IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

EMERGENCY MOTION OF THE OFFICIAL COMMITTEE OF EQUITY HOLDERS TO EXTEND THE BID DEADLINE FOR THE SALE OF THE REMAINING ASSETS

The Official Committee of Equity Holders (the "Equity Committee")[2] appointed in the above-captioned chapter 11 case of Sangamo Therapeutics, Inc. (the "Debtor"), by and through its undersigned counsel, hereby moves this Court (this "Motion"), pursuant to section 105(a) of title 11 of the United States Code (the "Bankruptcy Code"), for entry of an order directing the Debtor to extend the Bid Deadline for the Remaining Assets and Plan Sponsor Alternative (each defined below) from August 31, 2026 to September 15, 2026, with an auction, if necessary, to be held on a date to be determined by agreement between the Debtor and the Equity Committee, and any further extensions of the Bid Deadline being subject to consultation rights of the Equity Committee. In support of this Motion, the Equity Committee submits the *Declaration of Joshua Nahas in Support of the Motion* filed herewith (the "Nahas Declaration"), and respectfully states as follows:

[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 94804.
[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bidding Procedures Motion and the Bidding Procedures Order (each as defined below), as applicable.

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PRELIMINARY STATEMENT

1. The Debtor would have this Court, and the world, believe that this case has been an extraordinary success to date. Relative to the typical chapter 11 case and not taking into account the facts and circumstances of this business, by all measures that would appear true. The Debtor has conducted an auction and identified successful and backup bidders that will yield net proceeds far in excess of the outstanding debt claims against the company, putting equity unequivocally "in the money." So far, so good, it seems. However, there is more to this story than meets the eye, and, in any case, there is significant work still to be done to ensure what's left in the estate is monetized for maximum value.

2. The Debtor raised substantial equity capital since its inception, and developed potentially life-changing therapeutic technologies with the prospect of solving some of the most intractable genetic and other diseases, raising the prospect of relief to individuals that before the Debtor's efforts had little to no chance of healing. These scientific achievements are laudable, and the Debtor's most-developed asset programs will soon be in the hands of competent owners that are well-positioned to bring these therapies to market. What is not laudable, however, is how little, in the context of the promise of these therapies and the Debtor's own projections on peak revenues,[3] the Debtor achieved through the auction for these assets. While the cash and other proceeds from the auction may appear extraordinary relative to most bankruptcy auctions, the proceeds are a tiny fraction of the true value of those programs, and of the nearly $1 billion of losses that the company incurred getting there, which losses are equity's investments lost by the company's management prior to this chapter 11 case.

[3] Drugs at the stage of approval of the Debtor's Fabry asset program typically trade at up to 2x peak revenue. Nahas Decl. ¶ 28, n.4. The Debtor previously projected peak revenues of $1 billion on the Fabry assets, implying anindicative value much greater than the purchase price obtained for these assets at the auction. *Id.*

3. This fact underscores how critical maximizing the value of the remaining assets in this estate is for equity recoveries. These assets – four clinical programs, related equipment and intellectual property, general corporate assets, the Debtor's goodwill and trademarks, and the Debtor's substantial tax attributes arising from the lost capital described above (collectively, the "Remaining Assets") – were not the subject of the August 10 auction, and do not have a successful bidder identified. There is good reason for this. Immediately following its appointment on August 5, the Equity Committee diligenced the Remaining Assets (among others) and determined that (i) FSI's [redacted] credit bid as to these assets (the "FSI Bid") did not capture their full value, and (ii) the marketing process for these assets was materially deficient such that a true market test had not been achieved. The Equity Committee communicated its concerns with forging ahead with an auction on August 10 and requested a continuation of the sale timeline as to the Remaining Assets. This request was heeded – prior to the August 10 auction, the Debtor, in consultation with the Equity Committee and FSI, extended the bid deadline and auction to dates to be determined as to the Remaining Assets.

4. Following the conclusion of the first auction on August 11, the parties began discussing an appropriately revised timeline that would allow for a sufficient market test. It was (and remains) the Equity Committee's view that an August 31 bid deadline is insufficient, and instead requested a September 15 deadline. While consensus had not yet been achieved, the Equity Committee believed that discussions were proceeding commercially and amicably, and hoped that such consensus would ultimately be reached. However, on August 19, without prior notice, let alone Equity Committee support, the Debtor filed a notice establishing August 31 and September 2 as the bid deadline and auction date, respectively. This decision, if permitted by this Court, will set the stage for the premature transfer of millions of dollars in value from equity holders to FSI.

Since reason has not prevailed in pursuing agreement on a commercially reasonable timeline, the Equity Committee is forced to put this issue to the Court to decide.

5. It is important to consider the underlying assets subject to the FSI Bid. In addition to operational assets, the FSI Bid is made pursuant to a proposed plan which would [redacted] Therefore, FSI's Bid, if successful, [redacted] The FSI Bid allocates the [redacted] purchase price [redacted]. In other words, FSI's Bid proposes [redacted] Putting aside the fair market value of the operational assets (which themselves have not been sufficiently market tested), on this basis alone, any process that [redacted] is inappropriate.

6. After the hearing last Thursday, the Equity Committee continued to appeal to reason and, on August 21, requested that the Debtor's board of directors (the "Board") reconsider the proposed August 31 and September 2 timeline in favor of a modest 15-day extension. At the time of this motion, the Equity Committee has received no response to that request.

7. Not only should the timeline put forth by the Debtor be extended for failure of process, but such an extension as requested by the Equity Committee is both appropriate and without prejudice under the facts of this case. This is a solvent Debtor. Therefore, any incremental cost is borne (and upside realized) by equity holders alone. It is equity's value entitlement – on this and similar issues, the Equity Committee's position should be afforded considerable, if not outright deference, as the Court recognized would be equity's position, and a reasonable one at that.

8. Moreover, this is not a situation where extension will either jeopardize significant estate assets or trigger consequential defaults under applicable milestones. The request is an extension of barely more than two weeks (which again, the Equity Committee believes is a prudent expenditure of incremental administrative costs in order to pursue materially improved value for the estate). Further, this case is sufficiently funded, and not otherwise burdened by milestones under either the DIP loan or [redacted] that would trigger a default under the proposed extension. There is simply no reasonable basis to decline to extend the process two weeks and a day in accordance with the Equity Committee's request.

