IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
SANGAMO THERAPEUTICS, INC.,[1]	Case No. 26-10989 (CTG)
Debtor.	**Re: D.I. 10**

AD HOC EQUITY GROUP'S STATEMENT WITH RESPECT TO FINAL APPROVAL OF DEBTOR'S MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (A) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING, (B) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (C) MODIFYING AUTOMATIC STAY, (D) SCHEDULING FINAL HEARING, AND (E) GRANTING RELATED RELIEF

The ad hoc group of non-insider holders of the equity securities of Sangamo Therapeutics, Inc. ("Ad Hoc Equity Group"), by and through its undersigned counsel, submits this statement ("Statement") with respect to entry of a final order approving the *Debtor's Motion for Entry of Interim and Final Orders (A) Authorizing the Debtor to Obtain Postpetition Financing, (B) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (C) Modifying Automatic Stay, (D) Scheduling Final Hearing, and (E) Granting Related Relief* [D.I. 10] ("Motion"),[2] and respectfully represents as follows:

STATEMENT

1. The Ad Hoc Equity Group consists of non-insider holders of the Debtor's equity securities who organized to advance the interests of equity holders, who are not adequately represented by any estate fiduciary in this chapter 11 case. To this end, the Ad Hoc Equity Group

[1] The last four digits of the Debtor's federal tax identification number is 9556. The Debtor's principal office is located at 501 Canal Blvd., Suite A100, Richmond, CA 94804.

[2] Capitalized terms used but not otherwise defined herein have the meaning given to them in the Motion.

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requested that the United States Trustee ("U.S. Trustee") promptly form an official equity committee. The U.S. Trustee has not yet acted upon the Ad Hoc Equity Group's request.

2. The Ad Hoc Equity Group does not object to entry of the Final Order or the terms of the DIP Facility. This new money financing appears to be on satisfactory terms and, moreover, the existing stalking horse bids, which will yield at least $75 million in cash proceeds, will easily pay down the DIP loan. The Ad Hoc Equity Group writes only to register its significant concerns stemming from its review of the Initial Budget, and the case strategy the DIP Facility will fund, which include:

- **Administrative Expenses and Risk Allocation in Future APAs.** The assets subject to the stalking horse bids are premised on promising science, and the stalking horse bidders seek to acquire these assets at fire sale prices. For this reason, the fact that the Debtor agreed to cover employee costs associated with these programs ***and*** to cover all cure costs associated with any assumed contracts that will travel with these assets appears particularly problematic. All future asset sales, and the stalking horse asset sales at any auction, must be negotiated to ensure that costs associated with maintaining assets or programs are appropriately allocated to the buyers, and any auction in respect of the stalking horse assets should be run to maximize the assumption of these liabilities to the extent commercially feasible. As indicated by the Initial Budget, the costs associated with employees necessary to bridge to the sale of the stalking horse assets are currently borne exclusively by the estate, directly impacting the recovery of the fulcrum equity class and requiring DIP sizing in excess of what may have been necessary.

- **Reorganization, Recapitalization or Other Corporate Transactions to Maximize Value of the Remaining Estate.** The Debtor obtained approval of bidding procedures that allow for the sale of all its assets. Importantly, however, the bidding procedures permit the submission of plan sponsorship bids thereby allowing for a reorganization of the Debtor around some or all of the assets that are not subject to the stalking horse bids. Whether or to what extent any of the assets should be sold must be analyzed in light of the Debtor's material federal and state tax attributes, which should be protected and monetized for the benefit of equity. Currently, there is no official fiduciary for equity providing input on the Debtor's process, and the incentives of existing estate fiduciaries may favor support for transactions that clear the debt, but do not maximize value for equity, underscoring the need for an official equity committee.[3]

[3] On Sunday, July 12, the Ad Hoc Equity Group's advisors requested that the Debtor enter into advisor NDAs to allow them to obtain information and provide input in the Debtor's marketing and sale process. To date, the Debtor has not responded to that request.

- **Estate Claims.** The estate also needs a fully engaged estate fiduciary to investigate, preserve, and monetize any estate claims, including with respect to the corporate decision making associated with the dilutive equity capital raises in the lead up to this filing. Any releases of claims against corporate decision makers must be for an appropriate price. Every dollar received by the estate in the settlement of such claims will increase equity's return.

- **General Unsecured Claims Pool.** The estate must limit the general unsecured claims pool to the maximum extent possible. In particular, the estate must ensure that claims based upon incentive bonus compensation payable on success metrics are not inappropriately allowed. There must be a robust claims reconciliation process to ensure equity is not diluted by an inflated general unsecured claims pool.

3. While the Ad Hoc Equity Group does not object to final approval of the DIP Facility, the Debtor and all estate fiduciaries should work to achieve the foregoing objectives to limit the administrative burden of running the estate's business for the benefit of purchasers. The Ad Hoc Equity Group stands ready to engage constructively with the Debtor and the estate professionals to achieve these goals.

RESERVATION OF RIGHTS

The Ad Hoc Equity Group reserves the right to supplement or amend this Statement as necessary and to join any objections that are filed by any parties prior to a hearing on the Motion.

Dated: July 14, 2026

MORRIS JAMES LLP

/s/ Jason S. Levin

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Ad Hoc Group of Equity Holders

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Debtor.	

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of July, 2026, I caused to be filed with the Court electronically, and I caused to be served a true and correct copy of the *Ad Hoc Equity Group's Statement with Respect to Final Approval of Debtor's Motion for Entry of Interim and Final Orders (A) Authorizing the Debtor to Obtain Postpetition Financing, (B) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (C) Modifying Automatic Stay, (D) Scheduling Final Hearing, and (E) Granting Related Relief* upon the parties that are registered to receive notice via the Court's CM/ECF notification system and an additional service was completed by electronic mail on the parties indicated on the attached service list.

/s/ Jason S. Levin
Jason S. Levin (DE Bar No. 6434)

[1] The last four digits of the debtor's federal tax identification number are 9556. The debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

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