy for severe Hemophilia A, an inherited bleeding disorder in which insufficient blood-clotting protein causes prolonged bleeding and, in severe cases, spontaneous internal bleeding.
  - Previously developed with Pfizer under a 2017 collaboration agreement, which Pfizer terminated for convenience effective April 2025. Upon termination, Sangamo received an exclusive worldwide, royalty-bearing, sublicensable license from Pfizer to continue development and commercialization, and has since sought a new commercialization partner.
- **Sickle Cell Disease Program (BIVV003)** — A clinical-stage investigational gene therapy candidate for sickle cell disease, a serious inherited blood disorder in which abnormal hemoglobin causes red blood cells to become rigid and sickle-shaped, leading to pain episodes, organ damage, and other severe complications.
- **Tregs Platform** — A clinical-stage program plus two early-stage development programs focused on regulatory T cell (Treg)-based therapeutics for autoimmune and inflammatory conditions.

### Intellectual Property

- Sangamo protects its proprietary rights through patents, copyrights, trademarks, trade secrets, proprietary know-how, and confidentiality, materials-transfer, research, and licensing agreements. Its portfolio comprises approximately 90 patent families directed to the design, composition, and use of zinc finger proteins and other technologies underlying its programs.
- The Company is also licensor under numerous out-license agreements, including exclusive worldwide licenses to STAC-BBB granted to Genentech, Astellas, and Lilly (each for defined fields of use), exclusive worldwide licenses to zinc finger repressors for specific neurological targets granted to Genentech, and an exclusive worldwide license to zinc finger therapeutics for Huntington's disease granted to Takeda.

### Manufacturing

- Sangamo relies primarily on contract manufacturing organizations (“CMOs”) to produce preclinical and clinical supply, and intends to continue using third parties for later-stage clinical trials and commercial-scale manufacturing.
- The Company maintains a technical-operations staff across process and analytical development, quality control, quality assurance, supply chain, project management, and external manufacturing to oversee its CMOs, support regulatory filings, and supply clinical trials.
- This reliance on external manufacturers follows the closure of the Valbonne, France facility and the anticipated closure of the Brisbane facility as part of the Company's restructuring initiatives.

### Real Property Leases

- As of the Petition Date, the Debtor is party to three California real property leases:
  - Corporate headquarters at 501 Canal Blvd., Suite A100, Richmond — approximately 59,485 sq. ft. of research and office space;
  - A separate office lease at 1003 West Cutting Boulevard, Richmond — approximately 7,700 sq. ft.; and
  - A research and development laboratory and office facility at 7000 Marina Boulevard, Brisbane — approximately 103,089 sq. ft.
- The Brisbane facility has been in very limited use since early 2024, when the Company began closing it and marketing it for sublease.
  - Under an August 25, 2025 lease amendment, the landlord was authorized to draw on an existing \$1.5 million letter of credit to offset rent from September to November 2025, with the Company required to reinstate the letter of credit to its full \$1.5 million face amount by December 31, 2026.
  - The amendment also deferred 90% of monthly base rent from December 2025 through December 2026 on an interest-free basis, with the full deferred amount payable by January 5, 2027.

### Employees and Workforce Reductions

- Sangamo has undergone a series of significant workforce reductions in recent years. The April 2023, November 2023, and France restructurings collectively eliminated approximately 365 roles.
- In March 2026, the Company executed a further reduction in force, eliminating approximately 22 roles and furloughing 14 employees to reduce operating expenses and preserve liquidity.
- In connection with its Chapter 11 filing and proposed sale transactions, the Company executed an additional reduction in force in June 2026, cutting its workforce from 128 full-time employees to 77.
  - Certain affected employees agreed to transition from full-time employment to part-time independent-contractor arrangements to continue providing limited services during the proceedings.
- Following the June reduction, the remaining workforce consists solely of employees selected by Lilly and Astellas for their respective sale transactions, together with those needed to assist with administration of the Chapter 11 case.