9. Accordingly, the Equity Committee respectfully requests that the Court extend the Bid Deadline for the Remaining Assets and Plan Sponsor Alternative Bids from August 31, 2026 to no sooner than September 15, 2026 and direct the Debtor to file a notice on the docket of this chapter 11 case notifying parties in interest of the same and that an auction, if any, will be scheduled on a date to be determined by agreement between the Debtor and the Equity Committee. The Equity Committee further requests that the Court direct the Debtor to consult with the Equity Committee regarding further extensions of the Bid Deadline beyond September 15.

JURISDICTION AND VENUE

10. This Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. § 1334. This is a core matter pursuant to 28 U.S.C. § 157(b), which may be heard and finally determined by this Court. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested in this Motion are sections 105(a) and 363 of the Bankruptcy Code.

FACTUAL BACKGROUND

A. The Sale Process and Auction Results

11. On June 23, 2026 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, commencing this chapter 11 case.

12. The Debtor is a clinical-stage genomic medicine company. Before the Petition Date, Raymond James & Associates, Inc. ("Raymond James") was retained as the Debtor's investment banker and launched a marketing process for substantially all of the Debtor's assets on or about June 11, 2026.

13. On June 23, 2026, the Debtor filed the Bidding Procedures Motion [Docket No. 13], which sought, among other things, to establish a process for the submission of bids for the Debtor's assets and to approve the Debtor's entry into two stalking horse agreements: the Merope Stalking Horse APA and the Astellas Stalking Horse APA. The Merope Stalking Horse APA covered the Debtor's proprietary capsid and related platform technologies, together with its prion disease program (the "Merope Assets"). The Astellas Stalking Horse APA covered the Debtor's assets relating to its Fabry disease gene therapy program (the "Fabry Assets").

14. On July 14, 2026, the Court entered the Bidding Procedures Order, pursuant to which the initial Bid Deadline was August 4, 2026 and an auction was scheduled for August 10, 2026 [Docket No. 122].

15. At the commencement of the auction on August 10, the Debtor announced that, after consultation with the Equity Committee, the Official Committee of Unsecured Creditors (the "UCC"), and FSI in its capacity as Replacement DIP Lender, the Debtor was adjourning the auction and extending the Bid Deadline with respect to the Remaining Assets and Plan Sponsor Alternative Bids to dates to be determined. The auction then proceeded as to the Merope Assets and Fabry Assets.

16. The auction concluded on August 11, 2026. The Merope Stalking Horse Bidder was designated the Successful Bidder for the Merope Assets at a $50 million cash purchase price. PTC Therapeutics, Inc. was designated the Successful Bidder for the Fabry Assets at a purchase price consisting of $111 million in upfront cash plus up to $100 million in milestone payments, with TerSera Therapeutics, Inc. as the backup bidder. FSI and one other bidder were each designated the Successful Bidder for certain equipment lots. Those Successful Bids total approximately $163.5 million in upfront cash, plus up to $100 million in contingent milestone payments. Upon closing of those sales, the estate's net sale proceeds will substantially exceed all DIP Obligations, administrative claims, and prepetition unsecured obligations.

B. The Remaining Assets

17. The Remaining Assets to be marketed and sold include, but are not limited to: (a) the Nav1.7/ST-503 chronic neuropathic pain program; (b) the Tregs Platform, including the TX200 program and related regulatory T-cell assets; (c) the Hemophilia A Program; (d) the Sickle Cell Disease Program; (e) certain related equipment and intellectual property; and (f) the Debtor's goodwill and the "Sangamo" trademarks. Nahas Decl. ¶ 13. In addition, the Debtor has significant tax attributes, which represent lost equity capital invested in the Debtor. *Id.* ¶ 14.

18. The tax attributes, in particular, represent meaningful potential value in the context of a reorganization of the Debtor around some or all of the Remaining Assets, as they may be available to offset any taxable income generated by the Debtor post-emergence. *See id.*

19. The only qualified bid received to date for the Remaining Assets is FSI's Plan Sponsor Alternative Bid, which FSI submitted on August 4, 2026 (the "FSI Bid"). Nahas Decl., ¶ 15; Ex. A. The FSI Bid is for an aggregate purchase price of [redacted], allocated as follows:

Asset	Attributed Value
[redacted]	

20. The FSI Bid includes a proposed plan of reorganization of the Debtor (the "Proposed Plan"), [redacted] The Remaining Assets would vest in the reorganized Debtor [redacted] Nahas Decl. ¶ 16. [redacted] *Id.*

21. Shortly after its formation, the Equity Committee advised the Debtor that the FSI Bid may not reflect the full value of the Remaining Assets and the other valuable attributes of the Debtor's corporate entity because, among other reasons, the Debtor had contacted an insufficient number of potentially interested parties, had provided deficient diligence information to interested parties, and had failed to adequately consider all alternatives, including whether dilutive capital from a plan sponsor is necessary or appropriate at all. *See* Nahas Decl. ¶¶ 17-19, 21. Seemingly receptive to the Equity Committee's concerns, the Debtor agreed to postpone the Bid Deadline and the auction with respect to the Remaining Assets to a date to be determined, and announced such postponement on the record at the outset of the August 10 auction, as noted above. *See id.* ¶ 21.

22. Since its appointment, the Equity Committee, along with its advisors, has worked to supplement the Debtor's process, drawing on their knowledge of the Remaining Assets and their industry relationships. Nahas Decl. ¶ 22. As explained in the Nahas Declaration, the Equity Committee has identified and contacted several potential counterparties whose strategic, financial,

restructuring, or operating backgrounds make them credible bidders for the Remaining Assets. *See id*. ¶¶ 22-24. Those efforts have generated interest. However, at least one bidder has identified the need for additional time to conduct diligence. *Id.* ¶ 24.

C. The Debtor Sets an August 31 Bid Deadline Over the Equity Committee's Objection

23. Following the conclusion of the auction on August 11, the Equity Committee and the Debtor, through their respective counsel, discussed appropriate new deadlines for the sale of the Remaining Assets, including Plan Sponsor Alternative Bids. The Equity Committee communicated its position to the Debtor's counsel that an August 31, 2026 Bid Deadline and a September 2, 2026 auction date were too short. The Equity Committee requested a September 15, 2026 Bid Deadline to allow potential plan sponsors and strategic investors adequate time to conduct diligence, evaluate the Remaining Assets and the company's other attributes, and formulate meaningful, conforming proposals.

