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. 13**

MOTION OF THE DEBTOR FOR ENTRY OF AN ORDER SHORTENING NOTICE AND OBJECTION PERIODS FOR THE DEBTOR'S BIDDING PROCEDURES MOTION

Sangamo Therapeutics, Inc., as debtor and debtor in possession (the "**Debtor**")[2] in the above-captioned case, hereby files this motion (the "**Motion to Shorten**") and respectfully states as follows:

RELIEF REQUESTED

1. By this Motion, the Debtor seeks entry of an order, substantially in the form attached hereto as **Exhibit A** (the "**Proposed Order**") shortening the notice and objection periods in connection with the *Motion of Debtor for (I) an Order (A) Approving Bidding Procedures for the Sale of Substantially all of the Debtor's Assets, (B) Approving the Debtor's Entry into the Stalking Horse APAs and Granting Bid Protections, (C) Authorizing the Debtor to Designate Additional Stalking Horse Bidders and to Provide Bid Protections with Respect to the Debtor's Remaining Assets, (D) Approving Assumption and Assignment and/or Rejection Procedures, (E) Scheduling an Auction and Sale Hearing, and Approving Forms and Manner of Notice Thereof; (II) An Order (A) Approving the Sale of the Debtor's Assets Free and Clear of All Claims,*

[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.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Motion, the Richards Declaration, and/or the First Day Declaration (each as defined herein), as applicable.

Liens, and Encumbrances, and (B) Approving the Assumption and Assignment and/or Rejection of Certain Executory Contracts and Unexpired Leases; and (III) Granting Certain Related Relief [Docket No. 13] (the "**Bidding Procedures Motion**") so that (i) the hearing to consider approval of the Bidding Procedures Motion (the "**Hearing**") is scheduled on or before June 30, 2026, and (ii) the deadline to file and serve objections, if any, to the Bidding Procedures Motion is set for 12:00 p.m. (ET) the day prior to the Hearing (the "**Objection Deadline**").

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the District of Delaware (the "**Court**") has jurisdiction to consider this Motion to Shorten under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012 (Sleet, C.J.). This is a core proceeding under 28 U.S.C. § 157(b). Venue of this Chapter 11 Case (as defined below) and this Motion to Shorten is proper in this District under 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief requested herein are section 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), rule 9006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and rules 6004-1 and 9006-1 of the *Local Rules of the United States Bankruptcy Court for the District of Delaware* (the "**Local Rules**").

4. Pursuant to Local Rule 9013-1(f), the Debtor consents to the entry of a final order or judgment with respect to this Motion to Shorten if it is determined that this Court lacks Article III jurisdiction to enter such final order or judgment absent consent of the parties.

BACKGROUND

5. On the date hereof (the "**Petition Date**"), the Debtor commenced a voluntary case under Chapter 11 of the Bankruptcy Code (the "**Chapter 11 Case**"). The Debtor continues to operate its business and manage its property as a debtor in possession pursuant to sections 1107(a)

and 1108 of the Bankruptcy Code. No creditors' committee has been appointed by the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**"), nor has a trustee or examiner been appointed in this Chapter 11 Case.

6. Additional factual background and information regarding the Debtor, including its business operations, its corporate and capital structure, and the events leading to the commencement of this Chapter 11 Case, are set forth in detail in the *Declaration of Scott B. Willoughby in Support of Chapter 11 Petition and First Day Motions* [Docket No. 2] (the "**First Day Declaration**"), which is fully incorporated herein by reference.

<u>THE BIDDING PROCEDURES MOTION</u>

7. As discussed in the Bidding Procedures Motion, the Richards Declaration (as defined below) and the First Day Declaration, the Debtor commenced this Chapter 11 Case to pursue one or more value-maximizing sales (the "**Sales**") of all or substantially all of the Debtor's assets (the "**Assets**"). To that end, contemporaneously herewith, the Debtor filed the Bidding Procedures Motion seeking authority to, among other things, continue its prepetition and post-petition marketing efforts through a Court-approved sale process to be conducted in accordance with the proposed Bidding Procedures (the "**Sale Process**"). Additional factual background and information regarding the Sale Process are set forth in the First Day Declaration and the *Declaration of Geoffrey Richards in Support of Debtor's Bidding Procedures Motion* [Docket No. 12] (the "**Richards Declaration**"), which are fully incorporated herein by reference.

