

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 29, 2024

2seventy bio, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40791

(Commission File Number)

86-3658454
(IRS Employer
Identification No.)

60 Binney Street,
Cambridge, MA
(Address of Principal Executive Offices)

02142

(Zip Code)

Registrant's Telephone Number, Including Area Code: (617) 675-7270

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	TSVT	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As previously disclosed in the Current Report on Form 8-K filed by 2seventy bio, Inc. (the “Company”), with the Securities and Exchange Commission (the “SEC”) on January 30, 2024, the Company entered into an asset purchase agreement (the “Asset Purchase Agreement”) with Regeneron Pharmaceuticals, Inc. (“Regeneron”) on January 29, 2024 for the sale of the Company’s oncology and autoimmune research and development programs, clinical manufacturing capabilities, and related platform technologies to Regeneron (collectively, the “Programs” and such assets, the “Transferred Assets”). On April 1, 2024, the Company completed the transactions contemplated by the Asset Purchase Agreement (the “Asset Sale”) and Regeneron paid the Company \$5 million in cash and assumed certain related liabilities. Regeneron also subleased a portion of the Company’s facilities in Cambridge, Massachusetts and the entirety of the Company’s facilities in Seattle, Washington. In addition to the upfront cash consideration, the Company may be entitled to a one-time \$10 million milestone payment upon receipt of regulatory approval for the first product candidate within the Transferred Assets in certain specified countries and agreed-upon royalty payments based on net sales of the product candidates if commercialized. In connection with the completion of the Asset Sale, the existing collaboration agreement between the Company and Regeneron regarding certain of the Programs was also terminated.

A copy of the unaudited pro forma consolidated financial statements of the Company, giving effect to the Asset Sale, are attached as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As disclosed on January 30, 2024, in connection with Nick Leschly’s resignation as the Company’s president and chief executive officer, Mr. Leschly and the Company entered into a Transitional Services Agreement, effective as of the closing of the Asset Sale (the “Transition Agreement”). On March 29, 2024, Mr. Leschly and the Company entered into an Amended and Restated Transitional Services Agreement (the “Amended Transition Agreement”) to clarify that Mr. Leschly will remain eligible as an employee under the Company’s benefit plans for so long as he is serving as Chairman of the board of directors.

The foregoing description of the Amended Transition Agreement is qualified in its entirety by the complete text of the Amended Transition Agreement, a copy of which is filed with this Current Report on Form 8-K as Exhibit 10.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On April 1, 2024, the Company issued a press release announcing the closing of the Asset Sale. A copy of the press release is attached hereto as Exhibit 99.2.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.2 attached hereto, shall not be deemed “filed” for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(b) Pro forma financial information.

The unaudited pro forma consolidated financial statements of the Company as of and for the year ended December 31, 2023 and the notes related thereto, giving effect to the Asset Sale, are filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
10.1	Amended and Restated Transitional Services Agreement between 2seventy bio, Inc. and Nick Leschly, dated as of March 29, 2024.
99.1	Unaudited pro forma consolidated balance sheet and statement of operations as of and for the year ended December 31, 2023 and the notes related thereto.
99.2	Press Release issued by 2seventy bio, Inc., dated April 1, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and incorporated as Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 1, 2024

2seventy bio, Inc.

By: /s/ Victoria Eatwell

Victoria Eatwell

Chief Financial Officer

(Principal Financial and Accounting Officer)

March 29, 2024

Nick Leschly

Re: Amended and Restated Transitional Services Agreement

Dear Nick:

This letter (the "Agreement") follows our conversations regarding your employment with 2seventy bio, Inc. (the "Company"). This confirms that you will be transitioning from your CEO position in connection with, and conditioned on the closing of, the transactions contemplated by the Asset Purchase Agreement (the "APA") by and between the Company and Regeneron Pharmaceuticals, Inc. ("Buyer") (the "Transaction," and such closing date, the "Closing Date"). This Agreement amends, restates and supersedes the Transitional Services Agreement between you and the Company, dated January 29, 2024 (the "Prior Agreement"); provided that your Ongoing Obligations (as defined below) shall remain in full effect.

In connection with this transition, and in recognition of the Company's position that you could assert Good Reason under your Employment Agreement with the Company (the "Employment Agreement") and receive the severance benefits thereunder, the Company is providing you with the opportunity to receive such severance benefits, and to serve on the Company's Board of Directors (the "Board"), in each case subject to the terms of this Agreement.

