IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

DECLARATION OF SCOTT B. WILLOUGHBY
IN SUPPORT OF THE CHAPTER 11 PETITION AND FIRST DAY MOTIONS

I, Scott B. Willoughby, hereby declare under penalty of perjury:

1. I am the Chief Legal Officer of Sangamo Therapeutics, Inc. ("**Sangamo**," the "**Company**," or the "**Debtor**"). I have held this position since August 2, 2021. I also serve as Sangamo's Corporate Secretary and Senior Vice President.

2. In my capacity as Chief Legal Officer, I am familiar with the facts and circumstances set forth herein, which are based on my actual knowledge as well as information and advice provided to me by the Debtor's other employees, professionals, attorneys, and advisors. In addition, the statements made herein are based, in whole or in part, upon my review of public and non-public documents and my discussions with other members of the Debtor's management team and advisors on whom I have relied.

3. I am generally familiar with the Debtor's business, financial condition, day-to-day operations, and books and records. Except as otherwise noted, I have personal knowledge of the matters set forth herein or have gained knowledge of such matters from the Debtor's other employees or retained advisors in the ordinary course of my responsibilities. To the best of my

[1] The Debtor and the last four digits of its taxpayer identification number are: Sangamo Therapeutics, Inc. (9556). The Debtor's mailing address is 501 Canal Blvd., Ste A100, Richmond, CA 94804.

knowledge, the facts and circumstances set forth herein and in the First Day Motions (as defined herein) are true and correct. References to the Bankruptcy Code (as defined herein), the chapter 11 process, and related legal matters are based on my understanding of such in reliance on the explanation provided by, and the advice of, counsel to the Debtor. If called upon to testify, I would testify competently to the facts set forth in this declaration.

4. On the date hereof (the "**Petition Date**"), the Debtor filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101–1532 (the "**Bankruptcy Code**"), with the United States Bankruptcy Court for the District of Delaware (the "**Court**"). To minimize the adverse effects on its business and the value of its estate, the Debtor has filed motions and pleadings seeking various types of "first day" relief (collectively, the "**First Day Motions**"). I submit this declaration to assist the Court and parties in interest in understanding the circumstances compelling the commencement of this chapter 11 case (the "**Chapter 11 Case**") and in support of the Debtor's chapter 11 petition, First Day Motions, as well as the Debtor's financing and sale process motions ("**Financing and Sale Process Motions**") filed contemporaneously herewith.

5. To better familiarize the Court with its business, the circumstances leading up to the Chapter 11 Case, and the relief the Debtor is seeking in the First Day Motions and its Financing and Sale Process Motions, I have organized this declaration into six parts. **Part I** provides background information on the Debtor's corporate history and business operations. **Part II** offers a summary of the Debtor's prepetition capital structure and debt. **Part III** describes the circumstances leading to the filing of the Chapter 11 Case. **Part IV** describes the Debtor's strategies and objectives in the Chapter 11 Case. **Part V** and **Part VI** summarize the relief

requested in the First Day Motions and Financing and Sale Process Motions, together with the factual bases supporting each.

I. BACKGROUND

A. The Debtor's Organizational Structure

6. Sangamo was incorporated in the State of Delaware in June 1995, and on April 6, 2000, the Company completed its initial public offering of common stock on the Nasdaq National Market.

7. Sangamo has three wholly owned subsidiaries: Sangamo Therapeutics France S.A.S. (France), Sangamo Therapeutics UK Ltd. (UK) (fka Gendaq Limited), and Ceregene, Inc. (Delaware). None of Sangamo's subsidiaries are part of these chapter 11 proceedings.

B. The Debtor's Business

1. Overview

8. Sangamo is a genomic medicine company committed to translating ground-breaking science into medicines that transform the lives of patients and families afflicted with serious neurological diseases.[2] In 2023, the Company announced its strategic transformation into a neurology-focused genomic medicine company focused on two innovative areas: (i) epigenetic regulation therapies, which are precision medicines designed to treat serious neurological diseases and (ii) novel engineered adeno-associated virus ("**AAV**") capsids, which are delivery vehicles designed to carry those therapies to the intended neurological targets.

[2] Genomic medicine refers to the development of therapies that treat disease by directly targeting the genes that cause or drive the disease rather than addressing its symptoms alone.

9. To advance these two areas, Sangamo utilizes several proprietary technology platforms, including its zinc finger protein ("**ZFP**") technology platform (the "**ZFP Technology Platform**"), its AAV capsid engineering platform called SIFTER (short for "Selecting In Vivo For Transduction and Expression of RNA") (the "**SIFTER Technology Platform**"), and its Modular Integrase ("**MINT**") genome editing platform (the "**MINT Technology Platform**," and together with the ZFP Technology Platform and SIFTER Technology Platform, the "**Technology Platforms**"). Collectively, these Technology Platforms form the scientific and technological foundation of the Company's business.

10. Sangamo applies these Technology Platforms across a pipeline of programs that target serious diseases for which there are currently limited or no adequate treatment options for patients. The Company's program pipeline encompasses: (i) wholly owned programs, including its Fabry disease gene therapy program (the "**Fabry Disease Program**"), the prion disease program (the "**Prion Disease Program**"), and the chronic neuropathic pain program (the "**Chronic Neuropathic Pain Program**"); (ii) programs advanced together with Sangamo's licensing and/or collaboration partners, including Eli Lilly and Company ("**Lilly**"), Genentech, Inc. ("**Genentech**"), Astellas Gene Therapies, Inc. ("**Astellas**"), Alexion Pharmaceuticals, Inc. ("**Alexion**"), Takeda Pharmaceutical Company Limited ("**Takeda**"), Sigma-Aldrich Corporation ("**Sigma**"), and other partners;[3] and (iii) other programs, including the hemophilia A program ("**Hemophilia A Program**"), sickle cell disease program ("**Sickle Cell Disease Program**"), and

[3] Other partners include Miltenyi Biotec B.V. & Co. KG to whom the Company has granted certain rights to use its proprietary technology and related know-how in connection with research, development, manufacturing, and commercialization activities in the cell therapy field.

Regulatory T Cell platform ("**Tregs Platform**") for which the Company is pursuing commercialization opportunities. These programs are at various stages of clinical development.

11. As described in Part III of this declaration, the Company's Technology Platforms, including its AAV capsid engineering platform including the Company's proprietary novel capsid known as STAC-BBB and related next-generation variants and related technology; the Prion Disease Program; certain intellectual property rights relating to the foregoing; and the Company's rights to receive certain payments on account of certain of its Outlicensing Agreements (as defined below), including the right to receive future milestone and royalty payments thereunder (collectively, the "**Lilly Assets**"), are the subject of the proposed sale to Lilly as to which Lilly's wholly owned subsidiary, Merope Acquisition Sub, LLC ("**Merope**"), has agreed to serve as a stalking horse bidder (the "**Lilly Sale**").

12. Separately, the Fabry Disease Program, which represents one of the Company's most advanced and promising wholly owned assets, is the subject of a parallel sale to Astellas, which has agreed to serve as a stalking horse bidder for the Fabry Disease Program and related assets (the "**Astellas Sale**").

