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)

NOTICE OF APPEAL

PLEASE TAKE NOTICE that parties in interest Rigmora Biotech Investor One LP, by its general partner Unicorn Biotech Venture One Ltd, and Rigmora Biotech Investor Two LP, by its general partner Unicorn Biotech Ventures Two Ltd hereby submit this notice of appeal in conformity with Bankruptcy Form 417A and in accordance with Federal Rule of Bankruptcy Procedure 8003.

Part 1: Identify the appellant(s)

1. Name(s) of appellant(s): Rigmora Biotech Investor One LP, by its general partner Unicorn Venture One Ltd, and Rigmora Biotech Investor Two LP, by its general partner Unicorn Biotech Venture Two Ltd.

2. Position of appellant(s) in the adversary proceeding or bankruptcy case that is the subject of this appeal: Equityholders and parties in interest.

Part 2: Identify the subject of this appeal

1. Describe the judgment—or the appealable order or decree—from which the appeal is taken:

   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], incorporating the *Bench Ruling* [Docket No. 583-1]. A copy of the Order

[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) (collectively, the "**Debtors**"). The location of the Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.

is attached hereto as **Exhibit A** and a copy of the Bench Ruling is attached hereto as **Exhibit B**.

2. State the date on which the judgment—or the appealable order or decree was entered: April 24, 2026.

Part 3: Identify the other parties to the appeal

List the names of all parties to the judgment—or the appealable order or decree—from which the appeal is taken and the names, addresses, and telephone numbers of their attorneys (attach additional pages if necessary):

Appellants:	**Counsel to Appellants:**
Rigmora Biotech Investor One LP (by and through its general partner Unicorn Biotech Ventures One Ltd) and Rigmora Biotech Investor Two LP (by and through its general partner Unicorn Biotech Ventures Two Ltd)	**RICHARDS, LAYTON & FINGER, P.A.** John H. Knight Michael J. Merchant Daniel E. Kaprow Clint M. Carlisle Nicholas A. Franchi One Rodney Square 920 North King Street Wilmington, DE 19801 Telephone: (302) 651-7700 Facsimile: (302) 651-7701 Email: knight@rlf.com merchant@rlf.com kaprow@rlf.com carlisle@rlf.com franchi@rlf.com -and-

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Appellees: Apple Tree Life Sciences, Inc.; ATP Life Science Ventures, L.P.; ATP III GP, Ltd.; Apertor Pharmaceuticals, Inc.; Initial Therapeutics, Inc.; Marlinspike Therapeutics, Inc.; Red Queen Therapeutics, Inc.; Evercrisp Biosciences, Inc.; Nine Square Therapeutics, Inc.; and Nereid Therapeutics Incorporated (**Debtors**)	**Counsel to Appellees:** **POTTER ANDERSON & CORROON LLP** L. Katherine Good Brett M. Haywood Shannon A. Forshay Ethan H. Sulik 1313 N. Market Street, 6th Floor Wilmington, DE 19801 Telephone: (302) 984-6000 Facsimile: (302) 658-1192 Email: kgood@potteranderson.com bhaywood@potteranderson.com sforshay@potteranderson.com esulik@potteranderson.com -and-

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Party in Interest:[2] Official Committee of Unsecured Creditors of Apple Tree Life Sciences, Inc. **(UCC)**	**Counsel to Party in Interest UCC :** **COLE SCHOTZ P.C.** Justin R. Alberto (No. 5126) Patrick J. Reilley (No. 4451) Jack M. Dougherty (No. 6794) Carol E. Thompson (No. 6936) 500 Delaware Avenue, Suite 600 Wilmington, DE 19801 Tel: (302) 652-3131

[2] Though not a party to the appealed order, as a matter of courtesy to the views of the UCC, the UCC is being included as a party in interest based on its oral statement in support of the Debtors' motion at the February 20, 2026 hearing on this matter. *See* Feb. 20, 2026 Hr'g Tr. at 62:16–24, Dkt. No. 403.

