IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Apple Tree Life Sciences, Inc., *et al*.,[1]	Case No. 25-12177 (LSS)
Debtors.	(Jointly Administered)
	Hearing Date: July 22, 2026 at 10:00 a.m. (ET) **Obj. Deadline: July 13, 2026 at 4:00 p.m. (ET)**

DEBTORS' MOTION FOR ENTRY OF ORDER (I) AUTHORIZING ADDITIONAL USE OF FUNDS TO (A) FUND PORTFOLIO COMPANIES, (B) PAY MANAGEMENT COMPANY EXPENSES AND (C) PAY CHAPTER 11 EXPENSES, AND (II) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors") submit the *Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Additional Funding* (the "Mandarino Additional Funding Declaration"), filed contemporaneously herewith, and respectfully state the following in support of *Debtors' Motion for Entry of Order (I) Authorizing Additional Use of Funds to (A) Fund Portfolio Companies, (B) Pay Management Company Expenses and (C) Pay Chapter 11 Expenses, and (II) Granting Related Relief* (this "Third Funding Motion"):

PRELIMINARY STATEMENT[2]

1. Before and after the commencement of these Chapter 11 Cases, the Debtors have strenuously sought to survive and further their enterprise value for all of their constituents,

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Apple Tree Life Sciences, Inc. (4506); ATP Life Science Ventures, L.P. (8224); ATP III GP, Ltd. (6091); Apertor Pharmaceuticals, Inc. (3161); Initial Therapeutics, Inc. (2453); Marlinspike Therapeutics, Inc. (4757); Red Queen Therapeutics, Inc. (8563); Evercrisp Biosciences, Inc. (4437); Nine Square Therapeutics, Inc. (4503); and Nereid Therapeutics Incorporated (8493). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them elsewhere in the Third Funding Motion, the Mandarino Additional Funding Declaration, or in the *Declaration of Seth Harrison in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 18]; the *Declaration of Perry M.*

including by (a) preserving valuable intellectual property, technology platforms, preclinical assets, and ongoing clinical trials; (b) obtaining a $96,960,925.88 judgment from the Delaware Chancery Court, the proceeds of which are deposited in the Specific Performance Account; and (c) funding operations pursuant to this Court's orders, including the Bench Ruling, so that the Debtors could fund their business operations until July 31, 2026, while they work to emerge from their Chapter 11 Cases.

2. The Debtors urgently need to use a limited amount of cash on hand (*i.e.*, the Emergency Interim Funding), in the Specific Performance Account, to fund non-debtor Aulos on an emergency basis. The proposed use of the Emergency Interim Funds should be authorized under section 363(b) of the Bankruptcy Code, because it is supported by the Debtors' sound business judgment and covers expenses necessary to avoid immediate and irreparable harm. Indeed, given the Court's Bench Ruling validating the business judgment of the Debtors and recent order confirming that the LPA is in effect (even if joint liquidators are appointed) and it provides that the exclusive right to manage the assets vests in the General Partner (itself a Debtor), there is no legal bar to permitting the General Partner act in the ordinary course of business but for the fact that the bank at which the Specific Performance Account is established requires a court order.

3. Indeed, Aulos (which has been discussed in prior funding motions) needs $2 million of funding prior to the end of July 2026 to support its ongoing clinical trial. This Emergency Interim Funding will provide Aulos with the liquidity necessary to pay key clinical

Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions [Docket No. 25]; the *Supplemental Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 63]; and the *Second Supplemental Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 163] (collectively, the "First Day Declarations").

research organizations and drug manufacturers. Absent the Emergency Interim Funding, Aulos's current liquidity will expire in mid-July.

4. In addition, and more generally, the Additional Funding is needed, on a non-emergency basis, to preserve the going concern of the Debtors' enterprise, including by (a) protecting valuable intellectual property, technology platforms, preclinical assets, and ongoing clinical trials; and (b) avoiding a further compression of the Corporate Debtors' workforce, which would also entail negative repercussions for the Debtors themselves and the livelihoods of the affected employees who have been loyal to the Debtors during these difficult times. The Additional Funding, including the Emergency Interim Funding, during the Additional Funding Period also avoids costs and adverse consequences associated with missed payrolls, unpaid taxes, and litigation over unpaid administrative expenses.

5. Further, these cases continue to progress. Recently, Dr. Harrison submitted a non-binding proposal to acquire the "Pool V" portfolio companies (including Aulos). Rigmora itself has provided in writing its assessment of what it would find acceptable for the sale of Pool V and a structure by which it would support a plan of reorganization anchored in Pool V surviving. A third potential bidder group remains very interested. These confirm that why the Debtors commenced these cases was not only in good faith but in fact was the right business decision for the Debtors.

6. Immediately upon entry of an order granting the Third Funding Motion, and on an emergency basis pursuant to this Third Funding Motion and the accompanying motion to shorten, the Debtors seek approval of an aggregate amount of Emergency Interim Funding authority equal to $2 million to be provided by the Partnership Debtor to non-Debtor Portfolio Company Aulos to

continue its clinical trials and Additional Funding (inclusive of the Emergency Interim Funding) equal to approximately $53 million as set forth in more detail below.

RELIEF REQUESTED

7. The Debtors seek entry of orders, substantially in the form attached hereto as **Exhibit A** (the "Proposed Emergency Order") and **Exhibit B** (the "Proposed Final Order," and with the Proposed Emergency Order, the "Proposed Orders"), authorizing the Debtors to use the remaining funds that are still deposited in the Specific Performance Account. Specifically, in accordance with a budget (the "Budget") covering the period from the week ending August 7, 2026, to the week ending January 1, 2027 (the "Additional Funding Period"),[3] the Debtors seek authority to use, on an emergency basis $2 million (the "Emergency Interim Funding"), and the remainder, on a non-emergency basis (the "Budgeted Funding" and, together with Emergency Interim Funding, the "Additional Funding") as follows:

- The Partnership Debtor will provide $2 million to non-debtor Aulos (*i.e.*, the Emergency Interim Funding);
- The Partnership Debtor will provide $32,589,500 to certain Portfolio Companies (the "Additional Portfolio Funding") as follows:
    - Apertor Pharmaceuticals, Inc. — $2,680,000
    - Evercrisp Biosciences, Inc. — $986,000
    - Initial Therapeutics, Inc. — $380,000
    - Marlinspike Therapeutics, Inc. — $381,000
    - Red Queen Therapeutics, Inc. — $1,520,000
    - Nereid Therapeutics Incorporated — $3,110,000
    - Nine Square Therapeutics, Inc. — $1,993,500

[3] The Budget is attached as Exhibit A to the Mandarino Additional Funding Declaration. Prior to the filing of the Third Funding Motion, the Debtors shared the proposed Budget with the Committee and Rigmora.