## Prepetition Obligations

### The General Unsecured Claims Pool (~\$39.5 Million)

- As of the Petition Date, the Debtor has no funded debt — no prepetition secured debt, unsecured notes, or credit-facility obligations.
- The Debtor's outstanding general unsecured prepetition obligations consist primarily of trade payables, lease obligations, and employee obligations totaling \$39.5 million.
- Trade payables — Approximately \$19.2 million, owed largely to CMOs and R&D service providers.
  - The single largest creditor is Brammer Bio, LLC (a Thermo Fisher contract manufacturer) at approximately \$8.76 million — nearly half the trade pool — followed by Laboratory Corporation of America (~\$1.72M), PPD Development (~\$1.43M), CTI Clinical Trial Services (~\$0.71M), Catalent Pharma Solutions (~\$0.68M), and Charles River Laboratories (~\$0.43M).
- Lease obligations — Approximately \$4.0 million, including deferred rent accrued under the Brisbane lease amendment.
- Employee obligations — Approximately \$16.3 million, comprising:
  - ~\$9.4 million in unpaid annual performance bonuses for fiscal years 2024 and 2025;
  - ~\$3.7 million in severance to employees terminated in the March and June reductions in force;
  - ~\$2.3 million in accrued but unfunded merit-based salary increases for fiscal year 2025; and
  - ~\$0.9 million in accrued but unpaid COBRA benefits following employee terminations.
- As of the Petition Date, the Debtor has approximately \$5.5 million in cash on hand.

# Top Unsecured Claims

## 20 Largest Unsecured Creditors

USD in Thousands

As of June 23, 2026

	Creditor	Nature of Claims	Amount of Claim		Creditor	Nature of Claims	Amount of Claim
1	Brammer Bio, LLC	TRADE	\$ 8,760.5	11	IQVIA RDS Inc.	TRADE	185.0
2	Laboratory Corporation of America	TRADE	1,724.0	12	Medpace, Inc.	TRADE	163.8
3	PPD Development, L.P.	TRADE	1,433.1	13	Labconnect, LLC	TRADE	157.4
4	CTI Clinical Trial SVS, Inc	TRADE	705.8	14	Tracelink Inc	TRADE	140.1
5	Catalent Pharma Solutions	TRADE	682.6	15	Point Richmond R&D Ass. II LLC	LEASE	139.5
6	Charles River Laboratories Montreal ULC	TRADE	431.1	16	Computer Packages Inc.	TRADE	139.4
7	Meet Recruitment Inc.	TRADE	307.1	17	Snell & Wilmer L.L.P.	PROFESSIONAL SERVICES	126.5
8	Children's Hospital Corp.	TRADE	226.0	18	Envol Biomedical, LLC	TRADE	119.5
9	PPF Off 7000 Marina Blvd LP	LEASE	191.8	19	Sterne, Kessler, Goldstein & Fox P.L.L.C	PROFESSIONAL SERVICES	117.6
10	VWR International, Inc.	TRADE	185.3	20	Beckman Coulter, Inc.	TRADE	112.2
<b>20 Largest Unsecured Claims</b>							<b>\$ 16,048.3</b>

### The 2023 Restructurings

- In April 2023, Sangamo executed its first restructuring, eliminating approximately 110 roles — split evenly between full-time and contracted employees and representing roughly 23% of the U.S. workforce — to concentrate resources on the preclinical neurology epigenetic-regulation portfolio, a potential Phase 3 Fabry trial, and an ongoing renal transplant-rejection study.
  - The reduction was expected to generate annualized savings of approximately \$31 million together with other cost-reduction initiatives.
- The cuts proved insufficient. On October 11, 2023, the Board approved a second restructuring eliminating a further 162 U.S. roles (108 full-time and 54 contracted) — approximately 40% of the then-current U.S. workforce.
  - In connection with this second restructuring, the Company began closing its Brisbane facility — its primary internal manufacturing site — and transitioned its headquarters to Richmond, California effective January 1, 2024, later entering into a Brisbane lease amendment in August 2025.

