

SANGAMO BIOSCIENCES INC

Form 424B5

December 07, 2016

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-194126

Prospectus Supplement

(To Prospectus dated April 29, 2016)

\$75,000,000

Sangamo BioSciences, Inc.

Common Stock

We have entered into a sales agreement with Cowen and Company, LLC (Cowen), relating to shares of our common stock, \$0.01 par value per share, offered by this prospectus. In accordance with the terms of the sales agreement, we may offer and sell shares of our common stock having an aggregate offering price of up to \$75,000,000.

Investing in our common stock involves a high degree of risk. See **Risk Factors** beginning on page S-6 of this prospectus supplement.

Our common stock is listed on The NASDAQ Global Market under the symbol **SGMO**. On December 6, 2016, the last reported sale price of our common stock on The NASDAQ Global Market was \$3.00 per share.

Upon our delivery of a placement notice and subject to the terms and conditions of the sales agreement, Cowen may sell our common stock by methods deemed to be an **at the market offering** as defined in Rule 415 promulgated under the Securities Act of 1933, as amended (Securities Act), including sales made directly on The NASDAQ Global Market, on any other existing trading market for our common stock or to or through a market maker. In addition, with our prior written approval, Cowen may also sell our common stock in negotiated transactions. Cowen will act as sales agent using its commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between Cowen and us. There is no arrangement for funds to be received in any escrow, trust or similar arrangement.

We will pay Cowen a commission, or allow a discount, for its services in acting as agent and/or principal in the sale of common stock equal to 3.0% of the gross sales price per share of all shares sold through it as agent under the sales agreement.

In connection with the sale of common stock on our behalf, Cowen may be deemed to be an **underwriter** within the meaning of the Securities Act and the compensation to Cowen will be deemed to be underwriting commissions or

discounts. We have also agreed to provide indemnification and contribution to Cowen with respect to certain liabilities, including liabilities under the Securities Act.

Investing in our common stock involves a high degree of risk. Please read the information contained in and incorporated by reference under the heading Risk Factors beginning on page S-6 of this prospectus supplement, the sections captioned Risk Factors in our most recently filed Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are incorporated by reference into this prospectus supplement, and under similar headings in the other documents that are filed after the date hereof and incorporated by reference into this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Cowen and Company

December 7, 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus dated April 29, 2016 is part of a shelf registration statement on Form S-3 we initially filed on February 25, 2014 with the Securities and Exchange Commission which became effective on the same date, and was subsequently amended and became effective on April 29, 2016. By using a shelf registration statement, we may sell shares of common stock, preferred stock, debt securities, warrants to purchase common stock and/or warrants to purchase preferred stock, as described in the accompanying prospectus, from time to time in one or more offerings, of which an aggregate of \$75 million may be sold in this offering in the form of shares of common stock.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this common stock offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference herein. The second part, the accompanying prospectus, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus or any document incorporated by reference therein filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement; provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

You should rely only on the information contained in this prospectus supplement or the accompanying prospectus, or incorporated by reference herein. We have not authorized, and Cowen has not authorized, anyone to provide you with information that is different. The information contained in this prospectus supplement or the accompanying prospectus, or incorporated by reference herein, is accurate only as of the respective dates thereof, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of our common stock. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, in making your investment decision. You should also read and consider the information in the documents to which we have referred you in the sections entitled *Where You Can Find More Information* and *Incorporation of Certain Information by Reference* in this prospectus supplement and in the accompanying prospectus.

We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

Unless otherwise stated, all references in this prospectus supplement and the accompanying prospectus to we, us, our, Sangamo, the Company and similar designations refer to Sangamo BioSciences, Inc. and its subsidiaries on a consolidated basis.

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SUMMARY

*This summary highlights certain information about us, this offering and selected information contained elsewhere in or incorporated by reference in this prospectus supplement. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in our common stock. For a more complete understanding of our company and this offering, we encourage you to read and consider carefully the more detailed information in this prospectus supplement and the accompanying prospectus, including the information referred to under the heading *Risk Factors* in this prospectus supplement beginning on page S-6, the information incorporated by reference in this prospectus supplement and the accompanying prospectus, and the information included in any free writing prospectus that we have authorized for use in connection with this offering.*