- Aethon Therapeutics, Inc. — $3,315,000
- Marengo Therapeutics, Inc. — $9,000,000
- Aulos Bioscience, Inc. — $9,224,000 (inclusive of the Emergency Interim Funding)

- Debtor ATLS will be entitled to use up to $6.5 million coming from cash held in the Specific Performance Account[4] to pay certain ordinary course expenses (the "Management Company Expenses") listed herein and which are set forth in the Budget;

- Debtor ATLS will be entitled to use up to $13.8 million coming from cash held in the Specific Performance Account to pay (a) the fees of the United States Trustee for the District of Delaware (the "U.S. Trustee Fees"); and (b) subject to further Court approval, the compensation and reimbursement for the professionals retained by the Debtors in these Chapter 11 Cases (collectively, with the U.S. Trustee Fees, the "Chapter 11 Expenses").[5]

- The Additional Funding for which the Debtors seek the Court's authorization is necessary to preserve and maximize the Debtors' estates, including by ensuring that the Debtors can continue their ongoing business operations as a going concern while they seek to emerge from bankruptcy. The Debtors submit that the use of estate property, including on this emergency basis, as contemplated in the Third Funding Motion, reflects the Debtors' sound business judgment under section 363(b) of title 11 of the United States Code (the "Bankruptcy Code").

JURISDICTION AND VENUE

8. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware. Pursuant to rule

[4] The Debtors currently have approximately $3.4 million of cash on hand at ATLS. The Portfolio Companies currently have existing cash on hand of $17,995,500. The Debtors require the full amount of approximately $31 million of additional funding from the Specific Performance Account plus an additional $22 million from capital calls or DIP funding. For the avoidance of doubt, the Debtors are not seeking authority for any DIP funding in this Third Funding Motion, and any such request will be subject to further motions in compliance with all applicable rules.

[5] As stated in the Budget, the referenced professionals are (a) Quinn Emanuel Urquhart & Sullivan, LLP; (b) Potter Anderson & Corroon LLP; (c) B.Riley; (d) Kurtzman Carson Consultants, LLC dba Verita Global ; (e) Wachtell, Lipton, Rosen & Katz; (f) Murphy & King, P.C.; (g) Walkers (Cayman) LLP; (h) Cole Schotz P.C., which is counsel to the Committee; (i) Dundon Advisers LLC, which is the Committee's financial advisor; and (j) Timothy Pohl, who serves as an independent director of the GP (collectively, the "Chapter 11 Professionals").

9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rule[s]"), the Debtors confirm their consent to the Court entering a final order in connection with this Third Funding Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

9. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The bases for the relief requested herein are sections 105(a) and 363 of the Bankruptcy Code, Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Rule 9013-1.

GENERAL BACKGROUND

11. On December 9 and 12, 2025, and January 1 and 15, 2026, the Debtors, filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Chapter 11 Cases of the Debtors are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b). *See* Docket Nos. 69, 178, and 200.

12. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On January 20, 2026, the U.S. Trustee appointed the Committee of Unsecured Creditors (the "Committee"). Docket No. 194. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases.

13. The Debtors commenced these Chapter 11 Cases due to the failure of Rigmora Biotech Investor One LP, and Rigmora Biotech Investor Two LP (together, "Rigmora") to fulfill their contractual obligations, and their attempts to liquidate the Partnership Debtor, thereby destroying the value of the Portfolio Companies. Through these Chapter 11 Cases, the Debtors seek to stabilize their business, and, under the Court's supervision, restructure the Partnership

Debtor's capital structure to maximize the values of the years-long investments that they have made. A detailed description of the facts and circumstances of the Chapter 11 Cases is set forth in the First Day Declarations, incorporated herein by reference.

SPECIFIC BACKGROUND TO THE MOTION[6]

A. Rigmora Funds the Specific Performance Account

14. On May 30, 2025, the GP Debtor, acting as general partner for the Partnership Debtor, filed suit in the Delaware Chancery Court against Rigmora due to Rigmora's refusal to honor the May 30 Capital Calls. *See* Harrison Decl. ¶¶ 10-11, 66. The lawsuit was a necessary step to enforce Rigmora's obligations to satisfy capital calls, which calls were made to protect the Portfolio Companies, which lacked funding to continue their life-saving research and operations. *See id.* at ¶¶ 63-65.

15. On December 5, 2025, the Delaware Chancery Court found that Rigmora had breached its obligations and issued a final judgment ordering Rigmora to transfer $96,960,925.88 (the "Chancery Court Proceeds") to the Partnership Debtor based on the equitable remedy of specific performance (the "Chancery Judgment"). *See id.* at ¶ 11; *id.*, Ex. B at 66.

16. In connection with the Debtors' cash management motion [Docket No. 24], on December 19, 2025, the Court entered the *Order Authorizing the Debtors to Open New Segregated Bank Account* [Docket No. 79] (the "Account Order"). Under the Account Order, the Partnership Debtor opened an account with Banc of California (the "Specific Performance Account"), into which Rigmora transferred the Chancery Court Proceeds on December 22, 2025. The Account Order provides that "[a]ny funds deposited in [the] segregated bank account shall not be withdrawn

[6] The Debtors provide a factual background that relates to the specific circumstances underlying the Third Funding Motion. This is intended to supplement the factual background of the January Funding Motion (¶¶ 14-36), which is incorporated herein by reference.

or otherwise used or encumbered pending further order of this Court." Account Order at ¶ 2.

B. The Court Authorized the Debtors to Use Funds in the Specific Performance Account for Similar Funding Needs

17. On January 29, 2026, the Debtors filed a motion [Docket No. 228] (the "January Funding Motion"), along with a budget covering the period from January 20, 2026 to July 31, 2026, seeking the Court's authorization to use approximately $74.1 million of cash on hand, including cash held in the Specific Performance Account, to (a) fund ten Portfolio Companies with approximately $39.492 million, so that they could continue developing their research programs for the treatment of serious medical diseases (collectively, the "Program[s]"); (b) allow ATLS to pay expenses relating to the management of the Partnership Debtor and the ongoing oversight of the Portfolio Company investments for approximately $12 million; and (c) pay the U.S. Trustee Fees, as well as the compensation and reimbursement for the professionals retained by the Debtors in these Chapter 11 Cases.