8. Prior to the Petition Date, the Debtor commenced a multi-year effort to identify and consummate value-maximizing transactions for certain of its Assets. From 2022 to 2026, the Debtor engaged Bank of America, National Association and Evercore Inc. to market certain of the Debtor's Assets, specifically, its Fabry Disease Program, to a broad and comprehensive group of

prospective commercialization partners. That effort confronted a significant and persistent obstacle: the field of gene therapy was navigating an environment of regulatory uncertainty, marked by rapid leadership transitions at the FDA and the emergence of guidance on gene therapy development pathways that the industry perceived as internally inconsistent. These conditions materially elevated the perceived risk profile of investment in gene therapy assets among prospective partners, and written FDA confirmation of the applicable regulatory pathway ultimately became a prerequisite to completing any commercialization transaction. Notwithstanding this challenging environment, at least fourteen parties expressed interest in the Assets in connection with the Debtor's prepetition marketing efforts, and the process generated three term sheets from interested counterparties. Ultimately, however, the Debtor was unable to consummate a value-maximizing out-of-court transaction.

9. To further support its efforts to identify and consummate a value-maximizing transaction, in June 2026, the Debtor engaged Raymond James & Associates, Inc. ("**Raymond James**") as its investment banker to assist in evaluating and pursuing strategic alternatives, including conducting a comprehensive marketing of all or part of the Assets in connection with this Chapter 11 Case. Immediately upon their retention, Raymond James began outreach to potential purchasers of all of the Debtor's Assets, including the Merope Assets (as defined below). As of the date hereof, Raymond James has contacted approximately 162 potential strategic and financial parties regarding a sale or other strategic transaction and 21 potential DIP financing parties. To date, 28 parties, including 23 potential purchasers and 5 potential DIP financing parties, have executed confidentiality agreements and have been granted access to diligence materials. Raymond James will continue these efforts postpetition, which will ensure that the Debtor's Assets will be comprehensively marketed without unduly delaying the progress of this Chapter 11 Case.

10. Beginning in 2026, the Debtor and Eli Lilly and Company ("**Lilly**") engaged in negotiations regarding a broader transaction for the acquisition of certain of the Debtor's assets, including but not limited to (i) the Debtor's AAV capsid engineering platform, including its proprietary novel capsid known as STAC BBB and related next-generation variants and related technology; (ii) the Technology Platforms; (iii) the Prion Disease Program; (iv) certain intellectual property rights relating to the foregoing; and (v) the Company's rights to receive certain payments on account of certain of its outlicensing agreements, including the right to receive future milestone and royalty payments thereunder (collectively, the "**Merope Assets**").

11. In connection with these negotiations, Merope Acquisition Sub, LLC (the "**Merope Stalking Horse Bidder**") submitted a binding bid for the Merope Assets in the form of the Merope Stalking Horse APA. The Debtor and the Merope Stalking Horse Bidder have agreed to certain milestones related to the Debtor's post-petition marketing process (the "**Merope Sale Milestones**"). The Merope Sale Milestones require, among other things, the entry of an order approving the relief requested in the Bidding Procedures Motion within seven days from the Petition Date. Failure of the Debtor to meet such milestones is a termination event under the Merope Stalking Horse APA. Moreover, the Merope Stalking Horse APA, which is described more fully in the Bidding Procedures Motion, will serve as the baseline for all prospective bidders to negotiate from, and will be subject to a rigorous marketing process that will seek higher or otherwise better bids for the Merope Assets pursuant to the Bidding Procedures. The Merope Stalking Horse APA includes certain bid protections (the "**Merope Bid Protections**"), which are reasonable and customary for non-insider stalking horse transactions and which are routinely approved by Courts in this district.