Our Business

Overview

We are the leading company in the field of therapeutic genome editing which we are applying to Engineer Genetic Cures[®] for numerous gene-based diseases. As a clinical stage biopharmaceutical company we are focused on the development of gene therapies including the research, development and commercialization of engineered DNA-binding proteins for therapeutic genome editing and gene regulation. Our proprietary zinc finger DNA-binding protein (ZFP) technology enables efficient and highly specific genome editing and gene regulation and we are developing ZFP Therapeutics[®] and gene therapies for the treatment of genetic disease. We have several proprietary clinical and preclinical programs in development and have strategically partnered certain programs with biopharmaceutical companies to obtain funding for our own programs and to expedite clinical and commercial development. Our long-term goal is to forward integrate into manufacturing, development and commercial operations to more fully capture the value of our proprietary ZFP Therapeutic and gene therapy products.

We, and our licensed partners, are the leaders in the research, development and commercialization of ZFPs, a naturally occurring class of proteins found in humans. We have used our knowledge and expertise to develop a proprietary technology platform in both genome editing and gene regulation. ZFPs can be engineered to make ZFP nucleases (ZFNs), proteins that can be used to specifically modify DNA sequences by adding or knocking out specific genes (genome editing) and ZFP transcription factors (ZFP TFs), proteins that can be used to turn genes on or off (gene regulation). As ZFPs act at the DNA level, they potentially have broad and fundamental applications in several areas, including human therapeutics, plant agriculture and research reagents, including the production of transgenic animals and cell-line engineering. In the process of developing this platform we have accrued significant scientific, manufacturing and regulatory capabilities and know-how that is generally applicable in the broader field of gene therapy.

The main focus for our company is the development of novel human therapeutics. We have initiated a Phase 1/2 study of an *in vivo* ZFN-mediated genome editing application for the treatment of hemophilia B and expect to initiate Phase 1/2 studies of similar approaches for the treatment of Mucopolysaccharidosis I (MPS I) and Mucopolysaccharidosis II (MPS II), which are lysosomal storage disorders (LSD). We also have plans to initiate a Phase 1/2 AAV Factor 8 cDNA gene therapy program for hemophilia A. In addition, we have ongoing Phase 1/2 and Phase 2 clinical programs to evaluate genome edited autologous hematopoietic stem cell and T-cell products, respectively, for the treatment of HIV/AIDS.

We have additional proprietary preclinical programs in hemophilia A and other LSDs and research stage programs in other monogenic diseases, certain central nervous system (CNS) disorders and cancer immunotherapy.

We have established a strategic collaboration with Bioverativ, the planned spin-off company of Biogen, Inc., for rare blood disorders, for the development of ZFP Therapeutics for hemoglobinopathies, including sickle cell disease and beta-thalassemia. We also have a collaborative partnership with Shire International GmbH, formerly Shire AG, to research, develop and commercialize our preclinical ZFP Therapeutic development program in Huntington's disease.

We have entered into strategic partnerships in fields outside human therapeutics to facilitate the sale or licensing of our ZFP platform. We have a license agreement with Sigma-Aldrich Corporation (Sigma). Under this agreement, Sigma has the exclusive rights to develop and market ZFP-based laboratory research reagents marketed

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under the trademark CompoZr[®] as well as ZFP-modified cell lines for commercial production of protein pharmaceuticals and ZFP-engineered transgenic animals. We also have a license agreement with Dow AgroSciences, LLC (DAS), a wholly owned subsidiary of Dow Chemical Corporation. Under this agreement, DAS has the exclusive rights to use our ZFP technology to modify the genomes or alter protein expression of plant cells, plants, or plant cell cultures and markets our ZFN technology under the trademark EXZACT[™] Precision Technology.

We have a substantial intellectual property position in the genome editing field including the design, selection, composition and use of engineered ZFPs to support our commercial activities. As of December 5, 2016, we either owned outright or have exclusively licensed the commercial rights to approximately 751 patents issued in the United States and foreign national jurisdictions, and we had 675 patent applications owned and licensed pending worldwide. We continue to license and file new patent applications that strengthen our core and accessory patent portfolio. We believe that our intellectual property position is a critical element in our ability to research, develop and commercialize products and services based on ZFP technology across our chosen applications.

In the development of our ZFP technology platform, we are focusing our resources on higher-value ZFP Therapeutic product development and less on our non-therapeutic applications. Development of novel therapeutic products is costly and is subject to a lengthy and uncertain regulatory process at the FDA. Our future products will be gene-based therapeutics. Adverse events in both our own clinical program and other programs may have a negative impact on regulatory approval, the willingness of potential commercial partners to enter into agreements and public perception.