24. Notwithstanding the Equity Committee's position, on August 19, 2026 the Debtor filed the *Notice of Extended Bid Deadline for (I) Remaining Assets and (II) Plan Sponsor Alternative Bids* [Docket No. 339], setting the Bid Deadline on August 31 and the auction on September 2, without the Equity Committee's agreement, or advance notice.

25. On August 21, 2026, the Equity Committee sent a letter to the Debtor's Board of Directors requesting that the Board extend the Bid Deadline to September 15, 2026. A true and correct copy of the letter is attached to the Nahas Declaration as **Exhibit B**.

26. As of the filing of this Motion, the Board has neither extended the Bid Deadline nor responded to the Equity Committee's letter.

RELIEF REQUESTED AND BASIS THEREFOR

27. The Equity Committee seeks adequate time to market the Remaining Assets, including the Debtor's significant tax attributes, for the benefit of equity holders who, in this solvent estate, bear the residual economic interest. Section 105(a) of the Bankruptcy Code provides that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). This broad equitable power authorizes the Court to issue orders necessary to ensure the fair and orderly administration of the bankruptcy estate, including with respect to procedures for the sale of assets under section 363 of the Bankruptcy Code or through a chapter 11 plan of reorganization. Ensuring that equity holders receive the benefit of a meaningful marketing process is squarely within the purposes of the Bankruptcy Code. Accordingly, the Court should exercise its authority under section 105(a) to direct the Debtor to extend the Bid Deadline to a date no sooner than September 15, direct the Debtor not to schedule an auction at this time and only schedule one, to the extent necessary, on a date to be agreed between the Debtor and the Equity Committee, and direct the Debtor to consult in good faith with the Equity Committee regarding potential future extensions of the Bid Deadline.

A. The Remaining Assets Have Not Been Sufficiently Marketed and More Time Is Needed To Maximize Value for the Assets

28. The Remaining Assets have not been adequately marketed to date. As set forth in the Nahas Declaration, Raymond James engaged only a limited universe of potential counterparties with respect to the Remaining Assets and received a single qualified bid—FSI's Plan Sponsor Alternative. Nahas Decl., ¶ 15. The process did not sufficiently target parties with the strategic, financial, restructuring, or operating expertise necessary to evaluate the Remaining Assets on an integrated basis, including the tax attributes, and it did not afford potential bidders adequate

information or time to conduct diligence, consult advisors, structure a proposal, and obtain internal approvals. *See id.* ¶¶ 18-19.

29. Conclusion of the auction for the Merope Assets and the Fabry Assets also materially improved the ability of prospective bidders to evaluate the Remaining Assets opportunity. Nahas Decl., ¶ 20. Before the auction, potential plan sponsors faced significant uncertainty regarding the estate's post-sale financial position, including the total cash proceeds available, the extent to which the DIP would be satisfied, and whether the estate would be solvent. *Id.* Those questions are now answered. *Id.* A prospective plan sponsor can now evaluate the Remaining Assets with clarity regarding the estate's liquidity, the capital needs of the Debtor post-reorganization, and the composition of what will remain in the reorganized entity post-closing. *Id.* This post-auction clarity is precisely the information that plan-sponsor bidders need to formulate meaningful proposals, and it only became available on August 11, 2026. *Id.* The current August 31 deadline provides barely twenty days from that critical inflection point. *Id.*

30. The Equity Committee's own outreach and discussions with prospective bidders confirm that additional time would generate competition. As noted, at least one party has identified the need for additional time to conduct diligence. Nahas Decl. ¶ 24.

31. The proposed extended Bid Deadline is the minimum period necessary for adequate price discovery. It is not an open-ended delay; it would provide approximately two additional weeks and a day beyond August 31, allowing interested parties to complete diligence, evaluate the transaction structure, and submit meaningful proposals while maintaining appropriate urgency and momentum. *Id.* ¶ 25.

B. The Modest Extension Does Not Prejudice the Estate or Other Parties in Interest

32. The requested extension causes no cognizable prejudice to the estate, FSI, or any other party in interest. Courts have extended bid deadlines in cases where credible bidders had entered the sale process late and required time to prepare their bids. *See, e.g., Order Granting Motion for Extension of Bid Deadline*, *In re HH Acquisition CS, LLC*, No. 2:21-bk-05211-DPC, ECF No. 115 (Bankr. D. Ariz. Aug. 13, 2021); *Order Granting Emergency Motion of the Official Committee of Unsecured Creditors to Extend Certain Bid Deadlines*, *In re Black News Channel, LLC*, No. 4:22-bk-40087-KKS, ECF No. 348 (Bankr. N.D. Fla. July 11, 2022).

33. *No DIP Milestones Are Triggered*. The Replacement DIP Facility documents contain no sale milestones, case milestones, or other deadlines that would be violated by moving the Bid Deadline for the Remaining Assets to September 15. The DIP's scheduled maturity is January 31, 2027, and the DIP Documents permit voluntary prepayment at any time without premium, penalty, make-whole, or other charge. The requested extension therefore does not breach a DIP deadline or create a DIP default. *See* Nahas Decl. ¶ 27.

34. *FSI's Bid Is Irrevocable*. FSI's counsel confirmed in writing on August 19, 2026 that FSI's Plan Sponsor Alternative bid is "irrevocable in accordance with the terms thereof and the Bidding Procedures." The bid contains [redacted] Extending the Bid Deadline therefore does not give FSI a contractual right to withdraw its bid or accelerate the DIP. Accordingly, the FSI [redacted] credit bid remains available as a competitive floor. *Id.* ¶ 29.

35. *The Estate Has Ample Liquidity*. The auction yielded successful bids of approximately $163.5 million in upfront cash. Upon closing, the anticipated net sale proceeds will substantially exceed the DIP Obligations, administrative claims, and prepetition unsecured

obligations. This solvent estate has sufficient liquidity to fund a two-week and a day extension, and the modest additional administrative costs do not prejudice creditors. Existing equity, which bears the residual economic risk and seeks the extension, through its official representative, has accepted that process cost in order to pursue greater value for equity holders. Its decision should be entitled to significant deference. *Id.* ¶ 28.