13. Certain of the Company's assets are not subject to either the Lilly Sale or the Astellas Sale, including the Chronic Neuropathic Pain Program, Hemophilia A Program, the Sickle Cell Disease Program, and the Tregs Platform. The Debtor intends to evaluate all available options with respect to the assets that are not subject to the existing stalking horse agreements with Lilly and Astellas, including through the postpetition marketing and sale process contemplated by the Bidding Procedures Motion (as defined in Part VI below), pursuant to which the Debtor is also seeking authority to designate one or more additional stalking horse bidders for any such assets.

2. Sangamo's Core Technology Platforms

a) ZFP Technology Platform

14. ZFPs are naturally occurring human proteins that regulate the genome through interactions with DNA. ZFPs bind to specific DNA sequences within or near a gene and can activate or repress that gene's expression. Sangamo engineers ZFPs into precision therapeutic tools called zinc finger epigenetic regulators that can selectively silence or upregulate a targeted human gene.

b) SIFTER Technology Platform

15. Delivering genomic medicines to the brain and central nervous system is one of the most significant technical challenges in developing treatments for neurological disease. Sangamo developed a proprietary AAV capsid engineering platform called SIFTER, which is designed to engineer novel delivery vehicles, called capsids, with improved ability to reach the central nervous system. Using the SIFTER Technology Platform, Sangamo screens tens of millions of unique capsid variants through successive rounds of testing to identify those that demonstrate superior delivery to the brain and spinal cord. Through this process, Sangamo identified its lead capsid, STAC-BBB, a proprietary engineered capsid variant that has demonstrated the ability to cross the blood-brain barrier in nonhuman primates and mice after intravenous administration. SIFTER has also yielded STAC-102 and STAC-103 capsids, which are designed for alternative delivery routes to the central nervous system with improved performance compared to existing benchmark capsids.

c) MINT Technology Platform

16. MINT is a next-generation genome editing technology designed to integrate large sequences of DNA into the genome, potentially allowing a single medicine to treat patients who have different mutations in the same disease-causing gene. Unlike certain other genome editing approaches, MINT is designed to make these integrations without creating double-stranded DNA breaks and is intended to be compatible with multiple methods of delivery into the body.

3. Sangamo's Pipeline Programs

a) Wholly Owned Programs

i) Fabry Disease Program (ST-920)

17. Fabry disease is a rare, inherited metabolic disease caused by a mutation of a critical enzyme, which results in a harmful buildup of fatty substances in cells and tissues throughout the body and leads to progressive damage to the heart, kidneys, and nervous system. The Fabry Disease Program is a clinical-stage, wholly owned gene therapy for the treatment of Fabry disease. In December 2025, Sangamo initiated a rolling submission of an FDA application for regulatory approval of the Fabry Disease Program (known as a BLA, or Biologics License Application), seeking approval of the Fabry Disease Program under the FDA accelerated approval pathway. Completion of the full BLA submission could occur as early as the third quarter of 2026.

ii) Prion Disease Program (ST-506)

18. Prion disease is a rare, rapidly progressive, and fatal neurological disorder in which a normally harmless protein in the brain folds into an abnormal shape, triggering a chain reaction that destroys brain tissue, leading to rapid neurological deterioration and death. The Prion Disease Program is a preclinical-stage, wholly owned investigational therapy designed to reduce the

production of this protein. Sangamo has taken steps to advance this program toward clinical testing by completing the required animal safety studies, initiating preparatory steps to apply for authorization to begin human clinical trials, engaging with the UK medicines regulatory agency to align on the clinical study design and safety requirements, and presenting preclinical results at leading international scientific conferences.

iii) Chronic Neuropathic Pain Program (ST-503)

19. Small fiber neuropathy ("**SFN**") is a condition in which the small nerve fibers responsible for carrying pain signals throughout the body are damaged or not functioning properly, causing persistent and often debilitating symptoms such as burning, prickling, stabbing or sharp electric pain. The Chronic Neuropathic Pain Program is a clinical-stage, wholly owned investigational therapy designed to treat this type of chronic pain by targeting and reducing the activity of Nav1.7, a sodium ion channel found in pain-sensing nerve cells that is responsible for transmitting pain signals throughout the body. In November 2024, the FDA authorized Sangamo to proceed with human clinical trials for the Chronic Neuropathic Pain Program. Sangamo has since activated seven clinical sites which have been engaged in patient recruitment and enrollment.

b) Partnered Programs, Licensing Partners, and Collaborations (collectively, the "Outlicensing Agreements")

i) Eli Lilly and Company – Central Nervous System Disease

20. On April 2, 2025, Sangamo and Lilly entered into a global capsid delivery license agreement (the "**Lilly License Agreement**") for the development of intravenously administered genomic medicines to treat certain diseases of the central nervous system. Under the Lilly License Agreement, Sangamo granted Lilly a worldwide exclusive license to use STAC-BBB for one target, with the right for Lilly to add up to four additional targets upon payment of additional

licensed target fees. Sangamo completed the technology transfer with respect to the initial target and indication in April 2025. Lilly is solely responsible for all preclinical and clinical development, regulatory interactions, manufacturing, and global commercialization of resulting products. Milestones and royalties associated with this license are described in Part III of this declaration.

ii) Genentech, Inc. – Tauopathies and an Additional Neurology Target

21. On August 2, 2024, Sangamo and Genentech entered into a global epigenetic regulation and capsid delivery license agreement (the "**Genentech License Agreement**") for the development of intravenously administered genomic medicines to treat certain neurodegenerative diseases. Under the Genentech License Agreement, Sangamo granted Genentech an exclusive worldwide license to its zinc finger repressors directed to the tau gene, which is implicated in Alzheimer's disease and related conditions, as well as a second undisclosed neurological target, together with an exclusive worldwide license to STAC-BBB for use in delivering therapies directed to those targets. Genentech is solely responsible for all clinical development, regulatory interactions, manufacturing, and global commercialization of resulting products. Milestones and royalties associated with the Genentech License Agreement are described in Part III of this declaration.

iii) Astellas Gene Therapies, Inc. – Neurodegenerative Disease

22. On December 18, 2024, Sangamo and Astellas entered into a global capsid delivery license agreement (the "**Astellas License Agreement**") for the development of intravenously administered genomic medicines to treat certain neurodegenerative diseases. Under the Astellas License Agreement, Sangamo granted Astellas a worldwide exclusive license to use STAC-BBB

for one target, with the right for Astellas to add up to four additional targets upon payment of additional licensed target fees. Astellas also has the right to exchange its license to STAC-BBB for a license to a substitute capsid, exercisable once during the initial three-year period of the agreement, subject to the availability of the substitute capsid. Astellas is solely responsible for all preclinical and clinical development, regulatory interactions, manufacturing, and global commercialization of resulting products. Milestones and royalties associated with this license are described in Part III of this declaration.