Risk Factors

An investment in our common stock is subject to a number of risks and uncertainties. Before investing in our common stock, you should carefully consider the following, as well as the more detailed discussion of risk factors and other information included in this prospectus supplement:

ZFP Therapeutics have undergone limited testing in humans and our ZFP Therapeutics may fail safety studies in clinical trials;

Our progress in early Phase 1 and Phase 2 trials may not be indicative of long-term efficacy in late stage clinical trials;

Our potential therapeutic products are subject to a lengthy and uncertain regulatory process, and we may encounter unanticipated toxicity or adverse events or fail to demonstrate efficacy;

While we have stated that we intend to file IND applications for several ZFP Therapeutic programs in the future, we may encounter difficulties that may delay, suspend or scale back our efforts;

We may not be able to find acceptable patients or may experience delays in enrolling patients for our clinical trials;

As we cannot predict whether or when we will obtain regulatory approval to commercialize our product candidates, we cannot predict the timing of any future revenue from these product candidates;

We have limited experience in conducting clinical trials;

Regulatory approval, if granted, will be limited to specific uses or geographic areas, which could limit our ability to generate revenues; and

We may not find partners in the future to develop our technologies or products or our partners may not diligently pursue our product development efforts.

Company and Other Information

Our principal offices are located at 501 Canal Boulevard, Richmond, California, 94804, and our telephone number there is (510) 970-6000. Our website address is www.sangamo.com. We do not incorporate the

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information on or accessible through our website into this prospectus, and you should not consider any information on, or that can be accessed through, our website as part of this prospectus. For further information regarding us and our financial information, you should refer to our recent filings with the Securities and Exchange Commission. See [Where You Can Find More Information](#) and [Incorporation of Certain Documents by Reference](#).

ZFP Therapeutics® is a registered trademark of Sangamo BioSciences, Inc. This prospectus supplement and the accompanying prospectus and information incorporated by reference into this prospectus supplement and the accompanying prospectus also contain trademarks and trade names that are the property of their respective owners.

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THE OFFERING

Common stock offered by us in this offering	Shares having an aggregate offering price of up to \$75,000,000.
Manner of offering	At the market offering that may be made from time to time through our sales agent, Cowen and Company, LLC. See Plan of Distribution on page S-12.
Use of proceeds	We intend to use the net proceeds from this offering for working capital and other general corporate purposes, including support for our continuing research and development of our ZFP Therapeutic product candidates and other research programs, commercialization activities, clinical trials, business development activities and, if opportunities arise, acquisitions of businesses, products, technologies or licenses that are complementary to our business. See Use of Proceeds on page S-9.
Risk factors	You should carefully read Risk Factors on page S-6 in this prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.
NASDAQ Global Market symbol	SGMO

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RISK FACTORS

An investment in our common stock involves a high degree of risk. Before deciding whether to invest in our common stock, you should consider carefully the risks described below and the risk factors incorporated by reference herein from our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Reports on Forms 10-Q, together with other information in this prospectus supplement, the accompanying prospectus, the information and documents incorporated by reference, and in any free writing prospectus that we have authorized for use in connection with this offering. If any of these risks actually occurs, our business, financial condition, results of operations or cash flow could be seriously harmed. This could cause the trading price of our common stock to decline, resulting in a loss of all or part of your investment. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also harm our business.

Risks Related to This Offering

Management will have broad discretion as to the use of the net proceeds from this offering, and we may not use the proceeds effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. Our failure to apply these funds effectively could have a material adverse effect on our business, delay the development of our product candidates and cause the price of our common stock to decline.

You will experience immediate and substantial dilution in the net tangible book value per share of the common stock you purchase.

Since the price per share of our common stock being offered is substantially higher than the net tangible book value per share of our common stock, you will suffer substantial dilution in the net tangible book value of the common stock you purchase in this offering. Based on the assumed public offering of 25,000,000 shares at the assumed price of \$3.00 per share (the closing sales price on The NASDAQ Global Market on December 6, 2016), and without deducting underwriting discounts and commissions but after deducting estimated offering expenses payable by us, and based on a net tangible book value of our common stock of \$2.01 per share as of September 30, 2016, if you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of \$0.73 per share in the net tangible book value of common stock. See the section entitled "Dilution" below for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering.

