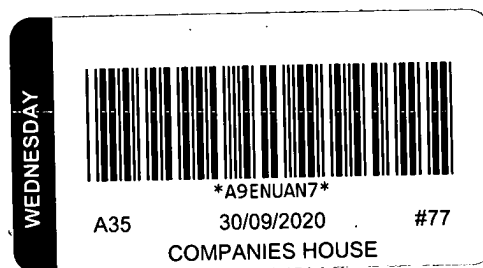


Registered number: 03756817

SANGAMO THERAPEUTICS UK LTD

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2019



SANGAMO THERAPEUTICS UK LTD
REGISTERED NUMBER: 03756817

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	4	70,413	76,663
Cash at bank and in hand		57,060	24,747
		127,473	101,410
Creditors: amounts falling due within one year	5	(3,110,882)	(862,427)
Net current liabilities		(2,983,409)	(761,017)
Total assets less current liabilities		(2,983,409)	(761,017)
Capital and reserves			
Called up share capital		-	-
Share option reserve	7	1,156,049	351,663
Profit and loss account		(4,139,458)	(1,112,680)
Shareholder's deficit		(2,983,409)	(761,017)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Duncan McKay (Sep 23, 2020 10:18 GMT+1)

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Duncan Stuart McKay
Director

Date: Sep 23, 2020

The notes on pages 2 to 7 form part of these financial statements.

SANGAMO THERAPEUTICS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Sangamo Therapeutics UK Ltd is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is Carrick House, Lypiatt Road, Cheltenham, Gloucestershire, United Kingdom, GL50 2QJ. The company is registered at Companies House England and Wales. The registered number is 03756817.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

No rounding has been applied.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has continued financial support as needed from the parent company to provide capital to meet liabilities when they fall due.

The COVID-19 pandemic has not had a significant, immediate impact on the company's operations but the directors are aware that if the current situation becomes prolonged then this may change. The directors have sought and received assurances from the parent company that financial support will be forthcoming for the next 12 months.

Having regard to the above and in assessing the going concern the directors have confirmed continued financial support will be provided for the foreseeable future on that basis, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

SANGAMO THERAPEUTICS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.5 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

SANGAMO THERAPEUTICS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2018 - 3).

SANGAMO THERAPEUTICS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Debtors

	2019 £	2018 £
Other debtors	59,988	47,250
Prepayments and accrued income	10,425	29,413
	<u>70,413</u>	<u>76,663</u>

5. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	2,745,311	649,949
Other taxation and social security	36,334	-
Accruals and deferred income	329,237	212,478
	<u>3,110,882</u>	<u>862,427</u>

6. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 -) Ordinary share of £0.01	-	-
	<u>-</u>	<u>-</u>

SANGAMO THERAPEUTICS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Share based payments

Employees of the company are entitled to participate in the share incentive scheme of the parent company, Sangamo Therapeutics, Inc, subject to the terms and conditions as set out in the company's stock option plan. As part of this scheme, the employees were entitled to either stock options or restricted stock units ("Awards").

The fair value of the options and awards granted are measured using the Black-Scholes model and the fair value of the units granted during the year was measured based on the NASDAQ market closing share price on date of grant.

The weighted average fair value was \$9.43.

	Weighted average exercise price (\$) 2019	Number 2019	<i>Weighted average exercise price (\$) 2018</i>	<i>Number 2018</i>
Outstanding at the beginning of the year	18.08	256,250		-
Granted during the year	9.49	221,350	18.08	256,250
Restricted stock units released in the year	n/a	(4,573)		-
Expired during the year	9.03	(28,000)		-
Outstanding at the end of the year	14.62	445,027	18.08	256,250

Of the outstanding options and awards at the year end there were 408,000 share options and 37,027 restricted stock units.

Details of outstanding options and awards as at 31 December 2019 is shown below:

	2019	<i>2018</i>
31 January 2018	60,000	60,000
19 March 2018	60,000	60,000
25 July 2018	73,333	75,000
24 August 2018	23,333	24,500
25 September 2018	23,345	24,500
23 November 2018	11,666	12,250
25 February 2019	155,750	-
25 July 2019	37,600	-
	445,027	256,250

SANGAMO THERAPEUTICS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£	£
Share based payment expense	<u>804,386</u>	<u>351,663</u>

8. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £36,981 (2018 - £11,374). Contributions totalling £6,287 (2018 - £4,088) were payable to the fund at the reporting date and are included in creditors.

9. Related party transactions

The company has taken advantage of the exemption available under section 33.1A of Financial Reporting Standard 102, not to disclose transactions with other wholly owned members of this group.

10. Post balance sheet events

In the light of the current climate in relation to the COVID-19 pandemic the Directors have reviewed the Company's finances which confirm that the Company has adequate support and funding available from its parent entity, Sangamo Therapeutics, Inc., to continue in operational existence for the foreseeable future. The Directors believe there are no material uncertainties that call into doubt the Company's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the Company is a going concern.

In July 2020, Sangamo Therapeutics UK Limited entered into an intercompany income agreement with its parent entity Sangamo Therapeutics, Inc. whereby Sangamo Therapeutics UK Limited will invoice Sangamo Therapeutics, Inc. on a cost plus basis.

11. Controlling party

The company is a wholly owned subsidiary of Sangamo Therapeutics, Inc., a company incorporated in the US, registered office 7000 Marina Boulevard, Brisbane, CA, 94005, USA.

Sangamo Therapeutics, Inc. prepares consolidated financial statements into which the company is consolidated and represents both the largest and smallest consolidated accounts into which the company is consolidated. Copies of Group financial statements are available at Sangamo's website.

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 25 September 2020 by Chris Mould (Senior statutory auditor) on behalf of Crowe U.K. LLP.