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Part 4: Optional election to have appeal heard by District Court

N/A

Part 5: Sign Below

Dated: May 8, 2026
Wilmington, Delaware

Respectfully Submitted,

RICHARDS, LAYTON & FINGER, P.A.

/s/ Nicholas A. Franchi

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Counsel for Rigmora Biotech Investor One LP (by and through its general partner Unicorn Biotech Ventures One Ltd) and Rigmora Biotech Investor Two LP (by and through its general partner Unicorn Biotech Ventures Two Ltd)

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. 228

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

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 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 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 relief requested therein has

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

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 having been held to consider the relief requested in the Motion and upon the record of the hearing, the Court's ruling on the Motion set forth in the record on April 22, 2026, a transcript of which is attached hereto as **Exhibit A** and which is incorporated by reference into this Order, and 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 in all respects as modified herein to account for the relief previously granted in the Court's *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* (the "First Funding Order") [Docket No. 206] and *Interim 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, for the Limited Purpose of Obtaining Certain Interim Funding* [Dkt. No. 561].

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

- $3,554,031 to Debtor Apertor;
- $3,543,509 to Debtor Evercrisp;

- $3,286,812 to Debtor Initial;
- $1,968,000 to Debtor Marlinspike;
- $3,841,782 to Debtor Nereid;
- $2,441,251 to Debtor Nine Square;
- $2,903,461 to Debtor Red Queen;
- $2,272,000 to nondebtor Aethon;
- $6,190,974 to nondebtor Aulos; and
- $7,479,000 to nondebtor Replicate.

3. Debtors Nereid and Nine Square are authorized to borrow Portfolio Funding from the Partnership Debtor pursuant to section 364(c)(3) of the Bankruptcy Code in an amount not to exceed $5,238,000.

4. Nothing in this Order is meant to supersede or alter the First Funding Order. Notwithstanding the foregoing, and for the avoidance of doubt, the foregoing amounts authorized under this Order are inclusive of—and not in addition to—the funding the Court previously authorized in the First 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 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.

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 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 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 $6,935,902.

9. The Debtors are authorized to use the funds in the Account to pay, including by using funds in the Account, the U.S. Trustee Fees.

10. The Debtors are authorized to use the funds in the 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.

Dated: April 24th, 2026
Wilmington, Delaware

LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	Chapter 11
	Case No. 25-12177 (LSS)
APPLE TREE LIFE SCIENCES, INC., *et al.*,	(Jointly Administered)
	Courtroom No. 2
	824 Market Street
Debtors.	Wilmington, Delaware 19801
	Wednesday, April 22, 2026
	3:06 p.m.

TRANSCRIPT OF ZOOM HEARING
BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

For the Debtors and Debtors in Possession: Eric D. Winston, Esquire
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APPEARANCES (CONTINUED):

For Rigmora Biotech Investor Two LP by its General Partner Unicorn Biotech Ventures Two Ltd: M. Natasha Labovitz, Esquire
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ALSO APPEARING: Alexander Doughty
ROTHSCHILD & CO.

INDEX

MOTIONS: PAGE

Agenda
Item 1: Bench Ruling on Debtors' Motion for Entry of an 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 (the "Second Funding Motion") [Docket No. 293] 3

Court's Ruling: 3

Transcriptionist's Certificate 19

(Proceedings commenced at 3:06 p.m.)

THE CLERK: Please rise.

THE COURT: Please be seated.

Good afternoon, this is Judge Silverstein. We're here for my ruling in Apple Tree Life Sciences and it's on the second funding motion. I will be reading, so please bear with me.

Debtors filed what we have been referring to as the "second funding motion," by which debtors seek to use approximately 74.1 million from cash on hand and the cash currently sitting in the specific performance account. As of the filing of the motion, that account had approximately 97 million in cash, which represents the capital calls ordered by Chancellor McCormick in the Chancery Court litigation.

My December 19, 2025 order required that a segregated bank account be opened to receive those funds and pending further order, none of those funds could be withdrawn. That order was entered at debtors' request after objections from the Rigmora LPs regarding use of this cash. But for my order, the cash from the capital call would be in a simple debtor-in-possession account with no bankruptcy-related restrictions.