Future transactions where we raise capital may negatively affect our stock price.

We currently have the ability to offer and sell additional equity, debt securities and warrants to purchase such securities, either individually or in units, under an effective automatic shelf registration statement. Sales of substantial amounts of shares of our common stock or other securities under our shelf registration statements could lower the market price of our common stock and impair our ability to raise capital through the sale of equity securities. In the future, we may issue additional options, warrants or other derivative securities convertible into our common stock.

Our stock price has been volatile and may continue to be volatile, which could result in substantial losses for investors.

During the three months ended September 30, 2016, the closing price of our common stock, as reported by the NASDAQ Global Market, ranged from a low of \$4.13 to high of \$6.84. During the fiscal year ended December 31, 2015, our common stock price fluctuated, ranging from a low of \$5.56 to a high of \$18.54. Volatility in our common stock could cause stockholders to incur substantial losses. An active public market for our common stock may not be sustained, and the market price of our common stock may continue to be highly volatile. The market price of our common stock has fluctuated significantly in response to various factors, some of which are beyond our control, including but not limited to the following:

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Announcement by us or collaborators providing updates on the progress or development status of ZFP Therapeutics and our gene therapy products;

data from clinical trials;

initiation or termination of clinical trials;

changes in market valuations of similar companies;

overall market and economic conditions, including the equity markets for emerging biotechnology companies;

deviations in our results of operations from the guidance given by us;

announcements by us or our competitors of new or enhanced products, technologies or services or significant contracts, acquisitions, strategic relationships, joint ventures or capital commitments;

announcement of changes in business and operations by our collaborators and partners, or changes in our existing collaboration agreements;

regulatory developments;

changes, by one or more of Sangamo's security analysts, in recommendations, ratings or coverage of our stock;

additions or departures of key personnel;

future sales of our common stock or other securities by us, management or directors, liquidation of institutional funds that comprised large holdings of our stock; and

decreases in our cash balances.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some statements contained in this report are forward-looking with respect to our operations, research, development and commercialization activities, clinical trials, operating results and financial condition. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or

achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

our strategy;

product development and commercialization of our products;

clinical trials;

our intellectual property position;

partnering, acquisition and other strategic transactions;

revenues from existing and new collaborations;

our research and development and other expenses;

sufficiency of our cash resources;

our operational and legal risks; and

our plans, objectives, expectations and intentions and any other statements that are not historical facts.

In some cases, you can identify forward-looking statements by terms such as: anticipates, believes, continues, could, estimates, expects, intends, may, plans, seeks, should and will. These statements reflect our current view to future events and are based on assumptions and subject to risks and uncertainties. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. We discuss many of these risks in greater detail under the headings Risk Factors and Management's Discussion and Analysis of Financial Conditions and Results of Operations in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, and we urge you to review such reports before making any investment decision. Sangamo undertakes no obligation to publicly release any revisions to forward-looking statements to reflect events or circumstances arising after the date of this prospectus supplement. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus supplement.

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ZFP Therapeutic® and Engineering Genetic Cures® are registered trademarks of Sangamo BioSciences, Inc. This report also contains trademarks and trade names that are the property of their respective owners

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USE OF PROCEEDS

We intend to use the net proceeds from this offering for working capital and other general corporate purposes, including support for our continuing research and development of our ZFP Therapeutic product candidates and other research programs, commercialization activities, clinical trials, business development activities, and, if opportunities arise, acquisitions of businesses, products, technologies or licenses that are complementary to our business.

The amounts and timing of the expenditures may vary significantly, depending upon numerous factors, including our proprietary research and therapeutic programs and our clinical trials as well as the amount of cash used in our operations. Accordingly, our management will have broad discretion in the application of the net proceeds and investors will be relying upon the judgment of our management regarding the application of these proceeds. We reserve the right to change the use of these proceeds.

Pending these uses, we intend to invest the proceeds of this offering in short-term, investment grade interest -bearing securities.

DIVIDEND POLICY

We have not paid dividends on our common stock, and currently do not plan to pay any cash dividends in the foreseeable future.