18. Following Rigmora's objection [Docket No. 305] and Debtors' reply [Docket No. 340], the Court heard evidence and argument on the January Funding Motion on February 19 and 20, 2026, and took the matter under advisement.

19. On April 12, 2026, the Debtors filed a motion amending the January Funding Motion to obtain emergency interim funding while the January Funding Motion remained under advisement [Docket No. 529] (the "Amended Funding Motion"). Specifically, the Debtors sought authority to use, on an emergency basis, $7.007 million as follows: (i) the Partnership Debtor would provide $2.011 million to non-Debtor Aulos; and (i) ATLS would use $4.996 million coming from cash held in the Specific Performance Account to pay certain ordinary course expenses. On April 20, 2026, the Debtors filed a revised order resolving the informal response

received from Rigmora [Docket No. 559]. On the same day, the Court entered the revised order authorizing interim funding [Docket No. 561] (the "April 20 Funding Order").

20. On April 22, 2026, the Court issued a bench ruling granting the January Motion [Docket No. 585] (the "Bench Ruling"). The Court, in particular, found that:

- [T]he 97 million in the specific performance account has value and … notwithstanding a lack of separate legal personality, those funds can be used to satisfy the partnership's commitments, both to creditors of the fund and as investments, and to further the fund's purposes…. [T]he 97 million in the specific performance account is property of fund's estate. Docket No. 585 (April 22, 2026 Hr'g Tr. at 7:18-8:1).

- Paragraph 5 [of the LPA] does not contain any restrictions on the general partners' use of the drawn-down capital. It only puts conditions on capital calls. This lack of restriction is consistent with the arrangement reached by the parties and the Exempted Limited Partnership Act. The use of the funds received by the partnership falls into the realm of execution of the budget and/or conducting the business. Both, the limited partnership agreement and the Exempted Limited Partnership Act put conducting the business in the purview of the general partner. Limited Partners do not have a veto on the use of funds on a day-to-day basis, nor do limited partners determine which bills to pay; indeed, limited partners risk liability should they make business decisions or otherwise interfere in the conduct of a partnership's business. *Id.* at 9:14-10:3.

- The January Funding Motion "reflects an appropriate use of the debtors' business judgment," *id.* at 14:12-13, noting among other things (a) as start-up companies in this space progress, the research may pivot into different or adjacent areas of interest" and "Dr. Harrison recognizes the need to continually evaluate the portfolio companies and is doing so," *id.* at 14:17-22; (b) "[t]he Rigmora LPs do not assert that Dr. Harrison and his team do not understand the needs of the portfolio companies, that they are not properly informed, or that they have not evaluated each of the portfolio companies, id. at 14:17-15:1; and (iii) Rigmora's debtor-in-possession proposal "shows that the Rigmora LPs are amenable to funding the portfolio companies, at least in some amount and in some fashion," and it "also wholly undercuts Dr. Rimm's testimony that no prudent investor would invest in those companies," *id.* at 15:11-15.

21. Following the Bench Ruling, on April 24, 2026 and after discussions with Rigmora, the Debtors filed a revised proposed order [Docket No. 581], which the Court entered on the same

day [Docket No. 583] (the "April 24 Funding Order" and, together with the April 20 Funding Order, the "Funding Orders").

22. Based on the Funding Orders, the Debtors withdrew $64 million from the Specific Performance Account, the balance of which is $31 million as of the date of this Third Funding Motion.

23. Since entry of the Funding Orders, the Corporate Debtors' and Portfolio Companies' have expended funds in accordance with the Court's orders and approved budgets, but now require the Additional Funding as the Debtors continue to move toward a successful restructuring. In particular, (a) Aulos is in urgent need of the Emergency Interim Funding to continue its Program during the Additional Funding Period; (b) ATLS needs to disburse payroll, rent, and other critical expenses; and (c) the Portfolio Companies require the Additional Funding, as described below and in the Budget, to avoid disruption of the Debtors' going concern operations and the consequent erosion of their value.

C. Emergency Interim Funding to Aulos

24. Aulos develops imneskibart, a human monoclonal antibody that directs the immune system to fight cancer and is the first antibody designed using artificial intelligence to enter clinical trials. To date, Phase 1 and 2 clinical trial data have shown superior response rates in melanoma patients who have failed other treatments, multiple full metastatic cancer regressions, and deep and durable responses in melanoma, lung cancer, bladder cancer, head and neck cancer, and renal cancer, along with a best-in-class safety profile. Based upon these results, Aulos continues to move forward with two metastatic, refractory tumors: melanoma and non-small cell lung cancer. As indicated in the January Funding Motion, the estimated cost to achieve full clinical proof of concept, with necessary duration of response data, is $15 million to $20 million, and this process will take until approximately January-February 2027. *See* January Funding Motion at ¶ 23.

25. The primary use of the funding is to support the ongoing clinical trial. Aulos currently has 28 active patients on trial, seeks to enroll 3 more patients, and plans to open a new clinical trial site in Australia to assist with recruiting. While there are no new cohorts planned at present, such plans are subject to future data results. Most of the Emergency Interim Funding is allocated to pay the contract research organizations that are supporting the trial. Critically, a $403,000 invoice is expected from a key contract research organization this week. Once that invoice is paid, Aulos estimates its funding will run out by mid-July. Other critical costs include drug supply manufacturers, contract research organizations that perform lab tests, and logistics for drug supply.

26. Through the January Funding Motion, the Debtors sought to fund Aulos with $8,201,974, an amount that would be used to fund, until July 31, 2026, payroll obligations and research and development costs (among other things). *Id.*; *Id.*, Ex. A at ¶ 2; April 20 Funding Order at ¶ 2; April 24 Funding Order at ¶ 2.

27. The Debtors now need to use the Emergency Interim Funding (*i.e.*, $2 million) to enable Aulos to continue its Program in the Additional Funding Period without damaging interruptions due to cash constraints.[7] Indeed, if Aulos does not receive the Emergency Interim Funding, there is an increasing risk that the ongoing trial phase will fail.[8] Accordingly, the Emergency Interim Funding is necessary to preserve and enhance Aulos' Program, in turn, preserving and maximizing the value of the Debtors' estates.

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[7] For example, Aulos was recently forced to pause the enrollment of a melanoma cohort (*i.e.*, a specific group of patients with this type of tumor) because, due to the severe cash constraints, the Portfolio Company could not commit that it would provide the patients with the full course of the treatment under trial.

[8] Once a clinical trial is halted, it cannot simply be resumed from the point of interruption, including because the enrolled patient cohort is lost and the acquired scientific data are compromised. Thus, Aulos would need to restart the trial from its inception. And given Aulos's current financial position, it is highly unlikely that Aulos would survive the burden of restarting a clinical trial from scratch.