12. Concurrently therewith and as a result of regulatory clarification that the Debtor worked for years to secure, Astellas Gene Therapies, Inc. ("**Astellas**") reengaged the Debtor with renewed interest in certain of the Debtor's Assets. Following negotiations between the Debtor and Astellas, Astellas submitted a binding bid (the "**Astellas Stalking Horse Bid**") for the sale of the Assets (the "**Astellas Assets**") described in the Astellas Stalking Horse APA (together with the Merope Stalking Horse APA, the "**Stalking Horse Agreements**"), pursuant to which Astellas or one of its affiliates will serve as the Stalking Horse Bidder (the "**Astellas Stalking Horse Bidder**" and, together with the Merope Stalking Horse Bidder, the "**Stalking Horse Bidders**") for the Astellas Assets in accordance with the terms of the Astellas Stalking Horse Bid.

13. The Debtor and the Astellas Stalking Horse Bidder have agreed to certain milestones related to the Debtor's post-petition marketing process (the "**Astellas Sale Milestones**" and, together with the Merope Sale Milestones, the "**Sale Milestones**"). The Astellas Sale Milestones require, among other things, that the that the Debtor use its best efforts to have the Bidding Procedures Order entered on or before seven days from the Petition Date. Failure of the Debtor to use its best efforts to meet such a milestone is a termination event under the Astellas Stalking Horse APA. Further, the Astellas Stalking Horse APA, which is described more fully in the Bidding Procedures Motion, will serve as the baseline for all prospective bidders to negotiate from, and will be subject to a rigorous marketing process that will seek higher or otherwise better bids for the Astellas Assets pursuant to the Bidding Procedures. The Astellas Stalking Horse APA includes certain bid protections (the "**Astellas Bid Protections**" and, together with the Merope Bid Protections, the "**Bid Protections**"), which are reasonable and customary for non-insider stalking horse transactions and which are routinely approved by Courts in this district.

14. Additionally, the Bidding Procedures authorize the Debtor to designate one or more additional stalking horse bidders, and provide certain bid protections, with respect to the Debtor's assets that are not the Merope Assets or the Astellas Assets (the "**Remaining Assets**"). The Debtor, in consultation with its professional advisors, intends to conduct a comprehensive marketing process with respect to the Assets (including the Merope Assets, the Astellas Assets, the Remaining Assets and/or substantially all of the Debtor's Assets) pursuant to the Bidding Procedures.

15. To facilitate the Sale Process, Northridge ATM, LLC (the "**DIP Lender**") has agreed to provide a debtor-in-possession credit facility to fund the administration of the Chapter 11 Case, which is structured as a non-amortizing, senior secured superpriority term loan facility in an aggregate amount not to exceed $30 million (the "**DIP Facility**"). The DIP Lender agreed to provide the DIP Facility to the Debtor to support the Sale Process, with the Debtor's entry into the Stalking Horse Agreements being a condition precedent to the DIP Lender agreeing to the terms of the DIP Facility. The DIP Facility provides the Debtor with the liquidity necessary to administer the Chapter 11 Case and preserve the value of the estate pending the completion of the Sale Process. Nevertheless, the Debtor's liquidity remains limited and will not allow for an extended postpetition marketing process.

16. Accordingly, the Debtor has filed this Motion to Shorten to ensure that it complies with the Sale Milestones, to commence the Sale Process as expeditiously as possible given its rapidly deteriorating liquidity, and to preserve and maximize the value of its business and Assets in a timely and efficient manner under the circumstances of the Chapter 11 Case.

BASIS FOR RELIEF

17. Local Rule 6004-1(c) requires that a sale procedures motion seeking approval of bidding and auction procedures be filed and served at least twenty-one days prior to the hearing

on the sale procedures motion. *See* Del. Bankr. L.R. 6004-1(c). Local Rule 9006-1(c)(ii) further provides that objections, if any, to such a motion shall be no later than seven days before the hearing date. *See* Del. Bankr. L.R. 9006-1(c)(i), (ii).