### Wind-Down of French Operations

- Beginning in mid-2023, the Company sought additional investors and collaboration partners for its cell therapy programs in Valbonne, France, but despite extensive outreach could not identify a transaction on acceptable terms.
- On March 1, 2024, the Board approved the wind-down of all French R&D activities and the closure of the Valbonne cell-therapy manufacturing facility and research laboratories, eliminating all 93 roles in France — approximately 24% of the Company's total global workforce.

### Termination of Major Collaboration Agreements

- As the Company pursued its transformation, it simultaneously lost each of the major collaboration agreements that had historically driven its revenues.
  - **Biogen (February 2020)** — a global licensing collaboration covering gene-regulation therapies for tauopathies (including Alzheimer's), synucleinopathies (including Parkinson's), a neuromuscular target, and up to nine additional neurological targets; Sangamo received \$350 million upfront (\$125 million license fee plus \$225 million equity) and was eligible for up to \$2.37 billion in milestones plus tiered royalties.
  - **Novartis (July 2020)** — a separate global licensing collaboration covering three neurodevelopmental targets, including genes linked to autism spectrum disorder; Sangamo received a \$75 million upfront license fee and was eligible for up to \$720 million in milestones plus tiered royalties.
- In June 2023, both Biogen and Novartis terminated their agreements for convenience following internal strategic reviews, extinguishing Sangamo's milestone and royalty entitlements. The Kite Pharma collaboration expired by its terms in April 2024 and was not renewed.
- The combined impact was severe: revenues fell from \$176.2 million in 2023 to \$57.8 million in 2024 — a \$118.4 million decline driven primarily by the loss of Biogen, Novartis, and Kite collaboration revenues.
- Pressure intensified in December 2024, when Pfizer notified Sangamo of its termination for convenience after deciding not to seek approval or commercialization of the Hemophilia A gene therapy then ready for regulatory submission.
  - The termination extinguished all licenses and rights granted to Pfizer and eliminated approximately \$220 million in anticipated milestone payments that the Company had expected would fund its neurology pipeline.
  - The announcement triggered an approximately 50% decline in the Company's stock price in the following days, effectively foreclosing equity financing as a meaningful source of capital.

## Events Leading to Bankruptcy (cont'd)

### Equity Raises and Licensing Transactions

### The Fabry Commercialization-Partner Search

- To extend its cash runway, Sangamo pursued a dual-track strategy of dilutive equity raises and non-dilutive technology licensing.
  - **Equity:** approximately \$15.1 million under its at-the-market program in 2023, approximately \$21.9 million in a March 2024 registered direct offering, and an aggregate of approximately \$100.1 million across at-the-market sales and two underwritten public offerings between 2025 and early 2026.
  - **Licensing:** STAC-BBB license agreements with Genentech (August 2024, \$40.0 million upfront plus a \$10.0 million technology-transfer milestone), Astellas (December 2024, \$20.0 million upfront), and Lilly (April 2025, \$18.0 million upfront) — approximately \$88 million in near-term proceeds against billions in back-loaded milestones.
- None of these transactions provided upfront proceeds sufficient to resolve the Company's long-term liquidity challenges; each raise and license provided only temporary relief while the underlying deterioration continued.
- Beginning in 2022, Sangamo undertook a multi-year effort to secure a commercialization partner for its Fabry Disease Program, advancing its patient study to generate clinical data while seeking regulatory clarity in the U.S. and Europe.
- The marketing process was extensive but unsuccessful.
  - Bank of America conducted outreach from 2022 to 2024, presenting the program to five companies, one of which advanced to formal diligence before withdrawing.
  - Evercore expanded the effort from 2024 to 2026, contacting more than twenty parties and generating nine management presentations, seven formal diligence processes, and three term sheets — but no deal closed.
  - One party could not meet the requested economic terms; another was acquired mid-process and withdrew; and the party that progressed furthest withdrew before signing over board-level concerns that the FDA might require an entirely new, large-scale clinical trial as a precondition to approval.