28. As stated in the January Funding Motion (¶ 29), the Partnership Debtor does not have further financial commitments under the Series A financing in relation to non-debtor Aulos. Accordingly, the Debtors propose that the Emergency Interim Funding in favor of Aulos be provided on a secured basis in the form of a secured promissory note. The terms of this secured funding are consistent with (a) the terms of pre-petition secured funding (the "Prepetition Secured Notes") that, in June and July 2025, the Partnership Debtor provided to Nereid and Nine Square, among others;[9] and (b) the secured funding this Court authorized in the April 24 Funding Order and the order entered on January 24, 2026. *See* Docket Nos. 206, 583.

D. Additional Portfolio Funding

29. In accordance with the Budget, the Debtors seek to provide the total amount of $27.1 to nine Portfolio Companies. The Additional Portfolio Funding reflects, for each of these Portfolio Companies, the capital that they need until January 1, 2027, to preserve and enhance their Programs and to continue to operate and maintain their operations and assets while the Debtors seek to emerge from bankruptcy. Specifically,

Portfolio Company	Additional Funding	Planned Use of the Additional Portfolio Funding in Connection with the Programs
Aethon (Nondebtor)	**$3,315,000**	In connection with Aethon R&D spending, there are several internal and external activities spread over three projects. In the antibody targeting RAS oncology program, most of the spending will initially be used to support in-house in-vitro testing of Aethon's lead molecules to establish binding, potency, and manufacturability. Lead molecules will be selected for in-vitro testing with a goal of identifying one or more molecule(s) that can be nominated as development candidate(s). These activities will be conducted at Aethon internally with three FTEs and then, as molecules advance, the manufacture of the test drugs will be done at WuXi which, assuming the data supports, is anticipated to start in the second half of 2026.

[9] *See* Exhibit B to the January Funding Motion.

Portfolio Company	Additional Funding	Planned Use of the Additional Portfolio Funding in Connection with the Programs
		Aethon anticipates that the headcount will increase by two for this Program. In connection with the two p53 Programs, there are similar objectives to the RAS Program, which are to fund the supporting in vitro and in vivo studies to establish a development candidate. In both p53 Programs the chemicals will be manufactured by increasing the supported FTEs at Aethon's CRO Pharmaron from five to nine, and, given the expertise, in vitro testing will be conducted with two to three FTEs at ATP Labs.
Apertor (Debtor)	**$2,680,000**	Apertor's key external costs are driven by the development activities of its development candidate AP-457. The costs consist of scaling-up AP-457 (most likely at BioDuro which is a pre-existing contracted relationship) and using that material to conduct formulation, pharmacokinetic and safety studies (at WuXi, also a pre-existing relationship with an agreement in place). These activities will allow for a go/no go decision on initiating manufacturing of AP-457 for completion of GLP studies necessary to support an IND submission to the FDA. All of the above can be initiated immediately with minor amendments, perhaps requiring a greater percentage paid up front, to existing agreements as Apertor has maintained contact with all key vendors. There are no equipment or lab lease expenses anticipated. Planned headcount is projected to go from two current FTEs to 5 FTE equivalents through outsource and consultants to support IND enabling efforts.
Aulos (Nondebtor)	**$9,224,000**	Aulos is conducting a Phase 2 clinical trial with four cohorts, two each in refractory melanoma and refractory lung cancer, and the costs of the trial drive most of the spending over the next six months (this costs, subject to the progress of the trial, are estimated at $2.5 million in the next three months, and $4.3 million in the next six months). The timing of the payments is milestone driven and based on progress in the trial. This spending primarily consists of payments to the CRO (PPD - ThermoFisher) for study milestones achieved, including completion of site initiations, patient enrollment, study site monitoring visits, and patient data management. Aulos also pays for lab tests for patients to generate data and to monitor their progress, costs study sites incur in patient management, and costs to

Portfolio Company	Additional Funding	Planned Use of the Additional Portfolio Funding in Connection with the Programs
		supply study drugs (imneskibart (Aulos antibody) as well as Proleukin (aldesleukin; IL-2), Opdivo (nivolumab) and Bavencio (avelumab). In addition to these study costs, Aulos relies on scientific consultants to augment a lean headcount. There is no headcount change planned for the next six months.
Evercrisp (Debtor)	**$986,000**	The proposed six-month funding for Evercrisp will be used primarily to reinstate and complete previously suspended external research contracts with established Contract Research Organizations ("CRO[s]"), including (a) CRADL (in vivo studies); (b) Biometas (mini-protein production and characterization); (c) Histobridge (biodistribution and tissue analysis); (d) ChemPartner (construct stabilization and chemistry); and (e) Tango Biosciences (display library access). These activities will generate biodistribution, selectivity, and construct-stability data required for development candidate selection, and to support previous, but currently suspended, business development discussions related to Evercrisp's in vivo gene editing platform. The work can begin promptly upon reinstatement of contracts and is designed to restart the normal cycle of research iteration that was interrupted by the funding disruption. There are currently signed contracts with all the CROs, so work could potentially commence immediately, although this could be delayed depending on whether a CRO requires pre-existing debt to be paid. Evercrisp believes that most of the vendors will work on a cash-on-delivery or prepaid basis, but that will be better understood in the coming weeks. There are back-up CROs the Company can use, but this could lead to delays to allow for a contracting phase. Assuming the work can start in the coming weeks, Evercrisp will be collecting data from the second quarter to the fourth quarter of 2026. There is no planned increase in headcount over the next six months.
Initial (Debtor)	**$380,000**	Initial will use the research funding over the next six months to deliver a pan-androgen receptor translation inhibitor suitable for in vivo efficacy and safety testing in rodents which are the studies necessary to nominate a development candidate. The work will be conducted in-house with compound synthesis and Absorption, Distribution, Metabolism, and Excretion profiling

