



Sangamo Therapeutics Announces Research Evaluation and Option Agreement With Prevail, a Wholly Owned Subsidiary of Lilly, for Novel Engineered Capsids

July 17, 2023

BRISBANE, Calif.--(BUSINESS WIRE)--Jul. 17, 2023-- Sangamo Therapeutics, Inc. ("Sangamo", Nasdaq: SGMO), a genomic medicine company, today announced it has signed an evaluation and option agreement with Prevail Therapeutics ("Prevail"), a wholly owned subsidiary of Eli Lilly and Company, through which Prevail has been granted rights to evaluate certain proprietary adeno-associated virus (AAV) capsids developed by Sangamo and may exercise certain options to license these capsids for multiple undisclosed neurological targets. Generated through Sangamo's AAV capsid engineering platform, SIFTER (Selecting In vivo For Transduction and Expression of RNA), these capsids have demonstrated a potential for high efficiency delivery of investigatory gene therapy constructs to the central nervous system in pre-clinical animal models following administration into the cerebrospinal fluid and seek to optimize delivery of therapeutics to a range of previously inaccessible areas.

"We believe these innovative new capsids have the potential to broaden addressable indications in the field of genomic medicines, opening up potential new treatment options for patients in need," said Mark McClung, Chief Operating Officer at Sangamo. "This agreement highlights the value of our AAV capsid engineering program, not only for the discovery of novel capsids for the advancement of our wholly owned programs, but also as an opportunity to work with partners to broaden the scope of diseases addressable with AAV gene therapy. We are thrilled to work with Prevail to evaluate our novel capsids for neurological targets and are pleased that other genomic medicine companies recognize their potential value."

Under the terms of the global agreement, Prevail will evaluate Sangamo's proprietary capsids by performing *in vitro* and *in vivo* studies, with an option to obtain an exclusive license to use the capsids for certain neurological targets. Sangamo will provide the capsids to Prevail for evaluation in exchange for an upfront payment. If Prevail exercises its option for all targets, and a Prevail product is approved in the U.S. and Europe for each target, Sangamo would be eligible to receive exercise fees and developmental milestones of up to approximately \$415 million and commercial milestones of up to approximately \$775 million, in addition to tiered royalties based on net sales of Prevail products incorporating the licensed capsids. Prevail would lead all further development, manufacturing and commercialization of products incorporating the licensed capsids.

About Sangamo Therapeutics

Sangamo Therapeutics is a clinical-stage biopharmaceutical company with a robust genomic medicines pipeline. Using ground-breaking science, including our proprietary zinc finger genome engineering technology and manufacturing expertise, Sangamo aims to create new genomic medicines for patients suffering from diseases for which existing treatment options are inadequate or currently don't exist. To learn more, visit www.sangamo.com and connect with us on [LinkedIn](#) and [Twitter](#).

Sangamo Forward Looking Statements

This press release contains forward-looking statements based on Sangamo's current expectations. These forward-looking statements include, without limitation, statements relating to capsid potential for high efficiency delivery of investigatory gene therapy constructs to the central nervous system in pre-clinical animal models, the potential to address the issue of delivery of therapeutics to a range of previously inaccessible areas, the potential for Prevail to exercise its option agreement and for Sangamo to earn milestone payments and royalties, and the potential to use Sangamo capsids to deliver therapies treating neurological diseases. These statements are not guarantees of future performance and are subject to certain risks and uncertainties that are difficult to predict. Factors that could cause actual results to differ include, but are not limited to, the research development process, including the results of clinical trials; the regulatory approval process for product candidates; the potential for technological developments that obviate technologies used by Sangamo and its collaborators; the COVID-19 pandemic; the potential for Prevail to breach or terminate its agreement with Sangamo; and the potential for Sangamo to fail to realize its expected benefits of the Prevail collaboration. Actual results may differ from those projected in forward-looking statements due to risks and uncertainties that exist in Sangamo's operations and business. These risks and uncertainties are described more fully in our Securities and Exchange Commission filings and reports, including in our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022. Forward-looking statements contained in this announcement are made as of this date, and Sangamo undertakes no duty to update such information except as required under applicable law.

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Investor Relations & Media Inquiries

Louise Wilkie

ir@sangamo.com

media@sangamo.com

Business Development Inquiries

BusDev@Sangamo.com

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