iv) Alexion Pharmaceuticals, Inc. – ALS and FTLD

23. In December 2017, Sangamo and Pfizer Inc. ("**Pfizer**") entered into an exclusive research collaboration and license agreement subsequently assigned to Alexion in September 2023 (the "**Alexion License Agreement**"), for the development and commercialization of potential gene therapy products that use zinc finger transcriptional regulators to treat amyotrophic lateral sclerosis (ALS) and frontotemporal lobar degeneration (FTLD) linked to certain gene mutations. Alexion is operationally and financially responsible for subsequent development, manufacturing, and commercialization of any licensed products under the Alexion License Agreement.

v) Takeda Pharmaceutical Company Limited (via Shire International GmbH) – Huntington's Disease

24. In January 2012, Sangamo and Takeda entered into a collaboration and license agreement (as amended and restated in September 2015, the "**Takeda License Agreement**") for the research, development, and commercialization of therapeutics for monogenic diseases using Sangamo's zinc finger technology. Under the Takeda License Agreement, Sangamo and Takeda developed genome engineering product candidates to treat Huntington's disease using a zinc

finger. Takeda holds an exclusive, worldwide license to zinc finger therapeutics for treating Huntington's disease.

vi) Sigma-Aldrich Corporation – Research Reagents and Commercial Cell Lines

25. In 2007, Sangamo and Sigma entered into a license agreement (amended in October 2009), granting Sigma exclusive rights to use Sangamo's proprietary zinc finger technology to develop and commercialize research reagent products and services, zinc finger modified cell lines for commercial production of protein pharmaceuticals, and certain zinc finger engineered transgenic animals for commercial applications. Sigma is solely responsible for the development, manufacture, and commercialization of all products and services utilizing the licensed zinc finger technology.

vii) Other Partnerships

26. In addition to the Company's partnerships for the development of human therapeutic applications, the Company has licensed its technology in several other areas, such as plant agriculture and research reagents, including the production of transgenic animals and cell-line engineering. These license partners include Corteva AgriScience (fka Dow AgroSciences LLC) and Open Monoclonal Technology, Inc. (now Ligand Pharmaceuticals Incorporated). Collectively, these Outlicensing Agreements represent significant potential value in the forms of annual recurring licensing revenue, potential milestone payments upon the occurrence of certain regulatory, clinical and commercial events, and potential royalties on the sales of commercial products.

c) Other Programs

i) Hemophilia A Program (SB-525)

27. The Hemophilia A Program is a clinical-stage, liver-directed AAV gene therapy designed to treat severe Hemophilia A, a serious, inherited bleeding disorder in which the body does not produce sufficient amounts of a blood-clotting protein, causing individuals to bleed for longer than normal following an injury and, in severe cases, to experience spontaneous internal bleeding. Sangamo previously developed the Hemophilia A Program in partnership with Pfizer pursuant to an exclusive global collaboration and license agreement dated May 10, 2017 (the "**Pfizer Collaboration Agreement**"). In December 2024, Pfizer notified Sangamo of its termination for convenience of the Pfizer Collaboration Agreement effective April 2025. As of the termination date, Sangamo received an exclusive, worldwide, royalty-bearing, sublicensable license from Pfizer to continue the development, manufacturing, and commercialization of the Hemophilia A Program and has been seeking a potential commercialization partner for this asset.

ii) Sickle Cell Disease Program (BIVV003)

28. The Sickle Cell Disease Program is a clinical-stage investigational gene therapy candidate designed to treat sickle cell disease, a serious, inherited blood disorder in which abnormal hemoglobin causes red blood cells to become rigid and sickle-shaped, leading to episodes of pain, organ damage, and other severe complications.

iii) Tregs Platform

29. The Tregs Platform consists of a clinical-stage program and two early-stage development programs focused on the development of regulatory T cell (Treg)-based therapeutics for the treatment of autoimmune and inflammatory conditions.

4. Intellectual Property

30. To establish and protect its proprietary rights, Sangamo relies on a combination of patents, copyrights, trademarks, proprietary know-how, continuing technological innovations, and trade secret protections, as well as confidentiality agreements, materials transfer agreements, research agreements, and licensing agreements.

31. Sangamo has numerous issued patents and pending patent applications comprising approximately 90 patent families directed to the design, compositions, and uses of zinc finger proteins and other technologies related to the Company's programs.

32. Sangamo is also licensor with respect to numerous out-license agreements to third-party collaborators covering certain of its proprietary technologies in connection with its partnered programs. As described in greater detail in the section above, these include exclusive worldwide licenses to STAC-BBB granted to Genentech, Astellas, and Lilly, each for defined fields of use and subject to the terms of the applicable license agreements. Sangamo has also granted exclusive worldwide licenses to zinc finger repressors directed to specific neurological targets to Genentech, and to zinc finger therapeutics for Huntington's disease to Takeda.

5. Manufacturing

33. Sangamo relies primarily on contract manufacturing organizations ("**CMOs**") to manufacture preclinical and clinical supply for its pipeline programs and intends to continue to rely on third parties for the manufacture of product candidates for later-stage clinical trials and for commercial-scale manufacturing of any approved product. Sangamo relies on CMOs to produce its preclinical and clinical AAV product candidates in accordance with applicable regulations, and employs a technical operations staff in the areas of process development, analytical development,

quality control, quality assurance, supply chain, project management, and external manufacturing to facilitate appropriate transfer to and oversight of its CMOs, support regulatory filings, and supply clinical trials.

34. The reliance on external manufacturers follows the closure of Sangamo's Valbonne, France facility and the anticipated closure of its Brisbane Facility (as defined below) as part of the Company's restructuring initiatives, as more fully reflected below.

6. Real Property Leases

35. As of the Petition Date, the Debtor is party to three real property leases in California. The Debtor's corporate headquarters are located in Richmond, California, where the Debtor occupies approximately 59,485 square feet of research and office space located at 501 Canal Blvd., Suite A100, Richmond, California (the "**Canal Offices**"). The Debtor also previously occupied approximately 7,700 square feet of office space located at 1003 West Cutting Boulevard, Richmond, California (the "**West Cutting Offices**") pursuant to a separate lease. The Debtor also leases approximately 103,089 square feet of office and research and development laboratory space located at 7000 Marina Boulevard, Brisbane, California (the "**Brisbane Facility**").

36. In early 2024, the Company commenced efforts to close the Brisbane Facility, which is in very limited use and has since been marketed extensively for sublease. On August 25, 2025, the Company entered into an amendment for the operating lease of the Brisbane Facility (the "**Brisbane Lease Amendment**"). Pursuant to the Brisbane Lease Amendment, the landlord was authorized to draw on the existing $1.5 million letter of credit to offset rent payments between September 2025 and November 2025, with the Company obligated to reinstate the letter of credit to its original face amount of $1.5 million on or before December 31, 2026. The Brisbane Lease

Amendment also deferred 90% of monthly base rent otherwise due between December 1, 2025 and December 31, 2026 on an interest-free basis, with the deferred amount payable in full by January 5, 2027.

37. The Debtor is actively evaluating the ultimate disposition of its leases and will address those matters through the appropriate motions and proceedings before this Court.

7. Employees and Workforce Reductions

38. The Company has experienced a series of significant workforce reductions in recent years. As a result of the April 2023 Restructuring, the November 2023 Restructuring, as well as the France Restructuring (all as defined and more fully described below), the Company reduced its workforce by approximately 365 roles.