### The Fabry Commercialization-Partner Search (cont'd)

- Sangamo made significant regulatory progress, but timing proved too late.
  - October 2024 FDA written minutes confirmed the existing patient study could serve as the primary basis for marketing approval, accelerating the anticipated timeline by approximately three years; a second FDA meeting in October 2025 reaffirmed the accelerated pathway in writing.
  - The Company began a rolling BLA submission in December 2025 and presented patient-study results across four presentations at the 22nd Annual WORLDSymposium in early 2026.
- Recognizing that residual partner concerns persisted, the Company retained First Principles Strategies and regulatory counsel Frank Sasinowski of Hyman, Phelps & McNamara, P.C., submitting formal correspondence to the FDA in April 2026.
  - In May 2026, the Acting Director of the FDA's Office of Therapeutic Products confirmed in writing that no separate large-scale clinical trial would be required as a precondition to approval — resolving the concern that had driven multiple partners away.
  - Although the confirmation came too late to address liquidity outside a court-supervised process, it proved instrumental in re-engaging Astellas as the stalking-horse bidder for the Fabry Disease Program.

### Liquidity Deterioration and Nasdaq Delisting

- Across fiscal years 2023 through 2025, Sangamo absorbed aggregate net losses exceeding \$478 million as revenues declined more than 77% — from \$176.2 million in 2023 to \$39.6 million in 2025.
- Cash, equivalents, and marketable securities collapsed from \$307.5 million at year-end 2022 to \$20.9 million at year-end 2025, and every annual and quarterly report through the period carried a going-concern qualification.
- On April 28, 2026, Nasdaq notified Sangamo of its determination to delist the common stock; trading was suspended and the shares began trading on the OTCQB Venture Market under the ticker “SGMO” on May 5, 2026.
- With no out-of-court path to meet its liquidity needs, the Board determined on June 18, 2026 that a court-supervised Chapter 11 sale process was the best available means to maximize value.

### Overview

### Lilly Stalking Horse Sale (Platform Sale)

- Sangamo filed for Chapter 11 with two stalking-horse asset purchase agreements already executed — one with Eli Lilly and Company, through its wholly owned subsidiary Merope Acquisition Sub, LLC, for the “Lilly Assets,” and one with Astellas Gene Therapies, Inc. for the Fabry Disease Program.
- Merope Acquisition Sub, LLC — with Eli Lilly and Company guaranteeing payment and performance on a primary-obligor basis — agreed to acquire substantially all of Sangamo's core technology assets (the “Lilly Assets,” or “Merope Assets” in the APA) for \$50 million cash plus assumption of only post-closing obligations under the acquired contracts.
  - The acquired assets span the SIFTER, MINT, and ZFP platforms; all proprietary capsids (including STAC-BBB, STAC-150, and next-generation variants); proprietary capsid receptors and related technology; the Prion Disease Program (ST-506); all related IP; and the right to future milestone and royalty streams under the outlicensing agreements (including Genentech, Takeda, Alexion, and the December 2024 Astellas capsid license) to the extent they relate to the acquired technology.
- Those payment rights transfer to Lilly either by assumption and assignment of the underlying agreements or by rejection coupled with court findings that the agreements' noncompete provisions do not bind Merope or its affiliates post-closing.
  - Obtaining those findings — or negotiating acceptable new or amended licenses with the relevant outbound licensees — is a hard closing condition; Merope is not obligated to close without it.
- All cure costs and prepetition employee, WARN, COBRA, tax, lease, and litigation liabilities remain with the estate. The sale is on an as-is, where-is basis, no buyer deposit is required, and the outside date is September 30, 2026.