Table of Contents**DILUTION**

If you purchase our common stock in this offering, your interest will be diluted to the extent of the difference between the offering price per share and the net tangible book value per share of our common stock after this offering. Our net tangible book value as of September 30, 2016 was approximately \$142.3 million, or \$2.01 per share. Net tangible book value per share is determined by dividing our total tangible assets, less total liabilities, by the number of shares of our common stock outstanding as of September 30, 2016. Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the net tangible book value per share of our common stock immediately after this offering.

After taking into account the assumed sale by us of 25,000,000 shares of our common stock in this offering at the assumed public offering price of \$3.00 per share, the closing price on The NASDAQ Global Market on December 6, 2016, without any deduction for underwriting discounts and commissions but after deducting estimated offering expenses payable by us, our as adjusted net tangible book value as of September 30, 2016 would have been approximately \$217 million, or \$2.27 per share. This would represent an immediate increase in net tangible book value of \$0.26 per share to existing stockholders and in immediate dilution of \$0.73 per share to investors purchasing our common stock in this offering at the assumed public offering price. The following table illustrates this dilution on a per share basis:

Assumed public offering price per share	\$ 3.00
Net tangible book value per share as of September 30, 2016	\$ 2.01
Increase in net tangible book value per share after this offering	\$ 0.26
Net tangible book value per share after this offering	\$ 2.27
Dilution per share to new investors	\$ 0.73

The table above assumes for illustrative purposes that an aggregate of 25,000,000 shares of our common stock are sold at a price of \$3.00 per share, the last reported sale price of our common stock on The NASDAQ Global Market on December 6, 2016, for aggregate gross proceeds of approximately \$75,000,000. The shares sold in this offering, if any, will be sold from time to time at various prices to be determined by the Company.

The number of shares of common stock to be outstanding immediately after this offering used to calculate dilution above assumes that all of the shares offered hereby are sold and is based on 70,621,837 shares of common stock outstanding as of September 30, 2016. This number of shares excludes:

8,951,908 shares of common stock issuable upon exercise of options outstanding as of September 30, 2016, of which 5,788,782 shares are exercisable under our 2013 Stock Incentive Plan, at a weighted average exercise price of \$8.48 per share; and

607,819 shares of common stock issuable upon settlement of outstanding restricted stock units; and
To the extent that any outstanding options are exercised, new options are issued under our 2013 Stock Incentive Plan or we otherwise issue additional shares of common stock in the future, there will be further dilution to new investors.

MARKET FOR COMMON STOCK

Our shares of common stock are traded on The NASDAQ Global Market under the symbol SGMO. The transfer agent for our shares of common stock to be issued in this offering is Computershare. The following table sets forth, for the periods indicated, the high and low intraday sales pricing of our common stock as reported by The NASDAQ Global Market.

	2014	
	High	Low
First Quarter	23.86	13.25
Second Quarter	17.95	11.71
Third Quarter	16.40	10.77
Fourth Quarter	16.53	9.85

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	2015	
	High	Low
First Quarter	18.54	12.64
Second Quarter	15.56	10.35
Third Quarter	10.86	5.64
Fourth Quarter	9.69	5.56

	2016	
	High	Low
First Quarter	8.95	4.91
Second Quarter	7.50	5.14
Third Quarter	6.84	4.13

On December 6, 2016, the closing price for the common stock as reported on The NASDAQ Global Market was \$3.00.

As of September 30, 2016, there were approximately 59 stockholders of record, which excludes stockholders whose shares were held in nominee or street name by brokers.

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PLAN OF DISTRIBUTION

We have entered into a sales agreement with Cowen under which we may issue and sell shares of our common stock having an aggregate gross sales price of up to \$75,000,000 from time to time through Cowen acting as agent. The sales agreement is filed as an exhibit to our Current Report on Form 8-K dated December 7, 2016 and is incorporated by reference to this prospectus supplement.

Upon delivery of a placement notice and subject to the terms and conditions of the sales agreement, Cowen may sell our common stock by any method permitted by law deemed to be an at-the-market offering as defined in Rule 415 promulgated under the Securities Act, including sales made directly on the Nasdaq Global Market, on any other existing trading market for our common stock or to or through a market maker. Cowen may also sell our common stock by any other method permitted by law, including in privately negotiated transactions. We may instruct Cowen not to sell common stock if the sales cannot be effected at or above the price designated by us from time to time. We or Cowen may suspend the offering of common stock upon notice and subject to other conditions.