36. *Competition Is Not Cognizable Prejudice*. FSI's only possible prejudice is the inconvenient risk that a competing bidder may emerge and outbid it. That is the purpose of a competitive process, and such inconvenience is not a legally cognizable injury.

37. In sum, the balance of equities favors the modest relief requested. The record shows a solvent estate, an existing irrevocable bid, ample financial runway, and an active effort to solicit alternative proposals. The Motion should be granted.

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CONCLUSION

WHEREFORE, the Equity Committee respectfully requests that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, (i) directing the Debtor to extend the Bid Deadline for the Remaining Assets and Plan Sponsor Alternative Bids from August 31, 2026 to September 15, 2026, to adjourn the related auction to a date to be agreed between the Debtor and the Equity Committee, and to consult in good faith with the Equity Committee regarding any further extensions of the Bid Deadline, and (ii) granting such other and further relief as the Court deems just and proper.

Dated: August 24, 2026

MORRIS JAMES LLP

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Proposed Counsel to the Official Committee of Equity Holders

EXHIBIT A

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

ORDER GRANTING THE EMERGENCY MOTION OF THE OFFICIAL COMMITTEE OF EQUITY HOLDERS TO EXTEND THE BID DEADLINE FOR THE SALE OF THE REMAINING ASSETS

Upon the motion, dated August 24, 2026 (the "Motion") of the Official Committee of Equity Holders (the "Equity Committee") for an entry of an order (this "Order") extending the Bid Deadline[2] for the Remaining Assets to September 15, 2026, as more fully set forth in the Motion; and upon consideration of the Declaration, and this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the A*mended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and venue of the Chapter 11 Case and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court finding that the relief to be granted pursuant to this Order is in the best interests of the Debtor's estate, creditors, and other parties in interest; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; it is hereby ORDERED that:

[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 94804.
[2] Capitalized terms not otherwise defined herein shall have the meaning given to them in the Motion.

1. The Motion is GRANTED as set forth herein.

2. The Bid Deadline for the Remaining Assets and Plan Sponsor Alternative Bids is extended to September 15, 2026.

3. The auction for the Remaining Assets and Plan Sponsor Alternative Bids is adjourned to a date to be agreed between the Debtor and the Equity Committee.

4. The Debtor shall consult with the Equity Committee regarding any further extensions of the Bid Deadline or auction for the Remaining Assets and Plan Sponsor Alternative Bids.

5. Except as expressly modified by this Order, the terms of the Bidding Procedures Order, including the Bidding Procedures, remain in full force and effect.

6. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be immediately effective and enforceable upon its entry.

EXHIBIT B

Nahas Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

DECLARATION OF JOSHUA NAHAS IN SUPPORT OF THE OFFICIAL COMMITTEE OF EQUITY HOLDERS' MOTION TO EXTEND THE BID DEADLINE FOR THE SALE OF THE REMAINING ASSETS

I, Joshua Nahas, hereby declare under penalty of perjury as follows:

I am a Managing Director at Dundon Advisers LLC ("Dundon"), a financial advisory and investment management firm. Dundon is the proposed financial advisor to the Official Committee of Equity Holders (the "Equity Committee") appointed in the above-captioned chapter 11 case.

I submit this declaration (this "Declaration") in support of *The Official Committee of Equity Holders' Motion to Extend the Bid Deadline for Sale of the Remaining Assets* (the "Motion"),[2] filed contemporaneously herewith.

Unless otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, information that I have obtained from the Debtor and its advisors, the Debtor's books and records, information learned from my review of relevant documents related thereto, and information obtained from employees of Dundon working directly with me and under my supervision. Specifically, Dundon has been selected by the Equity Committee in this chapter 11 case to be its financial advisor. In that capacity, I have been directly involved in the matters

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leading up to the filing of the Motion. I am not being specifically compensated for this testimony other than through payments received by Dundon as a professional retained by the Equity Committee. I am over the age of 18 years and authorized to submit this Declaration on behalf of the Equity Committee. If I were called upon to testify, I could and would competently testify to the facts set forth herein.

Background and Qualifications

Dundon is a leading financial advisory firm providing restructuring advice across a broad range of industries. Dundon and its professionals have considerable expertise and experience in providing restructuring and financial advisory services to financially distressed companies, creditors, equity holders, and other constituencies in reorganization proceedings and complex financial restructurings, both in and out of court.

Dundon provides a broad range of financial advisory and restructuring services to its clients, including (a) general corporate finance; (b) mergers and acquisitions; (c) corporate restructurings; (d) debt restructuring; and (e) capital raising. I have extensive experience in the reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 cases. I have served as a financial advisor in numerous chapter 11 cases.

I have extensive experience in the reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 cases. I have served as a financial advisor to debtors, creditors and equity holders in numerous engagements, including: Official Equity Committee *Eiger BioPharmaceuticals, Inc.* (Bankr. N.D. Tex.) AHG of Shareholders / Buyside Advisory *Clearside Biomedical Inc.* (Bankr. D. Del.), Buyside Advisory *Finch Therapeutics Inc.* (Bankr. D. Del.), UCC *Acorda Therapeutics, Inc.* (Bankr. S.D.N.Y.), UCC *Biolase, Inc.* (Bankr. D. Del.) UCC *Lucira Health, Inc.* (Bankr. D. Del.), *DMK Pharmaceuticals Corporation* (Bankr. D. Del.), *Freedom Forever LLC* (Bankr. D. Del.), *QVC Inc.* (Bankr. S.D. Tex.), *Simply Interiors*