Portfolio Company	Additional Funding	Planned Use of the Additional Portfolio Funding in Connection with the Programs
		outsourced to Pharmaron and Wuxi, both CROs with established relationships to Initial who will be re-engaged within the first month of funding. Initial will utilize already developed proprietary screens including an in vitro translation panel for cellular efficacy and selectivity and in vitro safety screens. Proteomics will be performed both in-house and at CROs to confirm functional activity. Chemistry design will be supported by qualified consultants with established relationships and deep knowledge of the Program. To support the plan, Initial will need to re-hire two scientists for in vitro work in house and will re-engage two medicinal chemistry consultants.
Marengo (Nondebtor)	**$9,000,000**	The proposed budget enables Marengo to advance its clinical trial studying the combination of Irinotecan and Marengo's lead drug—Invikafusp—in colorectal cancer patients. The study is to have approximately fifty patients, and Marengo has received a "fast track" designation from the Federal Drug Administration. The colorectal cancer population is a high-value area of research with a high unmet need. Additionally, colorectal cancer was one of the top responding cancers to Invikafusp monotherapy.
Marlinspike (Debtor)	**$381,000**	Marlinspike's research will focus on developing data to support its potential development candidate for breast cancer. Most of the work during this period will be contracted out to ATP R&D to manufacture test drug and to conduct in vitro and in vivo efficacy and safety studies. Marlinspike expects to transfer one former Marlinspike employee who currently resides at ATP R&D to act as project lead, and will contract for at least two FTEs at ATP R&D including associated overhead. Marlinspike is expected to run a selectivity assay at Momentum that should be completed in the second quarter of 2026, and the manufacture of test drug and associated backup analogs will be conducted at Pharmaron with up to 3 FTEs who can start in the next month and will likely finish in the third quarter of 2026.
Nereid (Debtor)	**$3,110,000**	Nereid's lead oncology Program targets CKAP5, a microtubule binding protein. A development candidate was nominated following demonstration of preclinical efficacy (flatlined tumor growth) in colorectal, breast, lung, bladder and ovarian models and good tolerability in

Portfolio Company	Additional Funding	Planned Use of the Additional Portfolio Funding in Connection with the Programs
		a non-Good Laboratory Practice toxicology study. Spending on this Program for the next six months will comprise primarily the Good Laboratory Practice toxicology studies ($1.16 million) in two species that are necessary for an IND filing that is expected before year end. Nereid's second oncology Program targets MYC. Nereid's platform technology has identified chemical matter unique in the industry, small molecules that directly bind to MYC and block its function. Current leads are well tolerated and flatline growth of triple-negative breast cancer models that are non-responsive to current standard of care including anti-PD-1 therapies. Spending on the MYC Program for the next 6 months will comprise profiling of late-stage lead molecules, including in vivo pharmacokinetic, pharmacodynamic and efficacy studies costing $1.16 million. Nereid's TDP-43 Program targets amyotrophic lateral sclerosis, and is currently at the lead identification stage. Potential leads have been identified that directly bind to TDP-43. Spending on the TDP-43 Program for the next six months comprises $852,000 in outsourced studies including synthetic chemistry, and in vitro and pharmacological characterization of compounds. Nereid believes from past interactions that all of these Programs will attract business development interest at either the development candidate or IND stage. The budget includes funds for two to three new hires as well as lab space in a short-term incubator.
Nine Square (Debtor)	**$1,993,500**	The proposed budget enables Nine Square to advance its lead drug molecule for the TRPML1 program into required preclinical safety studies by initiating formulation work in the first quarter of 2026, preferably at WuXi, which already has an active services agreement in place and, assuming good data, would thereafter do chemical scale-up with experienced CROs (*e.g.*, Bend Bioscience, Jubilant Biosys, and Charles River Laboratories). These studies are designed to demonstrate that the drug can be consistently manufactured, appropriately formulated, and safely evaluated to support a development candidate selection before year end. Nine Square intends to optimize an identified backup molecule for TRPML1. Synthesis and screening of the backup will also occur at CRO WuXi. If Nine Square can get started quickly on its formulation work on the lead molecule, it could be in a position

Portfolio Company	Additional Funding	Planned Use of the Additional Portfolio Funding in Connection with the Programs
		sometime in the second quarter of 2026 to make a go/no-go decision on its lead molecule and in a position to initiate scale-up and non-Good Laboratory Practice toxicology studies by the second or third quarter of 2026. Nine Square will advance a second program, Parkin, through discovery-stage chemistry and screening optimization at WuXi to enable delivery of a robust in vivo tool molecule suitable for external partnering discussions. The budget assumes some costs for shared lab space and no increase in headcount in the next six months.
Red Queen (Debtor)	**$1,520,000**	Red Queen's research is primarily driven by its anti-flu program with funds necessary to prepare the development candidate peptides for in vivo efficacy studies in the second half of 2026 as well as to start Chemistry, Manufacturing, and Controls work in preparation for IND enabling toxicology and dosage form scale up. Preclinical activities in preparation for proof of concept will be contracted out to ATP R&D and require 2 FTEs. The key external research activity in the next six months is to develop an assay to quantify how much drug is in the lung and blood which will likely be contracted out to Charles River Labs. The Chemistry, Manufacturing, and Controls plan is to transfer peptide production to domestic third party and scale (non-Good Manufacturing Practice) and to perform pre-formulation studies. Peptide manufacture will begin at Bachem (USA). Red Queen's anti-combi respiratory virus program will be a smaller percentage of research expenses and primarily entail in vitro testing contracted out to ATP R&D (utilizing the same two employees noted above) to identify molecules that qualify for in vivo testing. Other than outsourcing to ATP R&D, there are no new hires anticipated.

30. As shown in the in the Budget, to the extent that the Court approves it, the Additional Portfolio Funding will cover payments relating to the Portfolio Companies' payroll obligations, research and development, preservation of intellectual property rights, and overhead costs.

E. Management Company Expenses

31. In the ordinary course of business, ATLS incurs the Management Company Expenses. These expenses are related to (a) the management of the Partnership Debtor (and that ATLS pays on behalf of the General Partner, which is also a Debtor); and (b) the ongoing oversight of the Portfolio Company investments.

32. Here, ATLS seeks to use approximately $6.5 million of the Additional Funding to pay the Management Company Expenses set forth in the Budget. Such Management Company Expenses covered by the Budget encompass:

- $3.6 million for payroll and benefits;
- $1.7 for internal and external consultants; and
- $1.2 million for overhead expenses detailed in the Budget.

33. As stated above, all these Management Company Expenses are in the historical ordinary course of business of ATLS. Nevertheless, the Debtors seek the Court's authorization under the Account Order, given that, for the related Additional Funding, the Debtors intend to use funds deposited into the Specific Performance Account to pay those expenses. Accordingly, as in the January Funding Motion, the Debtors request authority to pay these Management Company Expenses even though their payments constitute ordinary course transactions.