### Astellas Stalking Horse Sale (Fabry Program Sale)

- Astellas Gene Therapies, Inc. agreed to acquire substantially all assets of the Fabry Disease Program — principally isaralgagene civaparvovec (ST-920), its IND and rolling BLA submission, STAAR study data, related IP, and inventory — for \$25 million cash at closing plus up to \$25 million in contingent milestone payments.
- The milestone consideration is structured as two equal \$12.5 million tranches:
  - The Accelerated Milestone, triggered by the first FDA accelerated approval of the U.S. Fabry BLA based on the STAAR Studies; and
  - The Full Milestone, triggered by first full approval or conversion from accelerated approval.
  - Both tranches exclude approvals that require a new pivotal study beyond the STAAR Studies or that carry a Boxed Warning, a Risk Evaluation and Mitigation Strategy, or a second-line-only restriction.
- The structure is buyer-favorable: Astellas owes no affirmative duty to pursue either milestone beyond an obligation not to delay the full-approval submission in bad faith, rendering the contingent \$25 million back-loaded and uncertain.
- Closing is conditioned on retention of at least 80% of identified key personnel immediately prior to closing. As in the Lilly sale, all cure costs and prepetition employee, WARN, COBRA, tax, lease, and litigation liabilities remain with the estate; no buyer deposit is required; and the outside date is September 15, 2026.
- At closing, Astellas grants the estate a non-exclusive, perpetual, royalty-free license back under certain acquired IP — including rights to STAC-BBB and the Hemophilia A program — preserving the excluded assets and the technology transferred to Lilly.

### Bid Protections and Auction Timeline

- Each stalking horse holds bid protections treated as superpriority administrative-expense claims senior to all other administrative expenses, including those under the DIP facility.
  - Lilly/Merope: a \$1.5 million break-up fee (3% of the \$50 million purchase price) plus up to \$500,000 in expense reimbursement (1%); the break-up fee is credit-biddable by Merope at any subsequent auction.
  - Astellas: a \$1.0 million termination fee (4% of the \$25 million closing consideration) plus up to \$500,000 in expense reimbursement; the termination fee is payable only on specified termination events and solely from competing-transaction proceeds at closing.
- To submit a Qualified Bid, a competing bidder must beat the applicable stalking-horse consideration plus its bid protections plus a \$250,000 initial overbid increment — implying a minimum of approximately \$52.25 million to top Lilly and approximately \$26.75 million to top Astellas — with subsequent overbids in minimum \$100,000 increments.
  - Each competing bidder must post a good-faith deposit equal to 10% of its cash bid, submit a marked-up APA with committed financing and board authorization, and bid without financing, diligence, or internal-approval conditions.
- The Debtor also seeks authority to designate additional stalking-horse bidders for the Remaining Assets — the Chronic Neuropathic Pain Program, Hemophilia A Program, Sickle Cell Disease Program, and Tregs Platform — with any associated bid protections capped at 3% of the applicable purchase price.
- The proposed sale calendar (subject to court approval): Bid Deadline July 25, 2026; Qualified Bid designation July 29; Sale Objection deadline July 31; Auction August 4, 2026; Sale Hearing on or about August 11; Sale Order entry August 14; and outside closing date August 29, 2026, with contractual outside dates of September 15, 2026 under the Astellas APA and September 30, 2026 under the Lilly APA if closing slips.