Home LLC (Bankr. D. Del.), *AGDP Holding, Inc.* (Bankr. D. Del.), *Allegiance Coal* (D. Del.), *Coach USA, Inc.* (Bankr. D. Del.), *Fulcrum BioEnergy, Inc.* (Bankr. D. Del.), *Ben's Creek Operations WV, LLC* (Bankr. S.D. W.V.), *UpHealth Holdings, Inc.* (Bankr. D. Del.), *Biolase, Inc.* (Bankr. D. Del.), *Supply Source Enterprises, Inc.* (Bankr. D. Del.), *Plastiq, Inc.* (Bankr. D. Del.), *Elite Plus Limousine, Inc.* (Bankr. E.D.N.Y.), *Packable Holdings, LLC* (Bankr. D. Del.), *Williams Industrial Services Group, Inc.* (Bankr. D. Del.), *New Rue21 Holdco, Inc.* (Bankr. D. Del.), *Lucira Health, Inc.* (Bankr. D. Del.), *Nogin, Inc.* (Bankr. D. Del.), *Structurlam Mass Timber US, Inc.* (Bankr. D. Del.), *Novan, Inc.* (Bankr. D. Del.), *Better Nutritionals, LLC* (Bankr. C.D. Cal.), *Diamond K, LLC* (Bankr. E.D. Cal.), *Prepaid Wireless Group, LLC* (Bankr. D. Md.), *WOM S.A.* (Bankr. D. Del.), *CTN Holdings, Inc.* (Bankr. D. Del.), *America's Gardening Resource, Inc.* (Bankr. D. Del.), *DSI Winddown Inc. (f/k/a Danimer Scientific Inc.)* (Bankr. D. Del.); and *Flagship Resort Development Corporation* (Bankr. D.N.J.).

I have been employed by Dundon since 2022 and have extensive experience as an advisor in corporate restructurings.

Prior to joining Dundon, I was the founder of Wolf Capital Management LLC d/b/a Wolf Capital Advisors, where I advised hedge funds, private equity funds, companies, and creditors on investments in distressed and special situations, capital raising, covenant and credit analysis, litigation finance investments in bankruptcy trade claims, and various other corporate finance and restructuring advice. From 2005 to 2020, I held roles as an analyst, senior analyst, and portfolio manager at various investment funds, where I primarily focused on acquiring the debt of distressed middle market companies and restructuring them in chapter 11, as well as other special situation, activist and litigation investments. In those roles, I was an investor in multiple pharmaceutical and biotech special situations including merger arbitrage, activist campaigns and litigation related strategies, including:

PTAB litigation which led to the invalidation of Forest Laboratories' patent; CVR investment and litigation financing for breach of contract of the CVR agreement *UMB Bank, N.A. v. Sanofi* that resulted in a $315mm settlement and an ~8x return to litigation funders; Esperion Therapeutics stock and convertible notes that generated substantial returns from a favorable settlement of patent related litigation; Flexion Therapeutics merger and CVR arbitrage; Long Liquidia Technologies and short United Therapeutics a relative value and patent litigation related investment strategy that resulted in substantial upside. Moreover, I have been involved in numerous contested mergers and appraisal rights actions, including an activist position in Shell Midstream Partners L.P.[3] that ultimately resulted in a 22% increase above the initial deal price; participation in an ad hoc creditor group bid for Norske Skog that increased the recovery from ~25% to 76%; defeated a proposal by SunCoke Energy Inc. to acquire the outstanding LP units in SunCoke Energy Partners LP at a discount to their intrinsic value; an activist campaign in Q2007 Grace Acquisition 1 that resulted in a Goldman Sachs real estate-led fund repurchasing unaffiliated preferred stock at $26 per share for a >2x return; and an appraisal rights judgment in the Cayman Islands against SINA Corp. for its below fair value management buyout that resulted in a $1.3bn valuation uplift over the initial buyout price.

From 1999-2005, I held various roles in investment banking at Salomon Smith Barney, Citigroup, and Merrill Lynch where my primary focus was on structuring complex leveraged financings for mergers, recapitalizations, and liability management transactions. Prior to my role as an investment banker, I spent approximately 2 years as an analyst at LECG (f/k/a Law and Economics Consulting Group), where I worked in its Restructuring and Financial Damages groups providing

[3] https://www.globenewswire.com/news-release/2022/06/27/2469833/0/en/Wolf-Capital-Management-Issues-Open-Letter-on-Shell-Plc-s-Offer-for-Shell-Midstream-Partners.html.

advisory, valuation, financial modeling, and other analytical services to companies, creditors, and defendants in bankruptcies, restructurings, and contested valuation matters.

I received a BA in 1996 from New York University. I am a Certified Restructuring and Insolvency Advisor with over 25 years of experience investing in distressed and leveraged credit, financial restructuring and investment banking.

Dundon was selected as financial advisor to the Equity Committee shortly after the Equity Committee's appointment on August 5, 2026. Since our selection, my team and I have undertaken substantial efforts to familiarize ourselves with the Debtor's business, assets, and the status of the sale process conducted by the Debtor and its investment banker, Raymond James & Associates, Inc. ("Raymond James").

Our initial work has included, among other things: (a) obtaining access to the Debtor's electronic data room and reviewing the materials contained therein; (b) reviewing publicly available filings in this case, including the Bidding Procedures, the Bidding Procedures Order, and the various bid submissions; (c) analyzing the Debtor's financial statements and corporate records; and (d) advising the Equity Committee as to its options and strategies in connection with the auction conducted on August 10–11, 2026.

The Marketing Process for the Remaining Assets Is Insufficient and the Estate Would Benefit from a Two-Week Extension of the Bid Deadline

The August 10-11 auction resulted in the Debtor selecting successful bidders and backup bidders for certain of the Debtor's assets, including the Merope Assets, the Fabry Assets and certain equipment. Now the remaining assets to be marketed include, but are not limited to: (a) the Nav1.7/ST-503 chronic neuropathic pain program; (b) the Tregs Platform, including the TX200 program and related regulatory T-cell assets; (c) the Hemophilia A Program; (d) the Sickle

Cell Disease Program; (e) certain related equipment and intellectual property; and (f) the Debtor's goodwill and the "Sangamo" trademarks (collectively, the "Remaining Assets").