39. Prior to the Petition Date, in March 2026, the Company executed a reduction in force (the "**March RIF"),** reducing its workforce by approximately 22 roles and furloughing 14 employees in connection with the Company's ongoing efforts to reduce operating expenses and preserve liquidity, as it continued to evaluate strategic alternatives.

40. In connection with its Chapter 11 filing and the proposed sale transactions, the Debtor executed an additional reduction in force in June 2026 (the "**June RIF**"), further reducing its workforce from 128 full-time employees, 126 of whom were located in the United States and two were located in the United Kingdom, to a group of 77 employees necessary to support essential Company operations, administer the Chapter 11 Case, and support the proposed sale transactions. In addition, certain employees affected by the June RIF have agreed to transition from full-time employment to part-time independent contractor arrangements, pursuant to which they will

continue to provide services to the Debtor on a limited basis during the pendency of these proceedings.

41. Following the June RIF, the Debtor's remaining workforce consists solely of those employees who have been specifically identified and selected by Lilly and Astellas in connection with the Lilly Sale and Astellas Sale, respectively, and those employees and independent contractors whom the Debtor identified as necessary to assist with the administration of the Chapter 11 Case.

II. Summary of the Prepetition Capital Structure

42. As of the Petition Date, the Debtor has no funded debt obligations, including no prepetition secured debt, unsecured notes, or credit facility obligations.

43. The Debtor's outstanding general unsecured prepetition obligations on the Petition Date primarily consist of: (i) trade payables owed to vendors and service providers, including amounts owed to CMOs and other research and development service providers in the approximate aggregate amount of $19.2 million; (ii) rent obligations under the Debtor's real property leases, including deferred rent previously accumulated under the Brisbane Lease Amendment, in the approximate aggregate amount of $4.0 million; and (iii) employee obligations consisting of (a) annual performance bonuses for fiscal years 2024 and 2025 that were accrued in the ordinary course of business but remained unpaid as of the Petition Date in the approximate aggregate amount of $9.4 million, (b) severance obligations to employees whose employment was terminated in connection with the March RIF and the June RIF, in the aggregate amount of $3.7 million, (c) merit-based salary increases for fiscal year 2025 that were accrued but not funded as of the Petition

Date in the approximate aggregate amount of $2.3 million, and (d) accrued but unpaid COBRA covered benefits following employee terminations in the approximate amount of $900,000.

44. As of the Petition Date, the Debtor has approximately $5.5 million in cash on hand. Although the Debtor has no funded debt, its cash on hand is insufficient to fund the administration of the Chapter 11 Case and the proposed sale transactions without additional financing. Accordingly, the Debtor has entered into a term sheet for a postpetition debtor-in-possession term loan facility with Northridge ATM, LLC (together with its subsidiaries, affiliates, designees, and assignees, "**Northridge**"), as DIP lender, pursuant to which the Debtor is seeking authority to borrow up to $30 million on a senior secured superpriority basis (the "**DIP Facility**"). The DIP Facility and the Debtor's postpetition financing need are described in greater detail in Parts III and VI of this declaration, the Debtor's DIP Motion (as defined below), and in the related declarations filed contemporaneously therewith.

45. The Debtor is a publicly traded company with approximately forty-nine record holders and 414,471,132 outstanding shares of common stock as of June 8, 2026. Sangamo's common stock is currently trading on the OTCQB Venture Market under the ticker symbol "SGMO."

III. Events Leading to This Chapter 11 Filing

46. In 2023, Sangamo announced a strategic transformation, repositioning itself as a neurology-focused genomic medicine company dedicated to the development of epigenetic regulation therapies and novel engineered AAV capsid delivery technology. Although this transformation reflected a deliberate and well-reasoned effort to build a focused, high-value business around the Company's most differentiated scientific capabilities, it coincided with the

loss of each of the Company's principal collaboration revenue streams that had collectively constituted the foundation of the Company's revenue base (including those from Biogen, Novartis, Kite, and Pfizer, as described in greater detail below), alongside a broader biotech investment contraction following the COVID-19 pandemic that resulted in a reduction in publicly available investment capital.

47. The loss of revenue put the Company under severe financial pressure and was compounded by the Company's unsuccessful pursuit of a commercialization partner for the Fabry Disease Program outside of a Chapter 11 process, a transaction that would have provided a critical source of capital needed to fund the ongoing neurology pipeline and broader operations. As each successive quarter passed without a resolution of the Fabry partnership process, the Company's liquidity position continued to deteriorate and its options narrowed.

48. On May 29, 2026, the Company's board of directors (the "**Board**") adopted resolutions appointing a restructuring committee of the Board (the "**Restructuring Committee**"), consisting of four directors,[4] to assist and make recommendations to the full Board in fulfilling its oversight responsibilities regarding the Company's financial, operational, and organizational restructuring and sale processes, with a mandate to ensure the Company achieves value maximization for all stakeholders. The Restructuring Committee is authorized to (i) review, analyze, and monitor the Company's financial and operational position, with full access to the Company's books, records, facilities, and personnel; (ii) develop and recommend restructuring strategies, including potential financing structures and asset sales; (iii) oversee the Company's

[4] The four directors serving on the Restructuring Committee are H. Stewart Parker, Robert F. Carey, Peg Horn, and John H. Markels, Ph.D.

management and retained advisors; and (iv) evaluate the feasibility, fairness, and impact of proposed restructuring plans. At the same meeting, the Board authorized the Company to engage financial, legal and restructuring advisors in connection with the Chapter 11 process.

49. Ultimately, the Board, with input from the Restructuring Committee, concluded that commencing the Chapter 11 Case was the best available means of preserving and maximizing value for all of the Company's stakeholders and providing the legal framework necessary to consummate the sale transactions contemplated in the Chapter 11 Case.

A. The 2023 Strategic Restructurings

50. On April 26, 2023, Sangamo executed a restructuring and reduction in workforce (the "**April 2023 Restructuring**") designed to reduce the Company's operating costs and increase its focus on three strategic priorities: (i) its preclinical neurology epigenetic regulation portfolio, including the Chronic Neuropathic Pain Program and Prion Disease Program; (ii) preparations for a potential Phase 3 clinical trial for its Fabry Disease Program; and (iii) an ongoing clinical study for renal transplant rejection. The April 2023 Restructuring led to a workforce reduction of approximately 110 roles, half of which were full time employees and half contracted employees, representing approximately 23% of the U.S. workforce as of April 26, 2023. The April 2023 Restructuring, together with other planned cost reduction initiatives, was expected to generate annualized savings of approximately $31 million.

51. On October 11, 2023, the Board approved a second restructuring (the "**November 2023 Restructuring**") designed to further reduce costs and advance the Company's strategic transformation into a neurology-focused genomic medicine company. The November 2023

Restructuring resulted in the elimination of 162 roles in the United States, including 108 full time and 54 contracted employees, representing approximately 40% of the U.S. workforce at that time.

52. In connection with the November 2023 Restructuring, the Company decided to begin the process of closing its Brisbane Facility, which had served as the Company's primary internal manufacturing facility, and transitioning its headquarters to Richmond, California effective January 1, 2024. In August 2025, the Company entered into the Brisbane Lease Amendment.