If the Transaction does not close, this Agreement shall be null and void.

Regardless of whether you enter into this Agreement, you are subject to continuing obligations under Sections 7, 8 and 18 of the Employment Agreement and under your Employee Confidentiality, Assignment, Nonsolicitation and Noncompetition Agreement with the Company ((the "Restrictive Covenant Agreement"), and with any other confidentiality, restrictive covenant and other ongoing obligations you have to any of the Releasees (as defined below), the "Ongoing Obligations").

You and the Company further agree as follows:

1. CEO Transition Date; Transition Period

If you enter into and comply with this Agreement, you will continue to be employed by the Company as CEO until the Closing Date (the "Anticipated CEO Transition Date"), unless you resign, whether to begin alternative employment or otherwise, or the Company terminates your employment for Cause (as defined in the Employment Agreement) or for materially breaching this Agreement, in each case prior to the Anticipated CEO Transition Date. Your last day of employment as CEO, whether it is the Anticipated CEO Transition Date or an earlier date, shall be referred to as the "CEO Transition Date." The time period between the date of this letter and the CEO Transition Date shall be referred to as the "Transition Period."

During the Transition Period, you will (i) continue to provide your existing services to the Company; and (ii) provide such other services as the Board reasonably requests (collectively, the “Transitional Services”). You shall continue to receive your current salary and benefits as a regular employee during the Transition Period. Your equity rights in the Company will remain subject to the Company’s 2021 Stock Option and Incentive Plan (the “Plan”) and the applicable equity agreement(s) (collectively, the “Equity Documents”) in all respects.

2. Board Service

Provided that (i) the Company does not terminate your employment for Cause or for materially breaching this Agreement prior to the Anticipated CEO Transition Date; (ii) you do not resign prior to the Anticipated CEO Transition Date and (iii) you continue to comply with your Ongoing Obligations, as of the Anticipated CEO Transition Date, you will commence serving as the Company’s Chairman of the Board. As with other Board members, your service as Chairman of the Board will be subject to the Board’s discretion and is not guaranteed for any length of time. The actual period of your service as Chairman of the Board is the “Board Service.” The Company will pay you a payment at the annualized rate of \$200,000 per full calendar year of Board service (prorated for 2024 based on the date when the Board service commences) (the “Board Fee”). The Company will pay the Board Fee as salary in monthly installments in arrears (prorated for partial quarters of Board service) and will report the Board Fee on a tax form W2 to the extent required by applicable law. You and the Company agree that your Board Service shall constitute up to forty to sixty percent (40%-60%) of your working time. Subject in all respects to the Equity Documents and this Agreement, your equity rights will continue to vest during the Board Service. Without limiting the Ongoing Obligations, during your Board Service you shall not engage in any business activity that competes or conflicts with the Company’s business activity. During your Board Service as a W2 employee, you will remain eligible for Company group health benefits, subject to applicable plan and policy terms.

3. Change in Control Severance Benefits

(a) Provided that (i) the Company does not terminate your employment for Cause or for materially breaching this Agreement prior to the Anticipated CEO Transition Date; (ii) you do not resign prior to the Anticipated CEO Transition Date and (iii) you continue to comply with your Ongoing Obligations at all times, the Company will pay you the Change in Control Cash Severance (as defined below) in a lump sum within 30 days following the earlier of (i) a “Sale Event,” as such term is defined in the Plan (to avoid doubt, the Transaction does not constitute such Sale Event for these purposes); and (ii) the two year anniversary of the Closing Date.

(b) The term “Change in Control Cash Severance” means a lump sum in cash in an amount equal to \$1,978,148.70, which is one and a half times the sum of (A) your base salary as of the date of this Agreement (which base salary, to avoid doubt, is \$799,252) plus (B) your target bonus for 2024 (which target bonus, to avoid doubt, is 65% of your base salary, i.e. \$519,513.80).

(c) The Change in Control Cash Severance will be subject to applicable taxes and lawful deductions.

4. Transaction Bonus For Post-Transaction Sale Event

If, after the Closing Date of the Transaction, the Company closes a subsequent Sale Event (as defined in the Plan), and if you are in a Service Relationship (as defined in the Plan) with the Company on the closing date of such subsequent Sale Event, the Company shall pay you a transaction bonus of \$300,000 within 30 days following the closing date of such subsequent Sale Event. To avoid all doubt, the Transaction shall not constitute a Sale Event for the purposes of this Section.

5. Release of Claims

In consideration for, among other terms, your eligibility for the Board Service and Change in Control Cash Severance, to which you acknowledge you would otherwise not be entitled absent your execution of this Agreement, you, on behalf of yourself and your heirs, administrators, representatives, successors and assigns (together with you, the "Releasors"), voluntarily release and forever discharge the Company, its affiliated and related entities, its and their respective predecessors, successors and assigns, its and their respective employee benefit plans and fiduciaries of such plans, and the current and former employees, officers, directors, shareholders, interest holders, managers, members, partners, investors, attorneys, accountants and agents of each of the foregoing in their official and personal capacities (collectively referred to as the "Releasees") generally from all claims, demands, debts, damages and liabilities of every name and nature, known or unknown ("Claims") that, as of the date when you sign this Agreement, you or any other Releasor have, ever had, now claim to have or ever claimed to have had against any or all of the Releasees. This release includes, without limitation, all Claims:

- relating to your employment with the Company;
- of wrongful discharge or violation of public policy;
- of breach of contract;
- of defamation or other torts;
- of retaliation or discrimination under federal, state or local law (including, without limitation, claims under the Age Discrimination in Employment Act);
- under any other federal or state statute;
- under MGL c. 151B;
- for wages, bonuses, incentive compensation, commissions, stock, stock options, vacation pay or any other compensation or benefits, either under the Massachusetts Wage Act, M.G.L. c. 149, §§148-150C, or otherwise; and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees;

provided, however, that this release shall not affect your rights under this Agreement.

You acknowledge and represent that, except as expressly provided in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to you. You specifically represent that you are not due to receive any commissions or other incentive compensation from the Company.

You agree not to accept damages of any nature, other equitable or legal remedies for your own benefit or attorney's fees or costs from any of the Releasees with respect to any Claim released by this Agreement. As a material inducement to the Company to enter into this Agreement, you represent that you have not assigned any Claim to any third party.

6. Nondisparagement

Subject to the Protected Activities section below, you agree not to make any disparaging statements concerning the Company or any of its affiliates or current or former officers, directors, shareholders, employees or agents. These nondisparagement obligations shall not in any way affect your obligation to testify truthfully in any legal proceeding.

7. Ongoing Obligations

Notwithstanding anything to the contrary set forth in the Ongoing Obligations, you hereby agree that: (i) upon your eventual separation from employment, you will not be eligible for any garden leave pay or other noncompetition consideration under the Restrictive Covenant Agreement, (ii) your post-employment noncompetition obligations to the Company, and your other obligations to the Company, under the Restrictive Covenant Agreement nevertheless remain in full effect; are fully enforceable, regardless of the circumstances of your termination; and are incorporated herein as if newly entered-into. You agree that your eligibility for compensation under this Agreement constitutes mutually agreed upon, fair and reasonable consideration for each of the Ongoing Obligations that is separate from your employment with the Company. You agree that you had the opportunity to review the Ongoing Obligations and this Agreement with the legal counsel of your choosing. The Ongoing Obligations, as modified herein, are incorporated herein by reference. You hereby reaffirm the Restrictive Covenant Agreement, a copy of which is attached herewith, as such Restrictive Covenant Agreement is modified by this Section 6.

8. Confidentiality of Agreement-Related Information; Other Obligations

Subject to the "Protected Activities" Section below, you agree, to the fullest extent permitted by law, to keep all Agreement-Related Information completely confidential. "Agreement-Related Information" means the negotiations leading to this Agreement. Notwithstanding the foregoing, you may disclose Agreement-Related Information to your spouse, your attorney and your financial advisors, and to them only provided that they first agree for the benefit of the Company to keep Agreement-Related Information confidential. You represent that during the period since the date of this Agreement, you have not made any disclosures that would have been contrary to

the foregoing obligation if it had then been in effect. Nothing in this Section shall be construed to prevent you from disclosing Agreement-Related Information to the extent required by a lawfully issued subpoena or duly issued court order; *provided* that you provide the Company with advance written notice and a reasonable opportunity to contest such subpoena or court order. To the extent you have not assigned any developments or intellectual property rights to the Company that are related to the Company's business activities or were made using the Company's time, equipment or resources, you hereby assign such developments and intellectual property rights to the Company, to the fullest extent permitted by law. You agree to promptly return all Company property to the Company; not to disclose or use any Company confidential information at any time; and, subject to the "Protected Activities" Section below, to cooperate with the Company in any future dispute or intellectual property matter; and to notify future employers of your Ongoing Obligations. You agree that Sections 4 and 5 of this Agreement are (in addition to the Ongoing Obligations described above) considered "Ongoing Obligations" hereunder.

9. Resignations from Other Positions; Transition of Information and Access

You hereby (i) resign from your CEO, officer and, with the exception of the Board position described above, any other positions you occupy at the Company, or any of its affiliates, effective as of the CEO Transition Date (or any earlier date requested by the Company); (ii) agree to execute such documentation as the Company or its applicable affiliate reasonably requires to effectuate such resignations; and (iii) take such steps as the Company (or its applicable affiliate) reasonably requests to ensure the transition of any account access, systems access, password access, customer access, confidential information, Company property, customer information or customer relationships to the Company or its applicable affiliate.

10. Protected Activities

Nothing contained in this Agreement or in any other agreement with the Company limits your ability to: (i) file a charge or complaint with any federal, state or local governmental agency or commission, including without limitation the Equal Employment Opportunity Commission, the National Labor Relations Board or the Securities and Exchange Commission (a "Government Agency"); (ii) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency; (iii) exercise any rights you may have under Section 7 of the National Labor Relations Act, including any rights you may have under such provision to assist co-workers with or discuss any employment issue, dispute or term or condition of employment as part of engaging in concerted activities for the purpose of mutual aid or protection; (iv) discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful; or (v) testify truthfully in a legal proceeding, in any event with or without notice to or approval of the Company so long as such communications and disclosures are consistent with applicable law and the information disclosure was not obtained through a communication that was subject to the attorney client privilege (unless disclosure of that information would otherwise be permitted consistent with such privilege). If you file any charge

or complaint with any Government Agency and if the Government Agency pursues any claim on your behalf, or if any other third party pursues any claim on your behalf, you waive any right to monetary or other individualized relief (either individually or as part of any collective or class action) but the Company will not limit any right you may have to receive an award by an order of a Government Agency pursuant to the whistleblower provisions of any applicable law or regulation for providing information to the SEC or any other Government Agency.

11. Defend Trade Secrets Act Notice.

You understand that pursuant to the Defend Trade Secrets Act of 2016, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

12. Other Provisions

(a) Termination and Return of Payments; Certain Remedies. If you breach any of your Ongoing Obligations, in addition to any other legal or equitable remedies it may have for such breach (including without limitation injunctive relief and the other remedies described in this Agreement), the Company shall have the right to refrain from paying the Change in Control Cash Severance or (as applicable) enforce the return of the Change in Control Cash Severance. The termination and/or return of the Change in Control Cash Severance will not affect your continuing obligations under, or your release of Claims under, this Agreement. Without limiting the Company's remedies hereunder, if the Company prevails in any action to enforce this Agreement or in any other legal action between you and the Company, then you shall be liable to the Company for the reasonable attorneys' fees and costs incurred by the Company in connection with any such action.

(b) Enforceability; Taxes. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. The Company may assign this Agreement to any other person or entity. You may not assign this Agreement. All compensation and benefits provided or referred to hereunder shall be subject to taxes as required by applicable law.

(c) Waiver; Absence of Reliance. No waiver of any provision of this Agreement shall be effective unless made in writing and signed by the waiving party. The failure of a party to require the performance of any term or obligation of this Agreement, or the waiver by a party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or

obligation or be deemed a waiver of any subsequent breach. In signing this Agreement, you are not relying upon any promises or representations made by anyone at or on behalf of the Company.

(d) Jurisdiction; Governing Law; Interpretation. Except as expressly otherwise provided in the Equity Documents: (i) You and the Company hereby agree that the state and federal courts of Massachusetts (the “State”) shall have the exclusive jurisdiction to consider any matters related to this Agreement, including without limitation any claim of a violation of this Agreement or other dispute between you and the Company; (ii) with respect to any such court action, you submit to the jurisdiction of such courts; you acknowledge that venue in such courts is proper; and, to the fullest extent required by applicable law (iii) you and the Company waive any right to a jury with respect to such court action and (iv) this Agreement shall be interpreted and enforced under the laws of the State, without regard to conflict of law principles.

(e) Entire Agreement. This Agreement, the Equity Documents (as applicable) and the Ongoing Obligations (which are incorporated herein by reference) constitute the entire agreement between you and the Company and supersede any previous agreements or understandings between you and the Company, including without limitation the Employment Agreement, the Prior Agreement and any severance agreement or severance plan between you and the Company.

(f) Time for Consideration; Effective Date. You acknowledge that you have been given the opportunity to consider this Agreement for twenty-one (21) days before signing it (the “Consideration Period”) and that you have knowingly and voluntarily entered into this Agreement. You acknowledge that the above release of claims expressly includes without limitation claims under the Age Discrimination in Employment Act. You are advised to consult with an attorney before signing this Agreement. To accept this Agreement, you must return a signed original or a signed PDF copy of this Agreement so that it is received by the undersigned at or before the expiration of the Consideration Period. If you sign this Agreement before the end of the Consideration Period, you acknowledge by signing this Agreement that such decision was entirely voluntary and that you had the opportunity to consider this Agreement for the entire Consideration Period. For the period of seven (7) business days from the date when you sign this Agreement (the “Revocation Period”), you have the right to revoke this Agreement by written notice to the undersigned. For such a revocation to be effective, it must be delivered so that it is received by the undersigned at or before the expiration of the Revocation Period. This Agreement shall not become effective or enforceable during the Revocation Period. It will become effective on the day after the Revocation Period ends (the “Effective Date”).

(g) 409A. The provisions of this Agreement shall be interpreted in such a manner that all such payments either comply with Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), or are exempt from the requirements of Section 409A. None of the Releasees makes any representation or warranty and no Releasee shall have any liability to you or any other person if any payment under any provision of this Agreement is determined to

constitute deferred compensation under Section 409A that is subject to the 20% tax under Section 409A.

(h) Counterparts. This Agreement may be executed in separate counterparts. When all counterparts are signed, they shall be treated together as one and the same document.

Please indicate your agreement to the terms of this Agreement by signing and returning to the undersigned the original or a PDF copy of this letter within the time period set forth above.

Very truly yours,

The Company

By: /s/ Daniel Lynch 3/29/2024
Daniel Lynch Date
Board Member

This is a legal document. Your signature will commit you to its terms. By signing below, you acknowledge that you have carefully read and fully understand all of the provisions of this Agreement and that you are knowingly and voluntarily entering into this Agreement.

By: /s/ Nick Leschly 3/29/2024
Nick Leschly Date

Enclosure: Restrictive Covenant Agreement

UNAUDITED PRO FORMA FINANCIAL INFORMATION

On April 1, 2024 (the “Closing Date”), 2seventy bio, Inc. (“2seventy”, the “Company” “we” or “us”) completed the previously announced transaction (the “Transaction”), pursuant to which the Company has agreed to sell to Regeneron Pharmaceuticals, Inc. (“Regeneron”) the Company’s oncology and autoimmune research and development programs, clinical manufacturing capabilities, and related platform technologies (collectively, the “R&D Pipeline Programs” and such assets, the “Transferred Assets”).

Pursuant to the Asset Purchase Agreement dated January 29, 2024 (the “Asset Purchase Agreement”), in consideration for the Transferred Assets, at the closing of the Transaction, Regeneron made an upfront payment to the Company of \$5.0 million in cash and also assumed certain liabilities of the Company arising after the Closing Date, including liabilities (i) related to the conduct of the Programs, (ii) under transferred contracts and (iii) with respect to certain of the Company’s employees (collectively, the “Assumed Liabilities”). In addition to the upfront consideration, Regeneron has agreed to pay the Company (i) a one-time \$10.0 million milestone payment (“Milestone Payment”) upon the earlier of (a) the first receipt of regulatory approval and (b) the first commercial sale for the first product candidate within the Transferred Assets in certain specified countries and (ii) agreed-upon royalty payments (“Net Sales Payments”) based on net sales of the product candidates if commercialized.

In connection with the Asset Purchase Agreement, Regeneron also agreed to sublease the Company’s facilities in Seattle, Washington, and a portion of the Company’s facilities in Cambridge, Massachusetts (collectively, the “Premises”). The Company also entered into a Facilities Service Agreement (“FSA”) to provide certain facilities and administrative services to Regeneron as it relates to the Premises. In addition, the Company and Regeneron entered into a Transition Services Agreement (“TSA”) at the closing of the Transaction under which the Company agreed to provide agreed upon services to Regeneron for a period up to one year following the close of the Transaction, subject to early termination. Lastly, effective as of the Closing Date, the existing collaboration agreement between the Company and Regeneron terminated.

The following unaudited pro forma consolidated financial statements are derived from, and should be read in conjunction with, the Company’s historical financial statements and the notes thereto, as presented in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission (“SEC”) on March 7, 2024.

The Transaction does not meet the criteria requiring discontinued operations presentation in accordance with U.S. Generally Accepted Accounting Principles as the R&D Pipeline Programs do not meet the definition of a component and the sale of the R&D Pipeline Programs does not constitute a strategic shift. The Transaction is considered a disposition of a significant business under Item 2.01 of Form 8-K. As a result, the unaudited pro forma consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma consolidated balance sheet as of December 31, 2023 assumes the Transaction had occurred on December 31, 2023. The unaudited pro forma consolidated statement of operations for the year ended December 31, 2023 give effect to the Transaction as if it had occurred as of January 1, 2023.

The unaudited pro forma consolidated financial statements reflect the following transaction accounting adjustments for the sale of the R&D Pipeline Programs:

- the sale of the assets of the R&D Pipeline Programs pursuant to the Asset Purchase Agreement;
- the receipt of the cash proceeds that were payable on the Closing Date in connection with the Transaction;
- the termination of the pre-existing collaboration arrangement between the Company and Regeneron, including the elimination of collaborative arrangement revenue and the derecognition of any deferred revenue;
- the estimated loss on the Transaction; and
- the sublease agreement associated with the Premises.

The unaudited pro forma consolidated financial statements do not reflect transaction accounting adjustments for the TSA and FSA entered into in connection with the Transaction. Pro forma adjustments have not been made related to these agreements as the services cannot be reasonably estimated at this time. The unaudited pro forma financial statements also do not reflect any adjustments for future events that may occur after the Transaction, including any potential future selling, general, and administrative cost savings.

The unaudited pro forma consolidated financial statement information is presented for informational purposes only and is based upon estimates by the Company's management, which are based upon available information and certain assumptions that the Company's management believes are reasonable as of the date of this filing. The unaudited pro forma consolidated financial statements are not intended to be indicative of the actual financial position or results of operations that would have been achieved had the Transaction been consummated as of the periods indicated, nor does it purport to indicate results that may be attained in the future. Actual amounts could differ materially from these estimates.

The unaudited pro forma consolidated balance sheet as of December 31, 2023 and the unaudited pro forma consolidated statement of operations for the year ended December 31, 2023 should be read in conjunction with the notes thereto.

2seventy bio, Inc.
Unaudited Pro Forma Consolidated Balance Sheet
As of December 31, 2023
(In thousands, except share and per share amounts)

	Historical	Transaction Accounting Adjustments			Pro Forma
		Divestiture	(Notes)	Other	
Assets					
Current assets:					
Cash and cash equivalents	\$ 74,958	\$ 5,000 (a)		\$ —	\$ 79,958
Marketable securities	142,031	—		—	142,031
Prepaid expenses	7,365	(70) (b)		—	7,295
Receivables and other current assets	13,411	— (c)		—	13,411
Total current assets	237,765	4,930		—	242,695
Property, plant and equipment, net	58,150	(18,144) (b)		—	40,006
Marketable securities	4,816	—		—	4,816
Intangible assets, net	6,594	—		—	6,594
Operating lease right-of-use assets	219,958	—		—	219,958
Restricted investments and other non-current assets	38,143	—		—	38,143
Total assets	\$ 565,426	\$ (13,214)		\$ —	\$ 552,212
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	\$ 6,028	\$ —		\$ —	\$ 6,028
Accrued expenses and other current liabilities	25,688	—		2,000 (e)	27,688
Operating lease liability, current portion	12,660	—		—	12,660
Deferred revenue, current portion	15,403	(4,403) (c)		—	11,000
Total current liabilities	59,779	(4,403)		1,915	57,376
Deferred revenue, net of current portion	3,918	(3,918) (c)		—	—
Operating lease liability, net of current portion	244,013	—		—	244,013
Other non-current liabilities	2,416	—		—	2,416
Total liabilities	310,126	(8,321)		1,915	303,805
Commitments and contingencies (Note 8)					
Stockholders' equity:					
Preferred stock, \$0.0001 par value; 10,000 shares authorized, 0 shares issued and outstanding at December 31, 2023	—	—		—	—
Common stock, \$0.0001 par value; 200,000 shares authorized, 50,632 shares issued and outstanding at December 31, 2023	5	—		—	5
Additional paid-in capital	766,716	—		—	766,716
Accumulated other comprehensive loss	(204)	—		—	(204)
Accumulated deficit	(511,217)	(4,893) (d)		(2,000) (e)	(518,110)
Total stockholders' equity	255,300	(4,893)		(2,000)	248,407
Total liabilities and stockholders' equity	\$ 565,426	\$ (13,214)		\$ —	\$ 552,212

See the accompanying notes to the Pro Forma Consolidated Financial Information.

2seventy bio, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
For the Twelve Months Ended December 31, 2023
(in thousands, except per share amounts)

	2seventy bio Historical	Transaction Accounting Adjustments			Unaudited Pro Forma
		Divestiture	(Notes)	Other	
Revenue:					
Service revenue	\$ 24,144	\$ (3,628) (f)		\$ —	\$ 20,516
Collaborative arrangement revenue	71,601	(21,591) (f)		—	50,010
Royalty and other revenue	4,642	—		—	4,642
Total revenues	100,387	(25,219)		—	75,168
Operating expenses:					
Research and development	230,758	(89,509) (f)		(30,508) (g)	110,741
Cost of manufacturing for commercial collaboration	14,819	—		—	14,819
Selling, general and administrative	69,414	(2,163) (f)		32,508 (e),(g)	99,759
Restructuring expenses	8,614	—		—	8,614
Cost of royalty and other revenue	2,099	—		—	2,099
Change in fair value of contingent consideration	235	—		—	235
Goodwill impairment charge	12,056	—		—	12,056
Gain/ Loss on divestiture	—	4,893 (e)		—	4,893
Total operating expenses	337,995	(86,779)		2,000	253,216
Loss from operations	(237,608)	61,560		(2,000)	(178,048)
Interest income, net	12,413	—		—	12,413
Other income, net	7,625	—		22,473 (h)	30,098
Loss before income taxes	(217,570)	61,560		20,473	(135,537)
Income tax expense	—	— (i)		— (i)	—
Net loss	\$ (217,570)	\$ 61,560		\$ 20,473	\$ (135,537)
Net loss per share - basic and diluted	\$ (4.42)				\$ (2.75)
Weighted-average number of common shares used in computing net loss per share - basic and diluted	49,276				49,276

See the accompanying notes to the Pro Forma Consolidated Financial Information.

Notes to the Unaudited Pro Forma Consolidated Financial Statements

The unaudited pro forma consolidated financial statements reflect the following adjustments:

- (a) Reflects the cash proceeds from the Transaction of \$5.0 million upfront payment from the sale of the R&D Pipeline Programs. The Company is entitled to contingent consideration inclusive of the Milestone Payment and Net Sales Payments. The Company accounts for this contingent consideration using the loss recovery method, and as the receipt of the contingent consideration is not probable at this time, the total proceeds from the sale exclude any potential contingent consideration.
- (b) Reflects the sale of the assets of the R&D Pipeline Programs pursuant to the Asset Purchase Agreement.
- (c) Reflects the derecognition of the deferred revenue from the collaboration agreement between the Company and Regeneron, which was terminated pursuant to the Asset Purchase Agreement. No pro forma adjustment has been made to reflect the settlement of the collaboration receivable with Regeneron pursuant to the Asset Purchase Agreement as this balance will be settled in the ordinary course of business.
- (d) Reflects the expected loss on the disposal of the R&D Pipeline Programs. The loss resulted from the difference between the \$5.0 million upfront payment and \$8.3 million of deferred revenue related to the settlement of the pre-existing collaboration arrangement over the net assets disposed of \$18.2 million.
- (e) Reflects estimated transaction costs incurred related to the sale of R&D Pipeline Program of \$2.0 million.
- (f) Reflects the elimination of service revenues, collaborative arrangement revenue, and operating expenses related to the R&D Pipeline Programs.
- (g) Reflects reclassification of certain expenses from research and development to selling, general and administrative expenses for costs related to the R&D Pipeline Programs as these programs are no longer part of the Company's research and development activities.
- (h) Reflects income that can be reasonably estimated as of the filing date related to the sublease agreements of \$22.5 million. In connection with the Transaction, the Company entered into sublease agreements pursuant to which Regeneron will sublease the Company's facilities in Seattle, Washington, and a portion of the Company's facilities in Cambridge, Massachusetts.
- (i) Given the Company's historic net operating loss carryforwards, associated valuation allowance, and research and development tax credits carryforwards, management recorded an annual effective income tax rate of 0%. Therefore, the pro forma adjustments to the unaudited pro forma consolidated statement of operations resulted in no additional income tax expense or benefit.