18. Local Rule 6004-1(c) contemplates that the Court may shorten such period if the requesting party files a motion to shorten notice and presents evidence of compelling circumstances. *Id*. at 6004-1(c). Additionally, Bankruptcy Rule 9006(c) states that "when an act is required or allowed to be done at or within a specified time. . . the court for cause shown may in its discretion with or without motion or notice order the period reduced." Fed. R. Bankr. P. 9006(c)(1).

19. As set forth more fully in the First Day Declaration, the Richards Declaration and the Bidding Procedures Motion, given the Debtor's liquidity constraints, the Debtor believes that the prompt sale of its Assets, which includes a hearing on the Bidding Procedures Motion on shortened notice, will maximize value to the greatest extent possible under the circumstances, and generate the highest possible recoveries in the most efficient and expeditious manner possible, which is to the benefit of the Debtor's creditors and other stakeholders. As a result, the Debtor submits that compelling circumstances exist to expedite consideration of the Bidding Procedures Motion.

20. First, an expedited hearing on the Bidding Procedures Motion is necessary to meet the Sale Milestones. As discussed in further detail in the First Day Declaration, the Richards Declaration and the Bidding Procedures Motion, the Debtor and the DIP Lender entered into the DIP Facility with an appreciation for realities of the Debtor's challenging financial condition. Accordingly, the DIP Facility provides the Debtor with sufficient funding to cover critical operating expenditures and administrative expenses to complete the Sale Process in accordance

with the Sale Milestones. The Sale Milestones set forth in the Stalking Horse Agreements, the execution of which was a condition precedent to the DIP Lender agreeing to the terms of the DIP Facility, account for the Debtor's limited liquidity while providing a runway for the Debtor to execute a successful Sale Process for the benefit of the Debtor's estate, creditors and stakeholders. Failure to meet any of the Sale Milestones could jeopardize the Debtor's chapter 11 strategy by allowing the Stalking Horse Bidders to terminate the Stalking Horse Agreements.

21. Second, the Debtor believes that it would be beneficial to maximize the number of days between entry of the Bidding Procedures Order and the hearing on approval of the Sales so that potential bidders will have sufficient time to formulate and submit a bid in accordance with the Court-approved Bidding Procedures. In other words, the sooner the bidding process is established by order of the Court, and therefore fully clear to all parties, the better it will be for all parties, including the Debtor's estate, creditors, potential bidders, and other stakeholders. Thus, the Debtor believes that the bidding process is more likely to maximize value if the Hearing is held as soon as possible.

22. Third, shortened notice of the hearing on the Bidding Procedures Motion is also appropriate given the Debtor's marketing efforts to date. On the Petition Date, Raymond James will initiate a broad outreaching informing all known potential bidders for the Assets of the deadlines set forth in the Bidding Procedures. Moreover, relevant information regarding the Debtor's business has been made available in the Debtor's electronic data room, allowing potential bidders (subject to the execution of a Confidentiality Agreement) to immediately conduct due diligence. Thus, if new bidders emerge, the proposed timeline will provide them with sufficient time to perform due diligence and to formulate and submit a bid in accordance with the Bidding Procedures.