### DIP Financing

- The case is financed by a \$30 million senior secured superpriority new-money term loan from Northridge ATM, LLC, with no roll-up and no adequate-protection package, as the estate carries no prepetition secured debt.
  - Up to \$10.5 million is available on the interim order, with the balance available upon entry of the final order, in each case drawn against a 13-week budget.
  - Pricing includes 12% cash interest (plus 2% on default), a 2% commitment fee and 5% exit fee — each calculated on the full \$30 million commitment and fully earned upon entry of the interim order regardless of amounts drawn — and a \$75,000 prepetition work fee paid June 15, 2026.
- Avoidance actions are pledged as collateral (section 549 claims upon the interim order; all remaining chapter 5 claims upon the final order), and Northridge holds an unqualified right to credit-bid the full DIP balance at any sale.
  - Budget compliance is enforced through a 15% cumulative net-operating-variance ceiling, and continued funding is conditioned on the stalking-horse agreements remaining in effect and unamended without the lender's consent; termination of either agreement is independently an event of default.
- The Carve-Out preserves U.S. Trustee and Clerk fees, up to \$50,000 in chapter 7 trustee fees if applicable, budgeted prepetition professional fees, and a \$2.5 million post-trigger professional-fee cap.
- Maturity is the earliest of December 30, 2026; a plan effective date; a sale of substantially all assets (excluding the individual Lilly and Astellas closings); an event of default; dismissal or conversion; or 35 days post-petition absent a final order.

# The Chapter 11 Filing (cont'd)

## SGMO - Preliminary DIP Budget

\$ in 000's

Week Ending	Filing	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Total
	0 6/26	7/3	7/10	7/17	7/24	7/31	8/7	8/14	8/21	8/28	9/4	9/11	9/18	9/25	10/2	
Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Disbursements</b>																
Payroll & Benefits	\$1,756	\$500	\$797	\$106	\$799	\$193	\$988	\$106	\$799	\$131	\$975	\$207	\$542	\$28	\$1,133	\$7,306
Rent & Facilities	\$39	\$640	\$18	\$42	\$41	\$39	\$660	\$20	\$33	\$32	\$265	\$20	\$33	\$32	\$34	\$1,909
Program Costs	\$312	\$304	\$197	\$394	\$382	\$368	\$470	\$186	\$297	\$289	\$457	\$158	\$258	\$343	\$304	\$4,406
International Operations	-	\$425	-	-	-	-	\$250	-	-	-	\$300	-	-	-	-	\$975
Other Operating Disbursements	\$91	\$88	\$48	\$133	\$136	\$113	\$152	\$63	\$98	\$527	\$187	\$63	\$98	\$92	\$211	\$2,010
<b>Total Operating Disbursements</b>	<b>\$2,198</b>	<b>\$1,957</b>	<b>\$1,060</b>	<b>\$676</b>	<b>\$1,358</b>	<b>\$713</b>	<b>\$2,521</b>	<b>\$375</b>	<b>\$1,227</b>	<b>\$979</b>	<b>\$2,185</b>	<b>\$448</b>	<b>\$931</b>	<b>\$495</b>	<b>\$1,683</b>	<b>\$16,606</b>
<b>Operating Cash Flow</b>	<b>(\$2,198)</b>	<b>(\$1,957)</b>	<b>(\$1,060)</b>	<b>(\$676)</b>	<b>(\$1,358)</b>	<b>(\$713)</b>	<b>(\$2,521)</b>	<b>(\$375)</b>	<b>(\$1,227)</b>	<b>(\$979)</b>	<b>(\$2,185)</b>	<b>(\$448)</b>	<b>(\$931)</b>	<b>(\$495)</b>	<b>(\$1,683)</b>	<b>(\$16,606)</b>
<b>Restructuring Disbursements</b>																
Pro Fees	\$1,275	\$675	\$830	\$830	\$830	\$830	\$850	\$735	\$735	\$735	\$810	\$735	\$735	\$735	\$810	\$10,875
US Trustee Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$303	\$303
DIP Interest & Fees	\$600	-	-	-	-	\$105	-	-	-	\$180	-	-	-	\$300	-	\$585
<b>Total Restructuring Disbursements</b>	<b>\$1,875</b>	<b>\$675</b>	<b>\$830</b>	<b>\$830</b>	<b>\$830</b>	<b>\$935</b>	<b>\$850</b>	<b>\$735</b>	<b>\$735</b>	<b>\$915</b>	<b>\$810</b>	<b>\$735</b>	<b>\$735</b>	<b>\$1,035</b>	<b>\$1,113</b>	<b>\$11,763</b>
<b>Net Cash Flow</b>	<b>(\$4,073)</b>	<b>(\$2,632)</b>	<b>(\$1,890)</b>	<b>(\$1,506)</b>	<b>(\$2,188)</b>	<b>(\$1,648)</b>	<b>(\$3,371)</b>	<b>(\$1,110)</b>	<b>(\$1,962)</b>	<b>(\$1,894)</b>	<b>(\$2,995)</b>	<b>(\$1,183)</b>	<b>(\$1,666)</b>	<b>(\$1,530)</b>	<b>(\$2,795)</b>	<b>(\$28,369)</b>
Beginning Cash Balance	\$4,996	\$11,423	\$8,791	\$6,902	\$5,396	\$3,208	\$9,060	\$5,689	\$4,579	\$2,617	\$7,723	\$4,728	\$3,545	\$6,879	\$5,349	\$923
+ /(-) Net Cash Flow	(\$4,073)	(\$2,632)	(\$1,890)	(\$1,506)	(\$2,188)	(\$1,648)	(\$3,371)	(\$1,110)	(\$1,962)	(\$1,894)	(\$2,995)	(\$1,183)	(\$1,666)	(\$1,530)	(\$2,795)	(\$28,369)
(+) DIP Draws	\$10,500	-	-	-	-	\$7,500	-	-	-	\$7,000	-	-	\$5,000	-	-	\$30,000
<b>Ending Cash Balance</b>	<b>\$11,423</b>	<b>\$8,791</b>	<b>\$6,902</b>	<b>\$5,396</b>	<b>\$3,208</b>	<b>\$9,060</b>	<b>\$5,689</b>	<b>\$4,579</b>	<b>\$2,617</b>	<b>\$7,723</b>	<b>\$4,728</b>	<b>\$3,545</b>	<b>\$6,879</b>	<b>\$5,349</b>	<b>\$2,554</b>	<b>\$2,554</b>