In addition, the Debtor has significant tax attributes, which represent lost equity capital invested in the Debtor prior to this chapter 11 case. With respect to the Debtor's tax attributes, it is my understanding that the Debtor sustained substantial net operating losses over the past several years totaling approximately $950 million. The resulting tax attributes represent meaningful potential value in the context of a reorganization of the Debtor around some or all of the Remaining Assets, as such attributes may be available to offset any taxable income generated by the Debtor post-emergence. Comparable transactions that seek to preserve tax attributes in bankruptcy typically value tax attributes at 1.5-5 cents per dollar of net operating loss carryforward by purchasers of minority ownership in the Debtor. On a nominal basis Sangamo's tax attributes are worth ~$200 million at the current 21% federal corporate tax rate, and, in my professional opinion, any transaction that does not allocate value (independent of and incremental to the value attributed to the underlying assets) to such attributes in the range typically seen in the market is undervaluing the Remaining Assets and the other attributes of the corporation. The Equity Committee believes there may be substantially more value realized in a straight reorganization with a post-effective transaction to unlock the value of the tax attributes or a third-party plan sponsor bid that, [redacted] allows the majority of the equity holders to participate in a realization of that value. Moreover, some or all of the Remaining Assets may be needed to remain in the estate to maximize optionality on the attributes of the corporate entity.

It is my understanding that, with respect to the Plan Sponsor Alternative bid, Raymond James engaged only two potential bidders, one of whom was contacted post-petition and never

signed an NDA, and which ultimately resulted in only one qualified bid: FSI's Plan Sponsor Alternative Bid (the "FSI Bid"). A copy of the FSI Bid submission is attached hereto as **Exhibit 1**. The FSI Bid is for an aggregate purchase price of [redacted], allocated as follows:

Asset	Attributed Value
[redacted]	

I further understand that the FSI Bid includes a proposed plan of reorganization of the Debtor (the "Proposed Plan"), [redacted] The Remaining Assets would vest in the reorganized Debtor [redacted].

I have reviewed the marketing process conducted by Raymond James prior to the Equity Committee's appointment, including the process undertaken, the diligence materials provided, a list of the potentially interested parties contacted, and the bids received. Based on that review and my professional experience, it is my opinion that the process suffered from several deficiencies, and was insufficient to achieve adequate price discovery with respect to the Remaining Assets.

In particular, the prior process failed to target an appropriate universe of counterparties capable of evaluating and pursuing a transaction for the Remaining Assets as a whole. An appropriate process for this type of transaction would reach parties with relevant strategic, financial, restructuring, or operating expertise and interest in evaluating the Remaining Assets, including the operational assets and the tax attributes. The Debtor engaged only two potential

bidders for the Remaining Assets prepetition: FSI and another potential bidder ("***Bidder A***").

[redacted] In addition, I understand that Raymond James discussed the potential transaction with another well-known potential bidder ("***Bidder B***") postpetition, but Bidder B did not engage substantively or sign an NDA prepetition. In a recent chapter 11 case in respect of a debtor represented by Cooley (Clearside Biomedical, Inc.), one member of this Equity Committee submitted a superior plan sponsor bid but the Debtor in that case selected an alternative bidder. The debtor in that case insisted on giving precedence to distribution of all cash but failed to recognize that the winning bid was subject to substantial price risk, which resulted in there being no funds to distribute and the winning bidder paying only $750,000 versus their headline $2,000,000, all of which value was needed to pay the excessive professional fees incurred in that case. The Equity Committee intends to avoid a similar result here.

The prior process also failed to provide adequate time or information for potential bidders to appropriately diligence the Remaining Assets and put forth a bid. Among other things, potentially interested parties require sufficient information to assess the Remaining Assets and the transaction structure, as well as sufficient time to consult their advisors, conduct diligence, develop a proposal, and obtain internal approvals. Moreover, as the Equity Committee believed it was in good faith negotiations with the Debtor and FSI and a tentative agreement to use September 11 as the deadline versus the Equity Committee's September 15 request resulted in the communication of the likely September 11 deadline to two potential bidders. Given that it took a week just to process NDAs, two potential bidders, and, in my opinion, bona fide bidders, have informed the Committee that the August 31 deadline is too short, particularly given the typical vacation schedules in the finance industry during the last two weeks of August.

Importantly, the conclusion of the auction for the Merope and Fabry Assets has materially improved the ability of prospective bidders to evaluate the opportunity to reorganize around the Remaining Assets. Before the auction, potential plan sponsors faced significant uncertainty regarding the estate's post-sale financial position, including the total cash proceeds available, the extent to which the DIP facility would be satisfied, and whether the estate would be solvent. Those questions are now answered. A prospective plan sponsor can now evaluate the Remaining Assets with clarity regarding the estate's liquidity, the capital needs of the Debtor post-reorganization, and the composition of what assets will remain in the reorganized Debtor post-closing. This information only became available when the auction concluded and the successful bids were announced. The current August 31 deadline provides barely twenty days from that critical inflection point, a period where many professionals were on vacation. Moreover, the Debtor has not articulated any justification for rushing the process, particularly where the Equity Committee was impacted.

The Equity Committee was appointed on August 5, 2026, one day after the initial Bid Deadline, at which point the FSI Bid was the only qualified bid received for the Remaining Assets. Recognizing the deficiencies in the process described above, and the potential to generate additional interest in the Remaining Assets and Plan Sponsor Alternative bids, the Equity Committee promptly sought, and ultimately obtained, the Debtor's agreement to extend the Bid Deadline, with the specific date of the adjournment subject to further deliberation.

At the same time, the Equity Committee and its advisors immediately began supplementing the Debtor's marketing process, drawing on their developed knowledge of the Remaining Assets and their industry relationships. To date, the Equity Committee has identified and contacted [redacted] potential counterparties whose strategic, financial, restructuring, or operating backgrounds make

them credible bidders for the Remaining Assets. That outreach has targeted parties capable of evaluating the Remaining Assets on an integrated basis, including the tax attributes and the post-sale structure, and of developing a proposal for the opportunity as a whole.

The Equity Committee engaged in substantive discussions with interested parties concerning the opportunity, diligence requirements, transaction timing, and the tax, legal, regulatory, financial, and other considerations relevant to structuring a proposal. The Equity Committee has further worked to identify and address information requests and to facilitate access to the materials and advisors needed for evaluation.

This process has yielded interest. Since the Equity Committee's formation, Bidder B, a global alternative asset management firm [redacted], has reengaged on the opportunity. Moreover, no fewer than two new well-capitalized parties have signed NDAs and are engaging substantively: a hedge fund with significant pharmaceutical investment experience which manages [redacted] ("***Bidder C***"), and investors represented by a known investment advisory firm that specializes in reorganization transactions involving tax attributes. As of Thursday, August 20, Bidder B was still not under NDA, although it had sent comments on the form and was eager to execute, which demonstrates that the administrative steps required even to review this opportunity make the August 31 deadline too short. In addition to the foregoing parties, others have expressed interest in the Remaining Assets, and at least one other has signed an NDA. At least one, Bidder C, has identified the need for additional time to conduct diligence, including concerning the tax attributes; evaluate the post-sale structure; consider tax, legal, and regulatory implications; engage outside legal, tax, financial, and other advisors; structure a proposal; and obtain internal approvals.

In my opinion, the proposed extended Bid Deadline is the minimum period necessary for adequate price discovery. It is not an open-ended delay; it would provide approximately two additional weeks and a day beyond August 31, allowing interested parties to complete diligence, evaluate the transaction structure, and submit meaningful proposals while maintaining appropriate urgency and momentum.

In my professional experience as an investor and advisor, evaluating an opportunity such as this one requires a significant commitment of time, personnel, and advisory and other costs. Absent reasonable certainty that they will have sufficient time to complete that work, investors are unlikely to engage at all.

The Requested Extension Does Not Prejudice the Estate

Extending the bid deadline as to the Remaining Assets to September 15 would not prejudice the estate. Unlike many chapter 11 cases, this estate is not constrained by strict DIP milestones or a lack of liquidity. The DIP Documents contain no sale milestones, case milestones, or other deadlines that would be violated by moving the Bid Deadline for the Remaining Assets to September 15. The DIP facility has a stated maturity of January 31, 2027, and the DIP Documents permit voluntary prepayment at any time without premium, penalty, make-whole, or other charge. The requested extension therefore would not breach any DIP deadline or cause a DIP default.

Nor does the extension require any increase in funded debt. The completed sales of the Merope Assets, Fabry Assets and the equipment will generate approximately $163.5 million in upfront cash proceeds.[4] The net proceeds from such sales substantially exceed the DIP obligations, projected administrative claims, and prepetition unsecured obligations, meaning the estate is

[4] I note that drugs at the stage of approval of the Debtor's Fabry asset program typically trade at up to 2x peak revenue. The Debtor previously projected peak revenues of $1 billion on the Fabry assets, implying an indicative value much greater than the purchase price obtained for these assets at the auction.

solvent and existing equity is in the money. The estate accordingly has ample liquidity to fund a two-week extension, and the modest incremental administrative cost of that period does not prejudice any creditor constituency. The fiduciary representatives of existing equity, which bears the residual economic risk in a solvent estate and which seeks this extension, have accepted that process cost in order to pursue greater value.

Nor would the requested extension jeopardize the FSI Bid. [redacted] and I understand that FSI's counsel confirmed in writing on August 19, 2026 that the FSI Bid is "irrevocable in accordance with the terms thereof and the Bidding Procedures[.]" *See* August 21, 2026 Letter of M. Franke to Board of Directors c/o C. Speckhart.[5] Extending the Bid Deadline therefore does not give FSI a contractual right to withdraw its bid or to accelerate the DIP.

In short, a two-week extension imposes no default risk on the estate, adds only modest incremental administrative cost, and preserves the FSI Bid as an available transaction while the market is further tested. In my professional opinion, the estate and its stakeholders have far more to gain from the additional price discovery than they stand to lose from the brief delay.

Based on the foregoing, it is my professional opinion that: (a) the prior marketing process for the Remaining Assets was insufficient to achieve adequate price discovery; (b) the new August 31 bid deadline does not provide interested parties sufficient time to submit meaningful proposals; and (c) extending the bid deadline to September 15, 2026 is necessary and appropriate to conduct a meaningful process and obtain adequate evaluation and price discovery, and would not prejudice the estate.

[*Remainder of Page Intentionally Left Blank*]

[5] A true and correct copy of such letter is annexed hereto as **Exhibit 2**.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: August 24, 2026

By: */s/ Joshua Nahas*

Joshua Nahas
Managing Director
Dundon Advisers LLC

EXHIBIT 1

FSI Bid

[FILED UNDER SEAL]

EXHIBIT 2

August 21, 2026 Letter of M. Franke to Board of Directors

orrick

August 21, 2026

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BY ELECTRONIC MAIL

Board of Directors of Sangamo Therapeutics, Inc.
Attn: H. Stewart Parker, Robert F. Carey, Peg Horn and John H. Markels
c/o Cullen D. Speckhart, Esq.
Cooley LLP
cspeckhart@cooley.com

Re: In re Sangamo Therapeutics, Inc., Case No. 26-10989:
Extension of Bid Deadline for Remaining Assets and Plan Sponsor Alternatives

Dear Members of the Board,

My firm has been retained by the Official Committee of Equity Holders (the "***Equity Committee***") appointed on August 5, 2026 by the Office of the U.S. Trustee in the chapter 11 case for Sangamo Therapeutics, Inc. (the "***Debtor***"). We write to convey the Equity Committee's serious concern with the Debtor's recent decision to establish deadlines for asset sales in the chapter 11 case in a manner that will materially impair and chill the market for such assets and conflicts with the Debtor and the Board's fiduciary obligations to equity holders.

Since its formation, the Equity Committee has engaged in good faith discussions with the Debtor about the process and deadlines for the sale or other transaction in respect of certain assets (the "***Remaining Assets***") that are subject to a "Plan Sponsor Alternative Bid" by Future Solutions Investments LLC ("***FSI***"). The Equity Committee expressed concerns that FSI's bid may not reflect the full value of the Remaining Assets and the other valuable attributes of the Debtor's corporate entity because, among other reasons, the Debtor contacted an insufficient number of potentially interested parties, the Debtor provided deficient diligence information to interested parties, and the Debtor has failed to adequately consider all alternatives, including whether dilutive capital from a plan sponsor is necessary or appropriate at all. Seemingly receptive to the Equity Committee's concerns, the Debtor agreed to postpone the bid deadline and the auction with respect to the Remaining Assets to a date to be determined and announced such postponement on the record at the outset of the auction for the Debtor's other assets on August 10, 2026.