B. Wind Down of French Operations

53. Beginning in mid-2023, the Company actively sought additional investors or collaboration partners for its cell therapy programs based in Valbonne, France. Despite extensive efforts to secure such external investment or a collaboration partner for those early-stage programs, the Company was unable to identify a transaction on acceptable terms. Accordingly, on March 1, 2024, the Board approved the wind down of all French research and development activities and the closure of the Valbonne cell therapy manufacturing facility and research laboratories (the "**France Restructuring**"). The France Restructuring led to a reduction in approximately 24% of the Company's total global workforce through elimination of all 93 roles in France.

C. Termination of Major Collaboration Agreements

54. As the Company pursued its strategic transformation, it simultaneously experienced the termination or expiration of each of its major collaboration agreements that historically had served as the primary source of its revenues. In June 2023, the Company's collaboration partners, Novartis Institutes for BioMedical Research, Inc. ("**Novartis**") and Biogen MA Inc. ("**Biogen**"), elected to terminate for convenience their respective collaboration agreements with Sangamo,

following their internal strategic reviews. Upon effectiveness of each termination, the Company was no longer entitled to receive milestone payments or royalties from either counterparty, and neither Novartis nor Biogen retained any further obligation to develop, advance, or reimburse costs associated with the affected programs. The Company's collaboration agreement with another collaboration partner, Kite Pharma, Inc. ("**Kite**"), expired by its terms in April 2024 and was not renewed.

55. The combined financial impact of these events was severe. Revenues fell from $176.2 million in 2023 to $57.8 million in 2024, a decrease of $118.4 million, attributable primarily to the elimination of collaboration revenues previously generated under the Biogen, Novartis, and Kite agreements.

56. The loss of the collaboration revenues was further compounded in December 2024, when Pfizer notified Sangamo of its termination for convenience of the Pfizer Collaboration Agreement, following Pfizer's decision to not seek regulatory approval or commercialization of the Hemophilia A gene therapy that was ready for submission to regulatory authorities. Upon the effectiveness of the termination, all licenses and rights previously granted by Sangamo to Pfizer were extinguished, and Sangamo ceased to be entitled to any future royalties or milestone payments from Pfizer under the Pfizer Collaboration Agreement, including $220 million in milestone payments upon the submission of regulatory filings, which the Company anticipated would fund the ongoing neurology pipeline. The announcement of Pfizer's termination also triggered a market reaction, with the Company's stock declining by approximately 50% in the days immediately following the announcement, rendering equity financing as a meaningful source of capital effectively unavailable.

D. Efforts to Extend Cash Runway

57. Faced with mounting losses and shrinking revenue base, the Company undertook a series of equity financing transactions in an effort to extend its cash runway while it pursued partnerships and strategic alternatives.

58. The Board's financing committee (the "**Financing Committee**"), initially formed in 2017 and vested with the Board's full power and authority with respect to all equity financings of the Company, oversaw these efforts. The Financing Committee convened on a recurring basis to evaluate potential financing opportunities, establish parameters for sales under the Company's at-the-market facility, and approve the final terms of equity offerings.

59. In 2023, the Company raised approximately $15.1 million in net proceeds through sales under its at-the-market offering program. That same year, its stockholders approved an amendment to the Company's certificate of incorporation increasing the number of authorized shares of common stock to facilitate continued equity-based capital raises. In March 2024, the Company completed a registered direct offering generating net proceeds of approximately $21.9 million, and in June 2024, stockholders approved a further increase in authorized common stock.

60. Between 2025 and early 2026, the Company raised an aggregate of approximately $100.1 million through a combination of at-the-market sales and two underwritten public offerings. Although these transactions provided meaningful liquidity relief, the proceeds of each successive offering were insufficient to resolve the Company's long-term liquidity challenges.

E. New Partnerships and Licensing Agreements

61. In parallel with its equity raises, the Company pursued an active strategy of licensing its proprietary technology to generate additional capital, including through transactions with Genentech, Astellas, and Lilly.

62. On August 2, 2024, Sangamo and Genentech entered into the Genentech License Agreement, which granted Genentech exclusive licenses to Sangamo's zinc finger repressors directed to the tau gene and a second undisclosed neurology target, as well as an exclusive license to STAC-BBB for those targets. Sangamo received a $40.0 million upfront license fee in August 2024 and a $10.0 million technology-transfer milestone payment in October 2024. Additionally, Sangamo became eligible to earn up to $1.9 billion in development and commercial milestones plus tiered royalties on net sales.

63. In December 2024, Sangamo and Astellas entered into the Astellas License Agreement, which granted Astellas a worldwide exclusive license to STAC-BBB for one neurological target with the right to add up to four additional targets, and received a $20.0 million upfront license payment. Additionally, Sangamo became eligible to earn up to $1.3 billion in development and commercial milestones plus tiered royalties on net sales.

64. On April 2, 2025, Sangamo and Lilly entered into the Lilly License Agreement, which granted Lilly a worldwide exclusive license to STAC-BBB for one central nervous system target with the right to add up to four additional targets, and received an $18.0 million upfront license payment. Additionally, Sangamo became eligible to earn up to $1.4 billion in development and commercial milestones plus tiered royalties on net sales.

65. Notwithstanding the foregoing transactions, which generated incremental liquidity, none provided upfront payments sufficient to fully fund the Company's ongoing and planned operations.

F. Prepetition Efforts to Secure a Commercialization Partner for the Fabry Disease Program

66. Beginning in 2022, Sangamo undertook a multi-year effort to identify and secure a commercialization partner for its Fabry Disease Program, a transaction that would have provided the Company with long-term revenue potential necessary to fund its operations and preserve its going concern status. To maximize the Fabry Disease Program's appeal to prospective partners, the Company pursued a dual-track strategy of advancing its ongoing patient study to generate compelling clinical data while simultaneously seeking regulatory clarity in both the United States and Europe that would reduce the time and cost required to bring the therapy to market.

67. From 2022 to 2024, Sangamo engaged Bank of America, National Association ("**Bank of America**") to market the Fabry Disease Program to prospective commercialization partners. Bank of America conducted a broad outreach to top-tier biotech and pharma companies with existing gene therapy and rare disease programs. Sangamo presented the Fabry Disease Program to five of those companies. Of that group, one company advanced to a formal due diligence process but ultimately withdrew after being unable to identify an internal champion within its portfolio organization.

68. From 2024 to 2026, Sangamo engaged Evercore Inc. ("**Evercore**") to continue and expand the marketing effort for the Fabry Disease Program. Evercore conducted a comprehensive and wide-ranging outreach process spanning top-tier biotech and pharmaceutical companies with gene therapy, rare disease, and metabolic disease franchises. In total, more than twenty companies

were contacted as part of the Evercore outreach, including large-cap pharmaceutical companies, specialty rare disease companies, and private equity firms with healthcare portfolios. Nine parties participated in management presentations and Q&A sessions, and seven of those parties proceeded to formal due diligence. The process generated three term sheets from interested counterparties, with one party submitting three successive revised proposals and another submitting nine successive proposals over the course of the process, reflecting meaningful and sustained engagement with the Fabry Disease Program at the highest levels of those organizations.