Each time we wish to issue and sell common stock under the sales agreement, we will notify Cowen of the number of shares to be issued, the dates on which such sales are anticipated to be made, any minimum price below which sales may not be made and other sales parameters as we deem appropriate. Once we have so instructed Cowen, unless Cowen declines to accept the terms of the notice, Cowen has agreed to use its commercially reasonable efforts consistent with its normal trading and sales practices to sell such shares up to the amount specified on such terms. The obligations of Cowen under the sales agreement to sell our common stock are subject to a number of conditions that we must meet.

We will pay Cowen commissions, in cash, for its services in acting as agent in the sale of our common stock. Cowen will be entitled to compensation at a fixed commission rate equal to 3% of the gross sales price per share sold. Because there is no minimum offering amount required as a condition to close this offering, the actual total public offering amount, commissions and proceeds to us, if any, are not determinable at this time. We have also agreed to reimburse Cowen for certain specified expenses, including the fees and disbursements of its legal counsel, in an amount not to exceed \$50,000. We estimate that the total expenses for the offering, excluding discounts and commissions payable to Cowen under the terms of the sales agreement, will be approximately \$240,000.

Settlement for sales of common stock will generally occur on the third business day following the date on which any sales are made, or on some other date that is agreed upon by us and Cowen in connection with a particular transaction, in return for payment of the net proceeds to us. Sales of our common stock as contemplated in this prospectus supplement will be settled through the facilities of The Depository Trust Company or by such other means as we and Cowen may agree upon. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

Cowen will use its commercially reasonable efforts, consistent with its sales and trading practices, to solicit offers to purchase the common stock under the terms and subject to the conditions set forth in the sales agreement. In connection with the sale of the common stock on our behalf, Cowen may be deemed to be an underwriter within the meaning of the Securities Act and the compensation of Cowen will be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to Cowen against certain civil liabilities, including liabilities under the Securities Act.

The offering of our common stock pursuant to the sales agreement will terminate upon the earlier of (1) the sale of all shares of our common stock subject to the sales agreement, or (2) termination of the sales agreement as permitted therein. We and Cowen may each terminate the sales agreement at any time upon 10 days prior notice.

Cowen and its affiliates may in the future provide various investment banking, commercial banking and other financial services for us and our affiliates, for which services they may in the future receive customary fees. To the extent required by Regulation M, Cowen will not engage in any market making activities involving our common stock while the offering is ongoing under this prospectus supplement.

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LEGAL MATTERS

The legality of the common stock offered by this prospectus supplement has been passed upon for us by Morgan, Lewis & Bockius LLP, San Francisco, California. Cowen and Company, LLC is being represented in connection with this offering by Proskauer Rose LLP, New York, New York.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015, and the effectiveness of our internal control over financial reporting as of December 31, 2015, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a shelf registration statement with the Securities and Exchange Commission, or the Commission, covering the shares of common stock we are offering under this prospectus supplement. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement and the exhibits to the registration statement. For further information with respect to us and the securities we are offering under this prospectus supplement, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement.

We file annual, quarterly and current reports, proxy statements and other information with the Commission. You may read and copy any document we file at the Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the Public Reference Room. Our public filings, including reports, proxy and information statements, are also available on the Commission's web site at <http://www.sec.gov>. We maintain a website at www.sangamo.com. The information contained on our website is not incorporated by reference in this prospectus supplement or the accompanying prospectus, and you should not consider it a part of this prospectus supplement or the accompanying prospectus.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Commission allows us to incorporate by reference information from other documents that we file with them, which means that we can disclose important information by referring to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and information that we file later with the Commission will automatically update and supersede this information. We incorporate by reference into this prospectus supplement and the accompanying prospectus the documents listed below, and any future filings (other than the portions thereof deemed to be furnished to the Commission pursuant to Item 2.02 or Item 7.01 of Current Report on Form 8-K) we make with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, prior to the termination of this offering:

our annual report on Form 10-K for the year ended December 31, 2015, filed with the Commission on February 18, 2016;

our quarterly report on Form 10-Q for the quarters ended September 30, 2016, June 30, 2016 and March 31, 2016, filed with the Commission on October 27, 2016, August 4, 2016 and May 5, 2016, respectively;

our current reports on Form 8-K filed with the SEC on December 7, 2016, October 18, 2016, July 8, 2016, June 15, 2016, June 1, 2016 and March 18, 2016;

our definitive proxy statement filed in connection with our 2016 Annual Meeting of Stockholders filed with the Commission on April 25, 2016; and

the description of our common stock contained in our registration statement on Form 8-A filed under Section 12(g) of the Securities Exchange Act of 1934, as amended, with the Commission on March 31, 2000, including any amendment or reports filed for the purpose of updating such description.