<b>DIP Roll-Forward</b>																
Beginning balance	-	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$18,000	\$18,000	\$18,000	\$18,000	\$25,000	\$25,000	\$25,000	\$30,000	\$30,000	-
(+) DIP Draws	\$10,500	-	-	-	-	\$7,500	-	-	-	\$7,000	-	-	\$5,000	-	-	\$30,000
<b>Ending Balance</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$18,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>
(+) Carve-out	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
(-) Ending Cash Balance	(\$11,423)	(\$8,791)	(\$6,902)	(\$5,396)	(\$3,208)	(\$9,060)	(\$5,689)	(\$4,579)	(\$2,617)	(\$7,723)	(\$4,728)	(\$3,545)	(\$6,879)	(\$5,349)	(\$2,554)	(\$2,554)
<b>Adjusted Ending Balance</b>	<b>\$1,577</b>	<b>\$4,209</b>	<b>\$6,098</b>	<b>\$7,604</b>	<b>\$9,792</b>	<b>\$11,440</b>	<b>\$14,811</b>	<b>\$15,921</b>	<b>\$17,883</b>	<b>\$19,777</b>	<b>\$22,772</b>	<b>\$23,955</b>	<b>\$25,621</b>	<b>\$27,151</b>	<b>\$29,946</b>	<b>\$29,946</b>

### Notes:

- Cash flow budget excludes investment banker Business Combination and/or Restructuring Transaction Fee(s). Any such fee(s) would be payable upon the closing of the applicable transaction(s), and will depend on the timing, nature, and size of the applicable transaction.
- Carve-out reflects the maximum amount agreed upon in the DIP Term Sheet.
- The cash flow forecast excludes other potential disbursements tied to transaction(s), including potential DIP exit fee payments, KEIP / KERF payouts, and winddown budget.
- The Company is currently in discussions to sell certain core assets, which is expected to close during the budgeted period and generate net proceeds sufficient for repayment of the DIP financing loan, PTO payout, and transaction(s) related / one-time disbursements.