Docket #0279 Date Filed: 08/10/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Chapter 11
SANGAMO THERAPEUTICS, INC.,	)	
	)	Case No.: 26-10989 (CTG)
	)	Re: Docket Nos. 161, 176, 177

LIMITED OBJECTION TO FINAL FINANCING ORDER

Armistice Capital, LLC ("Armistice"), by and through its undersigned counsel, submits this limited objection ("Objection") with respect to the entry of a Final Order (A) Authorizing the Debtor to Obtain Replacement 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 "Final Financing Order"), and respectfully states as follows:

1. Armistice is the investment manager of Armistice Capital Master Fund Ltd. (the "Master Fund"), the direct holder of 40,560,819 shares of common stock of the Debtor.

2. Pursuant to an Investment Management Agreement, Armistice Capital exercises voting and investment power over the securities of the Debtor held by the Master Fund and thus may be deemed to beneficially own the securities of the Issuer held by the Master Fund.

3. In addition, Armistice is the holder of more than 76 million Common Stock Purchase Warrants.

4. In the Debtor's Petition, the Debtor scheduled Armistice as a corporation that directly or indirectly owns 12.79% of any class of equity interests in the Debtor (as of May 12, 2026).

5. Armistice's objection to the Final Financing Order is that the Debtor's replacement DIP lender may, according to the Debtor's statements on the record, submit a Plan Sponsor

Alternative bid to reorganize the Debtor around some or all of the assets that are not subject to the existing Stalking Horse Bids.

6. This potential bid underscores that there is significant, and sophisticated, market interest in a reorganization, which, if properly structured, may allow for preservation of tax attributes arising from the losses incurred by management through their investment of equity capital. The implied Plan Sponsor Alternative bid in the replacement DIP loan demonstrates that there is a substantial likelihood of a meaningful dividend to equity in this case.

7. However, the Final Financing Order appears to be an effort to entrench plan sponsorship currency, not for an economic return on the paper itself, which presents significant risk of impairing recoveries for Armistice.

8. Among other things, any bid from the replacement DIP lender may inappropriately dilute prepetition equity through a rights offering made in connection with a chapter 11 plan (or backstop economics in relation to the same), or the Debtor (with the support of in-the-money general unsecured claims and their estate representative) may pursue a transaction with the DIP lender without adequately considering whether there are alternative paths to reorganize the Debtor with more limited (or even no) dilutive new money or credit bid capital coming from the DIP lender.

9. Based on the foregoing, Armistice challenges the credit bidding provision in the Final Financing Order.

10. Credit bidding rights are codified in 11 U.S.C. § 363(k), which provides that at a sale under § 363(b) of property subject to a lien securing an allowed claim, the holder of that claim may bid at the sale and, if it is the purchaser, may offset its claim against the purchase price—unless the court for cause orders otherwise. The term "cause" is not defined in the Bankruptcy

Code and is left to courts to determine on a case-by-case basis. *In re Weiss Multi-Strategy Advisers LLC*, 665 B.R. 578 (Bankr. S.D.N.Y. 2024).

11. Courts evaluate DIP financing under a "business judgment" standard, asking whether the financing is fair, reasonable, and in the best interests of the estate. *In re Clouter Creek Rsrv. LLC*, 669 B.R. 764 (Bankr. D.S.C. 2025). DIP financing should not be approved where it is apparent that the purpose of the financing is to benefit a creditor rather than the bankruptcy estate *In re Ames Dep't Stores, Inc.*, 115 B.R. 34 (Bankr. S.D.N.Y. 1990).

12. Courts also look to whether the proposed terms would prejudice the powers and rights that the Bankruptcy Code confers for the benefit of all creditors, thereby leveraging the Chapter 11 process by granting a lender excessive control over the debtor or its assets to the prejudice of other parties in interest *In re Berry Good, LLC*, 400 B.R. 741 (Bankr. D. Ariz. 2008). Here, the Court should look to whether the credit bidding procedures grants the DIP lender excess control over the debtor or its assets to the prejudice of the equity.

13. In addition, the Court should ensure that any credit bid rights contained in the Final Financing Order does not chill competitive bidding or freeze it entirely, eliminating any realistic possibility of an auction of the Debtor's remaining assets. *See, In re Fisker Auto. Holdings, Inc.*, 510 B.R. 55 (Bankr. D. Del. 2014)

14. Armistice contends that any final approval must take into account and ensure that the Final Financing Order does not chill or freeze competitive bidding for the Debtor's assets not subject to the currently conducted auction process; does not constitute an impermissible loan to own strategy on the part of the DIP lender; and does not act as a sub rosa plan for the remainder of the case.

Dated: August 10, 2026

Respectfully submitted,

/s/ Daniel C. Kerrick

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CERTIFICATE OF SERVICE

I, Daniel C. Kerrick, hereby certify that on August 10, 2026, caused a copy of the foregoing *LIMITED OBJECTION TO FINAL FINANCING ORDER* to be served upon all following parties that are registered to receive notice via the Court's CM/ECF notification system.

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NOTICE PARTIES

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