To the extent that any statement in this prospectus supplement or the accompanying prospectus is inconsistent with any statement that is incorporated by reference and that was made on or before the date of this prospectus supplement or the accompanying prospectus, the statement in this prospectus supplement or the accompanying prospectus shall supersede such incorporated statement. The incorporated statement shall not be deemed, except as modified or superseded, to constitute a part of this prospectus supplement, the accompanying prospectus or the registration statement. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other document are not necessarily complete and, in each instance, we refer you to the copy of each contract or document filed as an exhibit to the registration statement.

We will furnish without charge to each person, including any beneficial owner of our securities, to whom a copy of this prospectus supplement and the accompanying prospectus is delivered, upon written or oral request, a copy of the information that has been incorporated into this prospectus supplement and the accompanying prospectus by reference (except exhibits, unless they are specifically incorporated into this prospectus supplement and the accompanying prospectus by reference). You should direct any requests for copies to:

Sangamo BioSciences, Inc.

501 Canal Boulevard, Suite A100 Richmond, CA 94804

Attention: Investor Relations

(510) 970-6000

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PROSPECTUS

SANGAMO BIOSCIENCES, INC.

\$100,000,000

Common Stock

Preferred Stock

Debt Securities

Warrants to Purchase Common Stock

Warrants to Purchase Preferred Stock

We may offer and sell from time to time shares of common stock, shares of preferred stock, debt securities or warrants to purchase shares of common stock or shares of preferred stock. We may sell any combination of the above described securities, in one or more offerings in amounts, at prices and on terms determined at the time of the offering. We refer to the shares of common stock, shares of preferred stock, debt securities and warrants to purchase shares of common stock or shares of preferred stock collectively as the securities.

This prospectus provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add information or update information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the documents incorporated by reference and described under the heading **Where You Can Find More Information** before you make your investment decision.

We will sell the securities to underwriters or dealers, through agents, or directly to investors.

An investment in the securities offered under this prospectus involves a high degree of risk. You should carefully consider the risk factors described in the applicable prospectus supplement and certain of our filings with the Securities and Exchange Commission, as described under Risk Factors on page 2.

Our common stock trades on The NASDAQ Global Select Market under the symbol SGMO. On February 17, 2016, the last reported sale price of our common stock on The NASDAQ Global Select Market was \$5.63.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to

the contrary is a criminal offense.

The date of this prospectus is April 29, 2016

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement we filed with the Securities and Exchange Commission, or the SEC. By using a shelf registration statement, we may sell any combination of securities described in this prospectus from time to time for an aggregate offering price of up to \$100,000,000.

You should rely only on the information contained in or specifically incorporated by reference into this prospectus or a prospectus supplement. No dealer, sales person, agent or other individual has been authorized to give any information or to make any representations not contained in this prospectus. If given or made, such information or representations must not be relied upon as having been authorized by us.

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, the securities offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of securities. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this prospectus or in our affairs since the date of this prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some statements contained in this prospectus and the information incorporated by reference into this prospectus are forward-looking with respect to our operations, research, development and commercialization activities and financial condition. Such forward-looking statements are based on our current views and assumptions regarding future events, future business conditions and the outlook for the company based on currently available information. Statements that are forward-looking in nature should be read with caution because they involve risks and uncertainties, which are included, for example, in specific and general discussions about:

our strategy;

product development and commercialization of our products;

clinical trials;

partnering, acquisition and other strategic transactions;

revenues from existing and new collaborations;

our research and development and other expenses;

sufficiency of our cash resources;

our operational and legal risks; and

our plans, objectives, expectations and intentions and any other statements that are not historical facts. Various terms and expressions similar to them are intended to identify these cautionary statements. These terms include: anticipates, believes, continues, could, estimates, expects, intends, may, plans, seeks, sl. Results may differ materially from those expressed or implied in those statements. Factors that could cause these differences include, but are not limited to, those discussed under Risk Factors. Sangamo undertakes no obligation to publicly release any revisions to forward-looking statements to reflect events or circumstances arising after the date of this prospectus. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus.