

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HUMANIGEN, INC.,¹

Debtor.

Chapter 11

Case No. 24-10003 (BLS)

Re: Docket No. 226

**NOTICE OF FILING OF EXHIBIT A TO COMBINED CHAPTER 11 PLAN
OF LIQUIDATION AND DISCLOSURE STATEMENT FOR HUMANIGEN, INC.**

PLEASE TAKE NOTICE that on April 12, 2024, the above-captioned debtor and debtor in possession, by its undersigned counsel, filed the *Combined Chapter 11 Plan of Liquidation and Disclosure Statement for Humanigen, Inc.* [Docket No. 226] (the “Plan”). The Plan referenced **Exhibit A**, the Creditors’ Committee Support Letter.

PLEASE TAKE FURTHER NOTICE that attached hereto is **Exhibit A** to the Plan.

Dated: April 19, 2024
Wilmington, Delaware

Respectfully submitted,

/s/ Aaron H. Stulman

M. Blake Cleary (No. 3614)

Aaron H. Stulman (No. 5807)

Brett M. Haywood (No. 6166)

POTTER ANDERSON & CORROON LLP

1313 N. Market Street, 6th Floor

Wilmington, Delaware 19801

Telephone: (302) 984-6000

Facsimile: (302) 658-1192

Email: bcleary@potteranderson.com

astulman@potteranderson.com

bhaywood@potteranderson.com

Counsel to the Debtor and Debtor in Possession

¹ The Debtor’s mailing address in this chapter 11 case is Humanigen, Inc., c/o Verdolino & Lowey, P.C., 124 Washington Street, Suite 101, Foxboro, MA 02035 and the last four digits of the Debtor’s federal tax identification number is 7236.

EXHIBIT A

**The Official Committee of Unsecured
Creditors of Humanigen, Inc.**

Kilpatrick Townsend & Stockton LLP

The Grace Building
1114 Avenue of the Americas
New York, New York 10036

Womble Bond Dickinson (US) LLP

1313 North Market Street, Suite 1200
Wilmington, Delaware 19801

April [___], 2024

To All Unsecured Creditors of Humanigen, Inc.:

The Official Committee of Unsecured Creditors (the “Creditors’ Committee”) of Humanigen, Inc. (the “Debtor”) submits this letter to all unsecured creditors in connection with the solicitation of your vote on the *Combined Chapter 11 Plan of Liquidation and Disclosure Statement for Humanigen, Inc.* [Docket No. 226], filed on April 12, 2024 (as amended from time to time, the “Combined Plan and Disclosure Statement”).¹

The Creditors’ Committee believes that the Combined Plan and Disclosure Statement represents the best option for unsecured creditors to maximize the value of the Debtor’s assets through this Chapter 11 Case. The Combined Plan and Disclosure Statement provides for, among other things: (i) the establishment of a trust to administer and liquidate the remaining assets of the Estate and distribute the proceeds of such assets to unsecured creditors, including monetizing and distributing contingent assets such as the Milestone Payments and the Madison JV Interest; and (ii) preservation of all claims and Causes of Action of the Debtor and the Estate that are not expressly sold or released, including Avoidance Actions and potential claims against certain of the Debtor’s insiders, for the benefit of unsecured creditors.

NOTWITHSTANDING THE RECOMMENDATION SET FORTH HEREIN, EACH

FOR THE REASONS SET FORTH HEREIN, THE CREDITORS’ COMMITTEE RECOMMENDS YOU VOTE TO ACCEPT THE COMBINED PLAN AND DISCLOSURE STATEMENT. THE COMBINED PLAN AND DISCLOSURE STATEMENT DOES NOT PROVIDE FOR THE RELEASE OF THE DEBTOR OR ANY OTHER PARTY, OTHER THAN WITH RESPECT TO EXCULPATION. THE CREDITORS’ COMMITTEE BELIEVES THE COMBINED PLAN AND DISCLOSURE STATEMENT IS IN THE BEST INTERESTS OF UNSECURED CREDITORS.

CREDITOR MUST MAKE ITS OWN INDEPENDENT DETERMINATION AS TO WHETHER THE COMBINED PLAN AND DISCLOSURE STATEMENT IS ACCEPTABLE TO THAT CREDITOR AND SHOULD CONSULT ITS OWN LEGAL AND/OR FINANCIAL ADVISOR(S). THE BRIEF SUMMARY THAT FOLLOWS IS DESIGNED TO HIGHLIGHT CERTAIN PROVISIONS OF THE COMBINED PLAN AND DISCLOSURE STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY THE COMBINED PLAN AND DISCLOSURE STATEMENT AND ALL RELATED EXHIBITS AND SUPPLEMENTS.

¹ Capitalized terms used herein and not otherwise defined have the meanings given to them in the Combined Plan and Disclosure Statement.

On January 3, 2024, the Debtor filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). On January 16, 2024, the Office of the United States Trustee for Region 3 appointed the Creditors’ Committee pursuant to section 1102(a)(1) of the Bankruptcy Code. The Creditors’ Committee retained the following professionals: (i) Kilpatrick Townsend & Stockton LLP as its lead counsel; (ii) Womble Bond Dickinson (US) LLP as its Delaware counsel; and (iii) Dundon Advisers LLC as its financial advisor. The Creditors’ Committee members and professionals have devoted a considerable amount of their own time working on this case to protect the rights of all unsecured creditors.

Prior to the filing of the Combined Plan and Disclosure Statement, the Debtor conducted a sale of substantially all of its assets. On January 3, 2024, the Debtor entered into an asset purchase agreement (the “APA”) with Taran Therapeutics, Inc. (“Taran”)², who was the lender under the Debtor’s DIP Facility and served as the stalking horse purchaser. When no other qualified bids were received by the bid deadline for substantially all of the Debtor’s assets, the Debtor cancelled the auction and named Taran the successful bidder. The Creditors’ Committee initially objected to the sale to Taran (the “Sale”) but ultimately reached a settlement with the Debtor and Taran pursuant to which certain terms of the Sale and the APA were amended as described on the record at the hearing before the Bankruptcy Court on February 14, 2024. The settlement amended the APA to, among other things, significantly expand the events that will trigger the contingent “Milestone Payments” and increase the amount of those payments under the APA.

On February 17, 2024, the Bankruptcy Court entered an order (the “Sale Order”) approving the Sale upon the modified terms agreed by the Creditors’ Committee, the Debtor, and Taran. The Sale closed on February 20, 2024. In connection with the Sale, the DIP Facility was repaid in full pursuant to Taran’s credit bid of all outstanding amounts due thereunder.

During this Chapter 11 Case, the Creditors’ Committee evaluated various options to maximize the Debtor’s assets and engaged in extensive discussions and negotiations with the Debtor regarding ways to do so. The Creditors’ Committee believes that the approach set forth in the Combined Plan and Disclosure Statement represents the best available option for maximizing the value of the Estate for the benefit of General Unsecured Creditors.

The Combined Plan and Disclosure Statement provides for, among other things:

a. **Liquidating Trust:** All assets of the Debtor’s Estate as of the Effective Date, other than the Acquired Assets³ and the Professional Fee Escrow,⁴ will be transferred to the Liquidating Trust (the “Liquidating Trust Assets”) to be liquidated for the benefit of creditors. The Liquidating Trust Assets include (i) the Debtor’s right to receive value on account of the Madison JV Litigation and the Milestone Payments under the APA, (ii) D&O Claims, (iii) Avoidance Actions, and (iv) any other retained causes of action of the Debtor (the “Causes of Action”). The Liquidating Trust shall, among other things,

² Taran is led by the Debtor’s Chairman of the Board, CEO, and acting CFO, Cameron Durrant.

³ The “Acquired Assets” are the Debtor’s assets that were sold to Taran pursuant to the Sale Order and the APA.

⁴ After all Allowed Professional Fee Claims have been paid in full or otherwise satisfied, any excess amounts in the Professional Fee Escrow will become Liquidating Trust Assets.

(I) liquidate the non-cash Liquidating Trust Assets; (II) evaluate, pursue, prosecute, resolve, abandon, and/or compromise and settle any Causes of Action on behalf of the Liquidating Trust; and (III) object to and reconcile Claims and Interests, including, without limitation, resolving, compromising and settling disputed Claims. Any Liquidating Trust Proceeds will be distributed on a Pro Rata basis to the Holders of Allowed Claims.

b. **Class 3 – General Unsecured Claims Treatment:** Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, and release of each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of the Liquidating Trust Proceeds, which are all proceeds and other receipts from the Liquidating Trust Assets described above (including, for example, any amounts collected by the Liquidating Trustee on account of (i) judgments resulting from the pursuit of any Causes of Action, (ii) the Madison JV Litigation, and/or (iii) the Milestone Payments under the APA) after the expenses of the Liquidating Trust have been paid.

c. **No Releases.** The Combined Plan and Disclosure Statement does not include any releases for any parties.⁵

In summary, the Combined Plan and Disclosure Statement effectuates the wind down of the Debtor on terms that, based upon the information provided to the Creditors' Committee, the Creditors' Committee believes are favorable to unsecured creditors and represent the best achievable outcome for unsecured creditors under the present circumstances. **Accordingly, the Creditors' Committee supports the Combined Plan and Disclosure Statement.**

For purposes of voting on the Combined Plan and Disclosure Statement, the Debtor provided you with a ballot which should be completed by you for either accepting or rejecting the Combined Plan and Disclosure Statement. The ballot should be mailed or transmitted through the online portal in accordance with the procedures set forth on the ballot, and must be received prior to the voting deadline, [, 2024].

This letter provides only a brief description of the provisions of the Combined Plan and Disclosure Statement that impact unsecured creditors. As such, all unsecured creditors are urged to carefully review the Combined Plan and Disclosure Statement and consult with their legal and financial advisors accordingly. This communication does not constitute, and shall not be construed as, a recommendation or solicitation by any individual member of the Creditors' Committee.

If you have any questions regarding the foregoing, please contact counsel to the Creditors' Committee, Gianfranco Finizio at gfinizio@ktslaw.com or Danielle Barav-Johnson at dbarav-johnson@ktslaw.com.

THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF HUMANIGEN, INC.

⁵ For the avoidance of doubt, the Combined Plan and Disclosure Statement does exculpate certain fiduciaries of the estate including the Debtor, the Creditors' Committee, and certain related parties from Claims arising out of the Chapter 11 Case. See Combined Plan and Disclosure Statement, § X.B.