F. Chapter 11 Expenses and Management Fee

34. As shown in the Budget, the Debtors expect to incur the Chapter 11 Expenses—estimated at approximately $13.8 million—in favor of the U.S. Trustee on account of quarterly fees under section 1930(a)(6) of title 28 of the United States Code and, subject to further Court approval, the Chapter 11 Professionals. From the commencement of the Chapter 11 cases through the filing of this Motion , the Debtors professional fees (the bulk of the Chapter 11 Expenses) are

approximately $12.4 million based on filed monthly fee statements. The Debtors estimated these Chapter 11 Expenses based on the Chapter 11 Professionals accruals through May 2026.

35. For the avoidance of doubt, the Debtors are not requesting emergency relief to pay the Additional Portfolio Funding, Management Company Expenses, Chapter 11 Expenses, or Management Fee.

BASIS FOR RELIEF[10]

I. The Proposed Use of the Additional Funding Is Supported by the Debtors' Sound Business Judgment

36. Section 363(b)(1) of the Bankruptcy Code provides in relevant part that a debtor's estate "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate …." 11 U.S.C. § 363(b)(1). When the contemplated transactions fall outside the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code, courts consider whether to approve use of estate property under the deferential business judgment standard. *See*, *e.g.*, *In re Kidde-Fenwal, Inc.*, No. 23-10638 (LSS), 2023 Bankr. LEXIS 3065, at *15 (Bankr. D. Del. Nov. 8, 2023) (noting that "[t]he court may approve a request under section 363 if it is a proper exercise of the debtor's business judgment," and noting that where the debtor's decision is an operational one "greater deference may be owed"); *In re BSA*, 137 F.4th 126, 158 n.18 (3d Cir. 2025) (noting that "[t]o approve a sale under § 363(b), courts require only that the debtor exact its sound business judgment in good faith" when explaining that approval of a plan is more stringent); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) (explaining that under section 363, "under normal circumstances the court would defer to the trustee's judgment so long as there is a

[10] The January Funding Motion contains additional bases for relief regarding the legal status of the Specific Performance Account and the applicability of any limitations contained within the LPA thereto. *See* January Funding Motion at ¶¶ 41–50. However, in the Bench Ruling, the Court ruled in favor of the Debtors with regard to all of those arguments. Accordingly, those arguments are not repeated herein but are incorporated herein by reference.

legitimate business justification"); *In re Vill. Roadshow Ent. Grp. USA Inc.*, No. 25-10475 (TMH), 2025 Bankr. LEXIS 2869, at *11-12 (Bankr. D. Del. Nov. 5, 2025) (noting that under section 363(b), courts apply the business judgment test which is "deferential to debtors" and that "courts will not substitute their views for those of the debtor if the latter's decision can be attributed to any rational business purpose") (citation modified); *In re Enron Corp.*, 335 B.R. 22, 27-28 (S.D.N.Y. 2005) (quoting *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983)) ("For a court to approve an application under § 363(b), it must 'expressly find from the evidence presented before [it] at the hearing a good business reason to grant such an application.'"); *see also In re BSA*, 137 F. 4th 126, 157 (3d Cir. 2025) (acknowledging that section 363(b) applies a business judgment standard, but determining that only a debtor can invoke section 363(b)).

37. Under section 363(b), "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that "[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task.").

38. Here, the Debtors' use of the Additional Funding, including the Emergency Interim Funding achieves the best interests of the Debtors and their stakeholders. Providing the Emergency Interim Funding is necessary to avoid immediate and irreparable harm and will allow the Debtors to preserve and enhance the value of Aulos and its promising cancer drug Program. Likewise Providing the Portfolio Funding will allow the Debtors to preserve and enhance the value of the Portfolio Companies and the overall enterprise, and the related hundreds of millions of dollars of existing investments. Conversely, depriving the Portfolio Companies of the Additional

Funding will be value-destructive and could seriously damage the Debtors' efforts to reorganize. Moreover, the Management Company Expenses, which includes the Management Fee, are all expenses that are necessary to managing the Partnership Debtor and overseeing the Portfolio Company investments. Without the Additional Funding, the Debtors will have no choice but to reduce ATLS's workforce due to lack of funds to pay employees as required by New York and other state law.[11] And liquidity-driven layoffs will impair Debtors' ability to continue their business as a going concern. Accordingly, the contemplated Additional Funding is supported by the Debtors' business judgment and should be authorized under section 363(b) of the Bankruptcy Code.

REQUESTS FOR IMMEDIATE RELIEF AND WAIVER OF STAY

39. Under Bankruptcy Rule 6004(h), the Debtors seek (a) immediate entry of an order granting the relief sought herein; and (b) a waiver of any stay of the effectiveness of such an order. Bankruptcy Rule 6004(h) provides that "[u]nless the court orders otherwise, an order authorizing the use, sale, or lease of property (other than cash collateral) is stayed for 14 days after the order is entered." Fed. R. Bankr. P. 6004(h). As set forth above, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors' estates and operations. Accordingly, the Debtors submit that ample cause exists to justify (a) the immediate entry of an order granting the relief sought herein; and (b) a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it applies.

NOTICE

40. The Debtors will provide notice of this Third Funding Motion to the following parties and/or their respective counsel, as applicable: (a) the United States Trustee for the District

[11] *See* 28 U.S.C. § 959(b).

of Delaware; (b) the Committee; (c) the United States Attorney's Office for the District of Delaware; (d) the Internal Revenue Service; (e) the attorneys general in the states where the Debtors conduct their business operations; (f) the Cash Management Banks; (g) Rigmora; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, considering the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

41. Other than as set forth in the January Funding Motion and Amended Funding Motion, no prior request for the relief sought in this Third Funding Motion has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (a) enter the Proposed Orders, substantially in the form attached hereto as **Exhibit A** and **Exhibit B**; and (b) grant such other and further relief as is just and proper.