69. Ultimately, however, none of those discussions resulted in a completed transaction. One party was unable to meet the requested economic terms and declined to continue. Another party was acquired during the process and subsequently withdrew to refocus its pipeline on a single geography. The third party that progressed furthest in the process withdrew prior to contract execution following concerns raised at their board level regarding the regulatory environment for gene therapy. Specifically, this party's concern was that the FDA might require an entirely new, large-scale clinical study involving additional patients as a precondition to approval, separate from the Company's existing patient study.

70. Those regulatory concerns reflected a broader set of conditions in the gene therapy landscape. During this time period, 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 and difficult to rely upon for planning purposes. Taken together, these conditions materially elevated the perceived risk profile of investment in gene therapy assets among prospective commercialization partners. As described below, written FDA confirmation of the

regulatory pathway became essential before any commercialization transaction could be completed.

71. In June 2024, Sangamo held a productive meeting with the European Medicines Agency, the European counterpart to the FDA, regarding a proposed pathway to potential approval of the Fabry therapy in Europe. Thereafter, in October 2024, Sangamo conducted a formal meeting with the FDA, the outcome of which provided the Company with a significantly accelerated regulatory pathway to potential approval of the Fabry therapy in the United States, as the FDA provided written meeting minutes confirming its positions. In those written minutes, the FDA confirmed that data from the Company's existing patient study could serve as the primary basis for marketing application approval, a determination that the Company believed would enable it to seek approval approximately three years earlier than previously estimated and would eliminate the need for an additional large-scale patient trial entirely.

72. In October 2025, the Company held a second formal meeting with the FDA to discuss the proposed efficacy and safety data package for Fabry. In the written meeting minutes from that meeting, the FDA reiterated its October 2024 agreement to support an accelerated approval pathway, providing a second formal written confirmation of the Company's regulatory position. Encouraged by these regulatory milestones, Sangamo initiated the preparatory work necessary to submit a formal marketing approval application to the FDA on a rolling basis. Simultaneously, the Company intensified its business development outreach to potential commercialization partners.

73. In December 2025, the Company began submitting the initial portions of its application to the FDA, starting with the sections addressing the scientific rationale and patient

study supporting the therapy's safety and effectiveness, and in parallel, maintained an active dialogue with European regulators on a proposed approval pathway for the therapy in Europe. The Company additionally continued to develop the remaining chemistry, manufacturing, and controls module of the FDA application and expected to complete the full submission as early as the summer of 2026, subject to securing adequate additional funding.

74. In early 2026, the Company presented detailed patient study results in four separate presentations at the 22nd Annual WORLDSymposium, a leading international medical conference on Fabry disease, showcasing data on kidney function preservation, heart health outcomes, and the long-term durability of the therapy's effects. These presentations were intended to raise the Fabry Disease Program's profile among the scientific and medical communities, and to generate renewed interest among prospective commercialization partners.

75. Notwithstanding the regulatory clarity obtained through the October 2024 and October 2025 FDA meetings, the Company recognized that concerns among prospective partners regarding the potential for a new large-scale clinical trial remained an impediment to completing a commercialization transaction. To address this concern and to provide prospective partners with the highest possible degree of regulatory certainty, the Company retained First Principles Strategies, a Washington, D.C.-based FDA government affairs and strategic communications firm, and Frank Sasinowski of Hyman, Phelps & McNamara, P.C., the Company's regulatory counsel, to proactively engage with the FDA and seek express written confirmation that the Company's existing patient study could serve as the confirmatory trial for purposes of accelerated approval. In April 2026, through this coordinated outreach effort, the Company submitted formal correspondence to the FDA requesting this additional clarity.

76. This effort produced an important result. In May 2026, the Company received correspondence from the Acting Director, Office of Therapeutic Products, of the FDA, expressly confirming there would not be a need for a separate large-scale clinical trial involving additional patients as a precondition to approval. This written confirmation from the Acting Director directly addressed the principal regulatory concern that had caused multiple prospective commercialization partners to withdraw from the marketing process, and the Company promptly shared this development with interested counterparties, including parties who had previously withdrawn from the process.

77. Although the Company was unable to consummate a commercialization transaction for Fabry within a timeframe that could address its liquidity needs prior to the Petition Date, the FDA's written confirmation in May 2026 proved instrumental in renewing interest from prospective partners, most notably, Astellas, which re-engaged with the Company to serve as the stalking horse bidder for the Fabry Disease Program, as described more fully below.

G. Deterioration of the Company's Financial Condition

78. Over the three fiscal years from 2023 through 2025, the Company sustained aggregate net losses in excess of $478 million. During this time period, the Company's annual revenues declined from $176.2 million in 2023 to $39.6 million in 2025, a reduction of more than 77%, attributable in substantial part to the reduction in collaboration-based revenues from Novartis, Biogen, Kite, and Pfizer on which the Company historically relied.

79. The Company's liquidity position likewise declined. Cash, cash equivalents, and marketable securities decreased from $307.5 million as of December 31, 2022, to $20.9 million by December 31, 2025. In light of these conditions, the Company's financial statements contained

going-concern determinations in each successive annual and quarterly report during the same time period.[5]

H. The Lilly Sale

80. Building upon Lilly's existing familiarity with Sangamo's proprietary capsid technology through the Lilly License Agreement, the Company and Lilly engaged in negotiations regarding a broader transaction for the acquisition of Sangamo's neurological technology platform assets.

81. Those negotiations culminated in the execution of the Asset Purchase Agreement (the "**Lilly Stalking Horse APA**"), pursuant to which Lilly's wholly owned subsidiary, Merope, has agreed to serve as a stalking horse bidder for the Lilly Assets in connection with the Lilly Sale. The purchase price for the Lilly Assets under the Lilly Stalking Horse APA is $50 million, plus the assumption of certain liabilities.

I. The Astellas Sale

82. Astellas and Sangamo have an established commercial relationship dated to December 2024, when the parties entered into the Astellas License Agreement. Astellas had also evaluated the Fabry Disease Program during the Company's prepetition marketing efforts conducted through Evercore. Similar to other prospective counterparties at the time, however, Astellas did not proceed to a definitive transaction during that time period, sharing in the concern that the FDA could have required an entirely new, large-scale clinical study involving additional

[5] During this time period, the Company also experienced difficulty maintaining compliance with Nasdaq's minimum bid price requirement. On April 28, 2026, Nasdaq notified the Company of its determination to delist its common stock with trading subsequently suspended and the Company's shares commencing trading on the OTCQB Venture Market on May 5, 2026.

patients as a precondition to approval of the Fabry therapy, separate from the Company's existing patient study.

83. That concern was directly and definitively resolved in May 2026, when the Company received written correspondence from the FDA, expressly confirming that no separate clinical trial involving additional patients would be required as a precondition to approval of the Fabry therapy. This written confirmation proved instrumental in renewing Astellas's interest in acquiring the Fabry Disease Program, and Astellas re-engaged with the Company shortly thereafter. Those discussions culminated in the negotiation and execution of the stalking horse asset purchase agreement with Astellas (the "**Astellas Stalking Horse APA**"), pursuant to which Astellas has agreed to serve as the stalking horse bidder in connection with the Astellas Sale.