2seventy bio Announces Completion of Oncology and Autoimmune Pipeline Divestiture to Regeneron

- Company Now Exclusively Focused on Development and Commercialization of Abecma -

CAMBRIDGE, Mass. — (BUSINESS WIRE)— April 1, 2024 — [2seventy bio, Inc.](#) (Nasdaq: TSVT), announced today the completion of the asset purchase agreement (“APA”) by Regeneron Pharmaceuticals, Inc. Under the terms of the APA, Regeneron has acquired all oncology and autoimmune research and development programs and has hired approximately 160 employees from 2seventy bio as part of their newly launched cell medicines business. Going forward, 2seventy bio will focus exclusively on the commercialization and development of *Abecma* (idecabtagene vicleucel), its BCMA-targeted CAR T cell therapy for multiple myeloma, in collaboration with their partner Bristol Myers Squibb (BMS).

“With the completion of the Regeneron transaction, 2seventy officially embarks on our new strategic path forward to focus on unlocking the value of *Abecma*,” said Chip Baird, CEO. “We are pleased to have successfully transitioned our innovative cell therapy pipeline to Regeneron and excited for the team members who have joined Regeneron Cell Medicines to continue their important work of developing new treatments for people with cancer. We are also extremely excited about our own future with the potential to bring *Abecma* to more patients in earlier lines.”

Based on the Company’s recent strategic actions, 2seventy bio includes approximately 65 full-time, permanent employees, primarily in quality and supporting functions. With the resulting cost savings from reduced headcount and the sale of the pipeline assets to Regeneron, 2seventy bio has extended cash runway beyond 2027. The Company will continue to support quality control of lentiviral vector (LVV) for *Abecma*.

About 2seventy bio

Our name, 2seventy bio, reflects why we do what we do - TIME. Cancer rips time away, and our goal is to work at the maximum speed of translating human thought into action – 270 miles per hour – to give the people we serve more time. With a deep understanding of the human body’s immune response to tumor cells and how to translate cell therapies into practice, we’re applying this knowledge to deliver the first FDA-approved CAR T cell therapy for multiple myeloma to as many patients as possible. Importantly, we remain focused on accomplishing our mission by staying genuine and authentic to our “why” and keeping our people and culture top of mind every day. For more information, visit www.2seventybio.com.

Follow 2seventy bio on social media: [X \(Twitter\)](#) and [LinkedIn](#).

2seventy bio is a trademark of 2seventy bio, Inc.

Cautionary Note Regarding Forward-Looking Statements

This release contains “forward-looking statements” within the meaning of applicable laws and regulations. These statements include, but are not limited to: statements about our financial position and cash runway; statements about our plans, strategies, timelines and expectations with respect to regulatory approval and related filings for ABECMA; statements regarding our

plans to continue to advance our manufacturing strategy to expand capacity and increase manufacturing efficiency for ABECMA across the supply chain and our plans to increase the number of ABECMA treating sites; statements regarding expected benefits from our strategic collaboration. Any forward-looking statements in this press release are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this press release, including, without limitation, the risk that ABECMA will not be as commercially successful as we may anticipate; the risk that Abecma may not receive FDA approval for the indication described in this release in the currently anticipated timeline or at all, that any marketing approvals, if granted, may have significant limitations on their use; the risk that our strategic realignment to focus on the development and commercialization of Abecma may not be as successful as anticipated, may fail to achieve the anticipated cost savings, and may cause disruptions in our business that could make it difficult to achieve our strategic objectives; and the risk that we are unable to manage our operating expenses or cash use for operations. For a discussion of other risks and uncertainties, and other important factors, any of which could cause our actual results to differ from those contained in the forward-looking statements, see the section entitled "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2023 as supplemented and/or modified by our most recent Quarterly Report on Form 10-Q and any other filings that we have made or will make with the Securities and Exchange Commission in the future. All information in this press release is as of the date of the release, and 2seventy bio undertakes no duty to update this information unless required by law.

Investors:

Elizabeth Pingpank Hickin, 860-463-0469
Elizabeth.pingpank@2seventybio.com

Media:

Jenn Snyder, 617-448-0281
Jenn.snyder@2seventybio.com