[*Signature Page Follows*]

Dated: June 29, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Ethan H. Sulik

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Counsel to the Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Apple Tree Life Sciences, Inc., *et al*.,[1]	Case No. 25-12177 (LSS)
Debtors.	(Jointly Administered)
	Hearing Date: July 22, 2026 at 10:00 a.m. (ET) **Obj. Deadline: July 13, 2026 at 4:00 p.m. (ET)**

NOTICE OF DEBTORS' MOTION FOR ENTRY OF ORDER (I) AUTHORIZING ADDITIONAL USE OF FUNDS TO (A) FUND PORTFOLIO COMPANIES, (B) PAY MANAGEMENT COMPANY EXPENSES AND (C) PAY CHAPTER 11 EXPENSES, AND (II) GRANTING RELATED RELIEF

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Motion for Entry of Order (I) Authorizing Additional Use of Funds to (A) Fund Portfolio Companies, (B) Pay Management Company Expenses and (C) Pay Chapter 11 Expenses, and (II) Granting Related Relief* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

PLEASE TAKE FURTHER NOTICE that objections to the Motion, if any, must be in writing, filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801, on or before **July 13, 2026 at 4:00 p.m. (ET)** (the "Objection Deadline"), and served upon and received by the undersigned counsel for the Debtors.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Apple Tree Life Sciences, Inc. (4506); ATP Life Science Ventures, L.P. (8224); ATP III GP, Ltd. (6091); Apertor Pharmaceuticals, Inc. (3161); Initial Therapeutics, Inc. (2453); Marlinspike Therapeutics, Inc. (4757); Red Queen Therapeutics, Inc. (8563); Evercrisp Biosciences, Inc. (4437); Nine Square Therapeutics, Inc. (4503); and Nereid Therapeutics Incorporated (8493). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

PLEASE TAKE FURTHER NOTICE that, if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before the Honorable Laurie Selber Silverstein at the Bankruptcy Court, 824 N. Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801 on **July 22, 2026 at 10:00 a.m. (ET)**.

IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

[*Remainder of Page Intentionally Left Blank*]

Dated: June 29, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Ethan H. Sulik

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Counsel to the Debtors and Debtors in Possession

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Apple Tree Life Sciences, Inc., *et al*.,[1]	Case No. 25-12177 (LSS)
Debtors.	(Jointly Administered)
	Re: Docket No. ___

INTERIM ORDER (I) AUTHORIZING ADDITIONAL USE OF FUNDS TO (A) FUND PORTFOLIO COMPANIES, (B) PAY MANAGEMENT COMPANY EXPENSES AND (C) PAY CHAPTER 11 EXPENSES, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order") authorizing the use of funds deposited in the Specific Performance Account to fund nondebtor Aulos with the Emergency Interim Funding, all as more fully set forth in the Motion; and upon the First Day Declarations and the Mandarino Additional Funding Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, entered February 29, 2012; and the Debtors having consented to entry of a final order; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and the interim relief requested therein

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Apple Tree Life Sciences, Inc. (4506); ATP Life Science Ventures, L.P. (8224); ATP III GP, Ltd. (6091); Apertor Pharmaceuticals, Inc. (3161); Initial Therapeutics, Inc. (2453); Marlinspike Therapeutics, Inc. (4757); Red Queen Therapeutics, Inc. (8563); Evercrisp Biosciences, Inc. (4437); Nine Square Therapeutics, Inc. (4503); and Nereid Therapeutics Incorporated (8493). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and objections (if any) to the interim relief requested in the Motion having been withdrawn, resolved or overruled on the merits; and a hearing, if any, having been held to consider the interim relief requested in the Motion, and upon all of the proceedings had before this Court; that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT

1. The Motion is GRANTED on an interim basis, solely as set forth herein.

2. The Court finds and determines that the interim relief requested is necessary to avoid immediate and irreparable harm.

3. The Partnership Debtor is authorized to provide Aulos with $2,000,000 in Emergency Interim Funding, including by using funds in the Specific Performance Account, in accordance with the Budget attached to the Mandarino Additional Funding Declaration.

4. The Debtors' rights are expressly preserved to seek further funding relief from the Court.

5. Nothing in this Interim Order is meant to supersede or alter the *Final Order to (I) Make and Accept Secured Loans to Portfolio Companies, (II) Authorize to the Extent Outside the Ordinary Course of business Payment of Management Company Expenses and (III) Grant Related Relief* [Docket No. 206] (the "First Funding Order") or the *Order (I) Authorizing Use of Funds to (A) Fund Portfolio Companies, (B) Pay Management Company Expenses and (C) Pay Chapter 11 Expenses, and (II) Granting Related Relief* [Docket No. 583] (the "Second Funding Order"). Notwithstanding the foregoing, and for the avoidance of doubt, the foregoing amounts authorized

under this Interim Order are in addition to the funding the Court previously authorized in the First Funding Order and the Second Funding Order.

6. The Partnership Debtor is authorized to receive from nondebtor Aulos junior liens in and security interests on the collateral described in the Prepetition Secured Notes pursuant to section 364(c)(3) of the Bankruptcy Code, to the extent applicable, which, for the avoidance of doubt, such liens and security interests shall be subject to any other valid, perfected, enforceable, and unavoidable lien or security interest as of the Petition Date.

7. The Partnership Debtor has acted in good faith in connection with the Emergency Interim Funding, and is entitled to rely upon the protections granted by section 364(e) of the Bankruptcy Code. Based on the record made during the hearings upon the Motion, if any and in accordance with section 364(e) of the Bankruptcy Code, and notwithstanding any modification or vacatur of any or all of the provisions of this Interim Order by a subsequent order of this Court or any other court, the Partnership Debtor is entitled to the protections provided in section 364(e) of the Bankruptcy Code.

8. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any particular claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to Bankruptcy Code section 365; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are

valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. Any payment made pursuant to this Interim Order is not intended and should not be construed as an admission as the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

9. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed to prevent any of the LPs (as defined in Docket No. 99) from raising (and the rights of any of the LPs to raise shall be fully preserved) that the source, allocation, and characterization of any funding, or proposal to allocate any funds, that is not in accordance with LP-approved budgets are improper and in contravention of the Bankruptcy Code and the terms of the LPA (as defined in Docket No. 99) and the arguments in the motion to dismiss the petitions filed by Debtors ATP Life Science Ventures, L.P, ATP III GP, Ltd., and Apple Tree Life Sciences, Inc. The rights of any of the LPs to seek damages against ATP III GP, Ltd. arising from or related to these bankruptcy proceedings, including on the basis that the filings were unlawful or in breach of fiduciary duties, shall be fully preserved. This reservation of rights is without prejudice to the Debtors' responses and defenses to such claims and allegations.

10. For the avoidance of doubt, the Debtors and their advisors shall maintain their accounts on a Debtor-by-Debtor (not consolidated) basis in connection with expenditures made pursuant to the relief provided hereunder and otherwise.

11. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

14. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Apple Tree Life Sciences, Inc., *et al*.,[1]	Case No. 25-12177 (LSS)
Debtors.	(Jointly Administered)
	Re: Docket No. ___

FINAL ORDER (I) AUTHORIZING ADDITIONAL USE OF FUNDS TO (A) FUND PORTFOLIO COMPANIES, (B) PAY MANAGEMENT COMPANY EXPENSES AND (C) PAY CHAPTER 11 EXPENSES, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") authorizing the use of funds deposited in the Specific Performance Account to (a) fund the Portfolio Companies; (b) pay the Management Company Expenses, and (c) pay the Chapter 11 Expenses, all as more fully set forth in the Motion; and upon the First Day Declarations and the Mandarino Additional Funding Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, entered February 29, 2012; and the Debtors having consented to entry of a final order; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Apple Tree Life Sciences, Inc. (4506); ATP Life Science Ventures, L.P. (8224); ATP III GP, Ltd. (6091); Apertor Pharmaceuticals, Inc. (3161); Initial Therapeutics, Inc. (2453); Marlinspike Therapeutics, Inc. (4757); Red Queen Therapeutics, Inc. (8563); Evercrisp Biosciences, Inc. (4437); Nine Square Therapeutics, Inc. (4503); and Nereid Therapeutics Incorporated (8493). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and a hearing, if any, having been held to consider the relief requested in the Motion, and upon all of the proceedings had before this Court; that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT

1. The Motion is GRANTED as set forth herein.

2. Under section 363(b) of the Bankruptcy Code, the Partnership Debtor is authorized to provide Additional Portfolio Funding, including by using the Funds in the Specific Performance Account, in the following amounts to each of the Portfolio Companies:

- Debtor Apertor Pharmaceuticals, Inc. — $2,680,000
- Debtor Evercrisp Biosciences, Inc. — $986,000
- Debtor Initial Therapeutics, Inc. — $380,000
- Debtor Marlinspike Therapeutics, Inc. — $381,000
- Debtor Red Queen Therapeutics, Inc. — $1,520,000
- Debtor Nereid Therapeutics Incorporated — $3,110,000
- Debtor Nine Square Therapeutics, Inc. — $1,993,500
- Nondebtor Aethon Therapeutics, Inc. — $3,315,000
- Nondebtor Marengo Therapeutics, Inc. — $9,000,000
- Nondebtor Aulos Bioscience, Inc. — $9,224,000 (inclusive of the Emergency Interim Funding)

3. Debtors Nereid and Nine Square are authorized to borrow Additional Portfolio Funding from the Partnership Debtor pursuant to section 364(c)(3) of the Bankruptcy Code in an amount not to exceed $5,103,500.

4. Nothing in this Order is meant to supersede or alter the *Final Order to (I) Make and Accept Secured Loans to Portfolio Companies, (II) Authorize to the Extent Outside the Ordinary Course of business Payment of Management Company Expenses and (III) Grant Related Relief* [Docket No. 206] (the "First Funding Order") or the *Order (I) Authorizing Use of Funds to (A) Fund Portfolio Companies, (B) Pay Management Company Expenses and (C) Pay Chapter 11 Expenses, and (II) Granting Related Relief* [Docket No. 583] (the "Second Funding Order"). Notwithstanding the foregoing, and for the avoidance of doubt, the foregoing amounts authorized under this Order are in addition to the funding the Court previously authorized in the First Funding Order and the Second Funding Order.

5. Debtors Nereid and Nine Square are further authorized to provide, and the Partnership Debtor is authorized to receive from Debtors Nereid, Nine Square, and nondebtors Aulos and Marengo, junior liens in and security interests on the collateral described in the Prepetition Secured Notes pursuant to section 364(c)(3) of the Bankruptcy Code, to the extent applicable, which, for the avoidance of doubt, such liens and security interests shall be subject to any other valid, perfected, enforceable, and unavoidable lien or security interest as of the Petition Date.

6. No liens created and/or authorized by this Order shall attach to or encumber any personal property, machinery, and equipment owned by CSC Leasing Co. ("CSC") and leased to certain of the Debtors, including, without limitation, Initial, Apertor, Marlinspike, Nine Square, and Evercrisp, each of which is a lessee and counter-party to CSC pursuant to respective master

lease agreements (collectively, the "CSC Master Leases") and related lease schedules, and all such personal property, machinery, and equipment owned by CSC being the "CSC Leased Equipment." The CSC Leased Equipment, as well as proceeds therefrom, including, without limitation, insurance proceeds, shall not be deemed, or construed, to be collateral that secures the Additional Portfolio Funding. All other rights, claims, defenses, and remedies between, or among, the Debtors and CSC are reserved, including, without limitation, as to the CSC Master Leases, related agreements, the CSC Leased Equipment, and collateral that may secure Prepetition Secured Notes.

7. The Partnership Debtor has acted in good faith in connection with the Additional Portfolio Funding, and is entitled to rely upon the protections granted by section 364(e) of the Bankruptcy Code. Based on the record made during the hearings upon the Motion, if any and in accordance with section 364(e) of the Bankruptcy Code, and notwithstanding any modification or vacatur of any or all of the provisions of this Order by a subsequent order of this Court or any other court, the Partnership Debtor is entitled to the protections provided in section 364(e) of the Bankruptcy Code.

8. ATLS is authorized to pay, including by using the funds in the Account, the Management Company Expenses pursuant to Bankruptcy Code section 363 in an amount not to exceed $6,500,000.

9. The Debtors are authorized to use the funds in the Specific Performance Account to pay the U.S. Trustee Fees.

10. The Debtors are authorized to use the funds in the Specific Performance Account to pay Chapter 11 Professionals pursuant to any applicable orders of this Court. Nothing in this Order is meant to supersede or alter the Court's *Order (I) Establishing Procedures for Interim*

Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief [Docket No. 181].

11. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed: (a) an admission as to the validity of any particular claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to Bankruptcy Code section 365; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. Any payment made pursuant to this Order is not intended and should not be construed as an admission as the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

12. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order shall be deemed to prevent any of the LPs (as defined in Docket No. 99) from raising (and the rights of any of the LPs to raise shall be fully preserved) that the source, allocation, and characterization of any funding, or proposal to allocate any funds, that is not in accordance with LP-approved budgets are improper and in contravention of the Bankruptcy Code and the terms of the LPA (as defined in Docket No. 99) and the arguments in the motion to dismiss the petitions filed by Debtors ATP Life Science Ventures, L.P, ATP III GP, Ltd., and Apple Tree Life Sciences, Inc. The rights of any of the LPs to seek damages against ATP III GP,

Ltd. arising from or related to these bankruptcy proceedings, including on the basis that the filings were unlawful or in breach of fiduciary duties, shall be fully preserved. This reservation of rights is without prejudice to the Debtors' responses and defenses to such claims and allegations.

13. For the avoidance of doubt, the Debtors and their advisors shall maintain their accounts on a Debtor-by-Debtor (not consolidated) basis in connection with expenditures made pursuant to the relief provided hereunder and otherwise.

14. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

15. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

17. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.