84. The assets subject to the Astellas Stalking Horse APA comprise substantially all of the assets of the Fabry Disease Program, which the Company has been developing and investigating in clinical trials. The principal asset being acquired is isaralgagene civaparvovec (code named by the Company ST-920), the Company's product candidate for the treatment of Fabry disease, as well as certain related assets, including the associated intellectual property, inventory, tangible personal property, and certain contracts (the "**Astellas Assets**"). The Company structured the Astellas Stalking Horse APA to avoid any overlap with the Lilly Assets subject to the Lilly Stalking Horse APA.

85. The aggregate consideration for the Astellas Assets consists of $25 million payable in cash at closing, plus up to an additional $25 million upon the achievement of certain specified milestones.

J. The DIP Facility

86. In early June 2026, the Company engaged Raymond James & Associates, Inc. ("**Raymond James**") as investment banker to assist in evaluating and pursuing strategic alternatives for the Company's assets, including the assets subject to the Lilly Stalking Horse APA and the Astellas Stalking Horse APA, with the objective of identifying qualified bidders for the Company's assets and ensuring that the contemplated sale processes generate the highest and best available value for the estate.

87. Prior to the Petition Date, Raymond James additionally conducted an accelerated process to identify and secure postpetition financing for the Debtor, conducting outreach to twenty-one financing parties across the institutional lending and special situation markets, including sophisticated DIP lenders, specialty credit funds, life sciences lenders, and other parties with experience providing financing in distressed situations.

88. Of those contacted, Northridge (associated with JMB Capital Partners) was the most responsive, submitting three successive proposals, including a formal term sheet on June 16, 2026. In addition to this proposal, the Company worked with Lilly, in its capacity as the prospective buyer under the Lilly Stalking Horse APA, on a DIP proposal. The Company also received and considered a preliminary, non-binding proposal from a third party submitted on the evening of June 20, 2026. After careful evaluation of each proposal, the Debtor and the Restructuring Committee, in consultation with Raymond James and the Debtor's legal advisors, determined that the Northridge proposal represented the best financing option reasonably available to it under the circumstances, providing the maximum flexibility to pursue the dual-track sale process and to maximize value for all stakeholders.

89. As set forth in the DIP Motion and declarations filed in support thereof, the DIP Facility is a non-amortizing, senior secured superpriority term loan facility in an aggregate principal amount not to exceed $30 million. A portion of the DIP Facility will be available upon entry of the interim DIP order, with the full amount of the DIP Facility available upon entry of the final DIP order. The DIP Facility bears interest at 12.0% per annum with a default rate of an additional 2.0% per annum. In addition to interest, the Debtor is obligated to pay a commitment fee, an exit fee, as well as a one-time work fee. The DIP Facility matures on the earliest of December 30, 2026, or earlier upon the occurrence of certain events, including the effective date of any confirmed Chapter 11 plan, the consummation of a sale of all or substantially all of the Company's assets, or the dismissal or conversion of the Chapter 11 Case. Upon entry of the interim DIP order, substantially all of the Debtor's assets will be encumbered by the DIP liens granted to Northridge as security for the DIP Facility.

K. Decision to Commence the Chapter 11 Case

90. On June 18, 2026, having evaluated all available strategic alternatives and finding no viable path to address the Company's liquidity needs outside of a court-supervised process, the Board, with input from the Restructuring Committee and the Company's legal and financial advisors, determined that commencing a Chapter 11 proceeding and conducting the contemplated sale transactions under the supervision of this Court represented the best available means of maximizing value for the benefit of the Debtor's creditors and all other stakeholders.

91. On the Petition Date, the Debtor commenced the Chapter 11 Case to implement the proposed sale transactions through a fair, transparent, and value-maximizing process.

IV. Chapter 11 Strategy and Objectives

92. The Debtor commences the Chapter 11 Case with a clear and focused set of objectives designed to maximize the value of its estate for the benefit of all creditors and stakeholders. The Company's restructuring strategy is built on two sale tracks, each to be conducted through a competitive, court-supervised process pursuant to Section 363 of the Bankruptcy Code. Together these two processes are designed to ensure that each of the Company's principal asset groups is marketed to the broadest possible audience of qualified bidders, that stalking horse bids establish a meaningful value floor for each asset group, and that the Bankruptcy Court retains full oversight of both processes to protect the interests of all stakeholders.

93. With respect to the Lilly Sale, the Debtor intends to move expeditiously to seek approval of the bidding procedures and to conduct the marketing process that provides all qualified parties a full and fair opportunity to submit competing bids for the Lilly Assets identified in the Lilly Stalking Horse APA. I believe that the Lilly Stalking Horse APA and the consideration to be provided by Lilly through Merope, as the stalking horse bidder, establish a meaningful value floor for those assets and will serve to attract additional interest from prospective bidders. The Debtor will seek to complete the sale of the Lilly Assets and obtain Court approval of such sale to the highest or best bidder pursuant to the timeline reflected in the Debtor's bidding procedures to be approved by the Court.

94. In parallel, and pursuant to the same bidding procedures, the Debtor intends to conduct a marketing and bidding process for the Fabry Disease Program. The Fabry Disease Program's clinical and regulatory profile has been significantly strengthened by the FDA's written confirmation that no additional large-scale clinical trial would be required as a precondition to

approval, a development that directly addressed the principal regulatory concern that had deterred multiple prospective partners during the Company's prepetition marketing efforts and that was instrumental in renewing Astellas's interest in acquiring the Fabry Disease Program. I believe that Astellas's stalking horse bid establishes a credible value floor for the Fabry Disease Program and will serve as a platform for a robust and competitive sale process.

95. The Debtor recognizes that the success of its objectives depends in significant measure on the pace of these proceedings. The Company's liquidity position remains tight, and the DIP Facility, while sufficient to fund the administration of the Chapter 11 Case in the near term, underscores the imperative of moving through the restructuring process expeditiously. Delay carries real costs, both financial and operational, and the Debtor is committed to prosecuting the Chapter 11 Case on an expedited timeline that preserves optionality, minimizes administrative expense, and delivers the best available outcome for the estate, its creditors, and other stakeholders.

96. To that end, the Debtor has filed, concurrently with this declaration, the First Day Motions designed to stabilize operations, preserve relationships with remaining employees, and establish the procedural framework necessary to administer the Chapter 11 Case efficiently. Additionally, the Debtor has filed the Financing and Sale Process Motions. For the reasons set forth in greater detail below, I believe the relief requested in the First Day Motions and the Financing and Sale Process Motions is necessary and appropriately balances the Debtor's need to proceed expeditiously with the transactions described herein and the resolution of the Chapter 11 Case.

V. Support for First Day Motions

97. Contemporaneously herewith, the Debtor has filed certain First Day Motions seeking orders granting various forms of relief intended to facilitate the efficient administration of the Chapter 11 Case and otherwise maximize and preserve the value of the estate. The First Day Motions include the following:

- *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Pay Certain Prepetition Wages, Salaries, Employee Benefits, and Other Compensation and (B) Maintain and Honor Employee Medical and Other Benefit Programs; (II) Modifying Automatic Stay with Respect to the Workers' Compensation Program, and (III) Granting Related Relief* (the "**Wages Motion**");

- *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing the Debtor (A) to Continue Use of its Existing Cash Management System, Bank Accounts, Checks, Corporate Credit Cards, and Business Forms, (B) to Pay Related Prepetition Obligations and (C) to Perform Intercompany Transactions with its Foreign Non-Debtor Subsidiaries in the Ordinary Course; (II) Extending Time to Comply with 11 U.S.C. § 345(b); (III) Waiving Compliance with Certain of the U.S. Trustee Guidelines; and (IV) Granting Related Relief* (the "**Cash Management Motion**");

- *Motion of the Debtor for Entry of Interim and Final Orders (I) Approving the Debtor's Proposed Form of Adequate Assurance of Payment to Utility Companies, (II) Establishing Procedures for Resolving Objections by the Utility Companies, (III) Prohibiting the Utility Companies from Altering, Refusing, or Discontinuing Service, and (IV) Granting Related Relief* (the "**Utility Motion**");

- *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing the Debtor to Pay Certain Prepetition Taxes & Fees and (II) Granting Related Relief* (the "**Tax Motion**");

- *Motion of the Debtor for Entry of Interim and Final Orders (I) Establishing Notice and Objection Procedures for Transfers of Equity Securities, (II) Establishing a Record Date for Notice and Sell-Down Procedures for Trading in Claims Against the Debtor's Estate, and (III) Granting Related Relief* (the "**NOL Motion**");

- *Application of the Debtor for Entry of an Order (I) Authorizing the Debtor to Employ and Retain Kurtzman Carson Consultants, LLC dba Verita Global as Claims and Noticing Agent Effective as of the Petition Date and (II) Granting Related Relief* (the "**Verita Retention**"); and

- *Motion of the Debtor for Entry of Interim and Final Orders (I) Authorizing Debtor to Redact Certain Personally Identifiable Information in the Creditor Matrix and Certain Other Documents, (II) Modifying the Requirement to File a List of All Equity Security Holders and Modifying Notice Thereto, and (III) Granting Related Relief* (the "**Redaction Motion**").

98. I am familiar with the content and substance contained in each First Day Motion and believe that the relief sought in each motion (a) is necessary to enable the Company to enter Chapter 11 with limited interruptions to its ordinary course operations, (b) constitutes a critical element in the Company's effort to conduct value-maximizing postpetition sale transactions, and (c) best serves the Debtor's estate and interests of its stakeholders. I have reviewed each of the First Day Motions, and the facts set forth therein are true and correct and incorporated herein in their entirety by reference. If asked to testify as to the facts supporting each of the First Day Motions, I would testify to the facts as set forth in such motions.

99. In my capacity as Chief Legal Officer of the Company and based upon my review of various materials and information provided to me by personnel familiar with the Debtor's operations and discussions with such personnel and the Debtor's advisors, I believe that the relief requested in the First Day Motions is necessary to the success of the Debtor's Chapter 11 efforts and essential to avoid immediate and irreparable harm to the Debtor's estate. In considering the necessary first-day relief, the Debtor's advisors and I narrowed the relief requested at the outset of this Chapter 11 Case to only those matters that require urgent relief to preserve value during the pendency of the Chapter 11 Case.

VI. Support for the Financing and Sale Process Motions

A. The DIP Motion

100. Concurrently herewith, the Debtor filed 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 (the "**DIP Motion**") and supporting declarations of Nicholas K. Campbell, Managing Partner at MERU, LLC and Geoffrey Richards, Co-Head of Capital Structure Advisory at Raymond James. The DIP Facility would provide the Debtor with total financing of up to $30 million in a new money term loan made available in multiple draws, including $10.5 million upon entry of the interim DIP order.

101. As explained in greater detail in the DIP Motion and supporting declarations, the Debtor has an immediate and critical need to obtain access to the DIP Facility, including on an interim basis, in order to continue the Debtor's operations and fund the administration of the Chapter 11 Case. Without access to the DIP Facility, the Debtor will be unable to pay the costs and expenses of administering the Chapter 11 Case, maintain its ongoing operations, meet its payroll obligations, and pursue the Lilly Sale and the Astellas Sale through the postpetition sale process.

102. For the reasons set forth in the DIP Motion and supporting declarations, I believe the terms of the DIP Facility are fair, reasonable, and the best available to the Debtor under the circumstances. I therefore believe that approval of the DIP Motion is in the best interest of the Debtor's estate and all stakeholders.

B. The Bidding Procedures Motion

103. On the Petition Date, the Debtor also filed 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 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, 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 (the "**Bidding Procedures Motion**") and the declaration of Geoffrey Richards in support thereof.

104. Through the Bidding Procedures Motion, the Debtor is seeking, among other things: (i) approval of bidding procedures to govern the postpetition marketing and sale of the Debtor's assets; (ii) approval of the Debtor's entry into the Lilly Stalking Horse APA and the Astellas Stalking Horse APA, and the bid protections provided thereunder; (iii) authority to designate one or more additional stalking horse bidders for any remaining assets not covered by the Lilly Stalking Horse APA or the Astellas Stalking Horse APA; (iv) approval of procedures for the assumption and assignment of executory contracts and unexpired leases in connection with any sale transaction; and (v) scheduling of an auction, a sale hearing, and related notice and objection deadlines.

105. I believe the relief requested in the Bidding Procedures Motion will best position the Debtor and its professionals to maximize the value of the Debtor's assets. As noted above, the assets to be marketed and sold through the postpetition sale process include the Lilly Assets and the Astellas Assets, for which the Debtor has secured stalking horse bidders in advance of the Petition Date. These stalking horse bids establish the floor for further bidding that may increase the consideration received in exchange for such assets and provide significant value to the Debtor's

estate. The Debtor additionally seeks authority to designate one or more stalking horse bidders for any assets not subject to the existing stalking horse agreements.

106. The proposed bidding procedures establish a structured framework for the conduct of the postpetition marketing process, including qualification requirements for potential bidders, minimum bid requirements, bid deadline and deposit provisions, auction mechanics, procedures for the selection of the successful bid and any backup bid, and assumption and assignment procedures for executory contracts and unexpired leases. The proposed sale timeline in the bidding procedures is designed to be calibrated to the Debtor's limited liquidity position.

107. For the reasons set forth in the Bidding Procedures Motion and declaration filed in support thereof, I believe that the proposed bidding procedures promote a competitive, open, and fair postpetition marketing process, provide all interested parties a full and fair opportunity to submit competing bids for the Debtor's assets, and maximize the value realized by the estate for the benefit of all creditors and stakeholders. Accordingly, I respectfully submit that the requested relief should be approved.

* * *

108. For the reasons set forth in each of the First Day Motions and the Financing and Sale Process Motions, I respectfully request that each of these motions be granted in its entirety, along with such other relief that the Court deems just and proper.

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

Dated: June 23, 2026

/s/ *Scott B. Willoughby*

Name: Scott B. Willoughby
Title: SVP, Chief Legal Officer and Corporate Secretary