23. Lastly, no party in interest will be prejudiced if the Motion to Shorten is granted. Initially, the Bidding Procedures Motion merely seeks approval of the procedures that will govern the marketing and sale of the Assets. To that end, interested parties will have ample opportunity to engage in the Sale Process and to raise objections, if any, at the appropriate time in accordance with the Bidding Procedures. This is particularly true in the current M&A and restructuring market where sophisticated parties and their advisors are familiar with the kinds of process and procedures outlined in the Bidding Procedures, and it is expected that potential bidders will be able to work expeditiously within the parament of such procedures. In this regard, the Bidding Procedures, including the Bid Protections, are designed to encourage parties interested in the applicable Assets to participate in a competitive, fair, and expedient sale process, and are typical and customary of procedures routinely approved by Courts in this district. *See, e.g.*, *In re iM3NY LLC*, No. 25-10131 (BLS) (Bankr. D. Del. Feb. 26, 2025) [Docket No. 111] (approving bidding procedures and bid protections including a break-up fee of 3% and an expense reimbursement of 1% for a non-insider stalking horse bidder); *In re True Value Co.*, No. 24-12337 (KBO) (Bankr. D. Del. Nov. 4, 2024) [Docket No. 297] (same); *In re SunPower Corp.*, No. 24-11649 (CTG) (Bankr. D. Del. Aug. 29, 2024) (approving bidding procedures and bid protections including a break-up fee of 3% and an expense reimbursement of 1.25% for a non-insider stalking horse bidder). Further, the DIP Lender has agreed that the DIP Claims (as defined in the term sheet memorializing the DIP Facility) will not have priority over any bid protections approved by the Bankruptcy Court in the Chapter 11 Case. Importantly, the Stalking Horse Bidders are not insiders of the Debtor as defined in Section 101(31) of the Bankruptcy Code. Further, in connection with the Additional Stalking Horse Designation Procedures, the Debtor will provide parties with additional notice, and related

objection period, to consider any relief with respect to the designation of a stalking horse bidder for the Remaining Assets.

24. Accordingly, based on the foregoing, the Debtor respectfully submits that considering the Bidding Procedures Motion on shortened notice as set forth herein is reasonable and appropriate under the circumstances.

COMPLIANCE WITH LOCAL RULE 9006-1(e)

25. In accordance with Local Rule 9006-1(e), prior to filing this Motion to Shorten, counsel to the Debtor conferred with counsel to the U.S. Trustee regarding the relief requested herein, and the U.S. Trustee indicated that it opposes the requested relief. Notwithstanding the U.S. Trustee's position, the Debtor submits that the relief requested herein is appropriate for the reasons set forth above and in the First Day Declaration and the Richards Declaration.

NOTICE

26. The Debtor has provided notice of this Motion to Shorten to the following parties or their respective counsel: (i) the U.S. Trustee; (ii) each of the Debtor's creditors holding the twenty (20) largest unsecured claims as set forth in the list filed with the Debtor's petition; (iii) counsel to the DIP Lender; (iv) the Securities and Exchange Commission; (v) the Internal Revenue Service; (vi) the United States Department of Justice; and (vii) all other parties entitled to notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

27. No previous request for the relief sought herein has been made by the Debtor to this Court or any other court.

WHEREFORE, the Debtor respectfully requests entry of the Proposed Order granting the relief requested herein and granting such other relief as is just and proper.

Dated: June 23, 2026
Wilmington, Delaware

Respectfully submitted,

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Proposed Counsel for the Debtor

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 Nos. 13 & __**

ORDER SHORTENING NOTICE AND OBJECTION
PERIODS FOR DEBTOR'S BIDDING PROCEDURES MOTION

Upon consideration of the motion (the "**Motion to Shorten**") of the Debtor for entry of an order (this "**Order**") shortening the notice and objection periods with respect to the Motion to Clarify, all as set forth more fully in the Motion to Shorten; and the Court having jurisdiction to consider the Motion to Shorten and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (Sleet, C.J.); and consideration of the Motion to Shorten and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion to Shorten having been provided under the circumstances; and it appearing that no other or further notice need be provided; and the Court having reviewed the Bidding Procedures Motion, the First Day Declaration, the Richards Declaration, and the Motion to Shorten; and it appearing that the relief requested in the Motion to Shorten is in the best interests of the Debtor, its estate, creditors, and all parties in interest; and upon all of the

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proceedings had before this Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion to Shorten is granted to the extent set forth herein.

2. The hearing to consider the relief requested in the Bidding Procedures Motion will be held on **June __, 2026, at __:00 _.m. (Eastern Time)**.

3. Objections, if any, to the relief requested in the Bidding Procedures Motion shall be filed and served by **June __, 2026, at 12:00 p.m. (Eastern Time)**.

4. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order.

5. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.