Following that announcement, the Equity Committee, FSI, and the Debtor, through counsel, discussed appropriate new deadlines for the sale of the Remaining Assets, including Plan Sponsor

Alternative Bids. The Debtor's counsel proposed an August 31, 2026 bid deadline. The Equity Committee responded that this date was insufficient to adequately canvass the market and permit interested parties time to conduct due diligence, and requested a September 15, 2026 bid deadline. Disappointingly, the Debtor's counsel abruptly stopped such discussions and ultimately disregarded the Equity Committee's position. Without any further consultation, on Wednesday, August 19, the Debtor filed a notice setting August 31 as the new bid deadline and September 2 as the new auction date. The Debtor gave the Equity Committee no advance notice of that filing before the deadlines were publicly established.

Importantly, equity holders were not given a voice in originally designing the sale process either.[1] The Equity Committee was not appointed until one day after the original bid deadline had already passed. Since its appointment, the Equity Committee has worked vigorously to understand and evaluate the process that was planned before its appointment, while also leveraging its members' unique resources and industry contacts to identify interested parties, and solicit and assist potential bidders in developing alternative proposals for the Remaining Assets that would preserve and enhance value for equity holders. That work, together with its members' experience with the company as investors, is the basis for the Equity Committee's sincere and considered judgment that August 31 is too soon for the bid deadline.[2] And that judgment is not mere speculation: at least one interested party who has signed an NDA has informed the Equity Committee that the deadline is too short, and another interested party with a significant track record and tens of billions of dollars of capital under management was, as of yesterday, not yet under NDA.

The Debtor's disregard for the Equity Committee's position on this critical issue raises serious questions about the sale process and the Debtor and the Board's adherence to their fiduciary obligations. This is not a typical chapter 11 case; here, under no circumstances will existing equity be "out of the money." Based on the auction results to date—$50 million for the Merope assets and $111 million in upfront cash for the Fabry assets, with up to $100 million in additional milestone payments—the net sale proceeds substantially exceed the DIP obligations, administrative claims, and prepetition unsecured claims. In a solvent debtor case like this one, the

[1] This is not for lack of effort by equity holders. As you may know, before the formation of the Equity Committee, this firm represented an ad hoc group of non-insider equity holders (the "***Ad Hoc Group***") that organized to seek the formation of an official committee (which the Debtor actively opposed) and advance the interests of equity. The Board should know that the Ad Hoc Group's efforts to engage collaboratively with the Debtor were rebuffed by the Debtor's professionals.

[2] And this is true regardless of the statements made in the notice of bid deadline and on the record at yesterday's hearing that the Debtor will consider extensions if other actionable bids submitted. It is impossible for any bidder to diligence this opportunity and submit anything close to a binding and irrevocable bid on this timeline, and the deadline is therefore dissuading interested parties from participating in the process at all.

Board's fiduciary duties to the Debtor ultimately ***inure to the exclusive benefit of existing equity***,[3] the residual beneficiaries of this bankruptcy estate. These duties require the Board to take all appropriate steps to maximize the value available to equity holders who are the constituents that will bear the economic consequence of an inadequate process, to prioritize the views of equity's official representative in this case (this Equity Committee), and not to take steps myopically focused on concluding the case expeditiously. Indeed, yesterday, Judge Goldblatt recognized that in this solvent-debtor case, it is equity's prerogative to bear the risk of increased administrative costs from an extended process, and that equity is therefore entitled to deference on this issue. Compressing the sale timeline over the express objection of the constituents most directly affected by that decision cannot be reconciled with the Debtor and the Board's fiduciary obligations.

The Debtor's counsel informed the Equity Committee that the rationale for setting the new timeline over the Equity Committee's objection was a threat or suggestion purportedly made by FSI's counsel to the Debtor and the Official Committee of Unsecured Creditors that FSI would require economic concessions, and might not honor its Plan Sponsor Alternative Bid, if the sale process was extended to mid-September. But there was no legitimate basis to credit such a threat. FSI's counsel has since confirmed in writing that it made no such threat, and that FSI's bid is irrevocable in accordance with its terms and the court-ordered bidding procedures. FSI's counsel further confirmed that, while it had requested economic concessions, FSI did not require them. Nor was there any risk that the additional two weeks the Equity Committee proposed would conflict with other milestones in this case because [redacted] The Debtor's decision to override the Equity Committee's position based on FSI's purported threats (which, according to FSI, were not made) is, at best, a failure to critically evaluate the situation.[4]

The Equity Committee requests that the Board correct this failure by immediately directing the Debtor's counsel to file a notice extending the bid deadline for the Remaining Assets to no sooner than September 15, 2026. The Equity Committee further requests that the Board ensure that potential bidders for the Remaining Assets, including parties considering Plan Sponsor Alternatives, receive adequate access to information, management, and the support of the Debtor's

[3] Statements by the Debtor's counsel on the record at the sale hearing yesterday suggested that the Debtor and its fiduciaries owe duties to "all stakeholders" and not just existing equity. In this solvent-debtor scenario, the Board's duties flow primarily to equity. Respectfully, the Equity Committee wishes to correct any misconceptions the Board may have in this regard, as failing to recognize this may lead to actionable claims against management and the Board.

[4] For the avoidance of any doubt, the Equity Committee believes that using estate resources to draft a chapter 11 plan and related documents embodying the constructs of FSI's proposed transaction, at this time, is a waste of resources, and demands that any ongoing work on such a plan cease forthwith. The Debtor should be solely focused on collaborating with its fulcrum class to generate the highest and best transaction on a reasonable timeline.

professionals, including its investment banker, so that competitive proposals can be developed and submitted.

Should the Board decline to extend the bid deadline, the Equity Committee requests that the Board respond in writing by ***not later than 9:00 a.m. Eastern Time on Monday, August 24, 2026*** with a written explanation of the Board's reasons for concluding that the current sale timeline satisfies the Debtor and the Board's fiduciary duties, including the basis on which the Board determined that the Equity Committee's views could be appropriately disregarded.

The Equity Committee reserves all rights, remedies, claims, and defenses, including the right to seek relief from the Court if the Board declines to take appropriate action. The Equity Committee further reserves the right to raise these issues in connection with any future objection to confirmation of any chapter 11 plan, including with respect to releases and exculpation. Nothing in this letter shall be deemed a waiver of any right or position of the Equity Committee.

Kind Regards,

/s/ Mark Franke

cc:

Kenneth Grossman
Adam Nagin
Venkata Jalagam
John Weber
Josh Nahas
Nicholas Poli, Esq.
James Burke, Esq.
Eric Monzo, Esq.