While I do not know the exact amount in the account now, it will be less than 97 million, due to the order I entered Monday, permitting use of 11.6 million.

The Rigmora LPs object to the second funding motion on three grounds: one, they argue the Court does not have *in rem* jurisdiction over the 97 million in the specific performance account because it is not property of any debtor estate; two, they argue that even if *in rem* jurisdiction exists, the limited partnership agreement restricts the use of the funds to budgets approved by the Rigmora LPs; three, they argue that even if *in rem* jurisdiction exists and the use of the funds comports with the LPA, debtors have not satisfied the business judgment standard.

Debtors mostly respond to the jurisdictional argument. They contend that *in rem* jurisdiction exists because Chancellor McCormick already determined the ownership of the partnership debtors' assets when she ordered specific performance of the capital calls. They also contend that *res judicata* principles prevent the Rigmora LPs from challenging Chancellor McCormick's decision in this court. Finally, debtors contend that *in rem* jurisdiction exists due to the conduct of the fund and Rigmora. Next, debtors argue that Section 363(b) authorizes debtors to use estate funds for any purpose, even if deviating from their previously intended purpose, subject to Court approval and discretion. And, finally, debtors argue that the Rigmora LPs are improperly attempting to substitute their business judgment for debtors'.

Perhaps because of the rolling and intertwined nature of some of the legal issues in these cases, the briefing on the second funding motion did not squarely address the nuances of some of the legal issues. My rulings are based on the arguments made and authorities cited.

Not to bury the lede further, I'm granting the motion. I will take the issues in turn. Starting with *in rem* jurisdiction, I have already ruled that the fund, that is the partnership, has assets. I now conclude that those assets, here, the money in the specific performance account, are property of the funds at stake, therefore, *in rem* jurisdiction, to the extent necessary, exists.

In Nejberger, 934 F.2d 1300, the Third Circuit concluded that a debtor's interest in a liquor license was property of the estate, even though Pennsylvania law dictated that a licensee has no property interest in the right to sell liquor in the Commonwealth. In coming to this conclusion, the Third Circuit determined that Pennsylvania courts acknowledge that a liquor license has value and that it could be bought and sold in the marketplace. It is this value that persuaded the Third Circuit that the liquor license was property of the estate.

The Third Circuit acknowledged Butner, but went further to explain its ruling, writing, quoting:

"Although Section 541 defines property of the

estate, we must look to state law to determine if a property right exists and to stake out its dimensions. The label, however, that state law affixes to a particular interest in certain contexts is not always dispositive. The principal question is whether the substance of the right or interest in question brings it within the scope of estate property under the Bankruptcy Act."

That is from page 1302 of the decision. Then, quoting a previous decision, regarding federal employment taxes, the Court explains that, quote:

"While state law creates legal interests and defines their incidents, the ultimate question whether an interest, thus created and defined, falls within a category stated by a federal statute requires an interpretation of that statute, which is a federal question," unquote.

This quote comes from 21 West Lancaster Corp. v Main Line Restaurant, 790 F.2d 354, also Third Circuit.

Here, there is no question that the 97 million in the specific performance account has value and for all the reasons set forth in my opinion last week, 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. In these circumstances, I conclude that the 97 million in the specific performance account is property of

the fund's estate.

Does the limited partnership agreement restrict the use of the funds? For the proposition that the limited partnership agreement restricts use of the funds paid pursuant to capital calls, the Rigmora LPs point to Amendment 3 to the limited partnership agreement, which amend at paragraph 5(a)(2)(E). Paragraph 5 is titled "Capital of the Partnership" and subparagraph (a) is titled "Capital Contributions General." As relevant here, paragraph (a)(2)(E) provides that, quote:

"Unless otherwise approved by the holders of a majority of the preferred units in writing, the general partner may only call capital in amounts sufficient to enable the partnership to invest in projects approved by the holders of a majority of the preferred units in writing, in accordance with the budget, therefore, approved by such holders of preferred units," unquote.

Subparagraph (e), thus, addresses when a capital call can be made, with respect to funding for portfolio companies. Put simply, the general partners can only call capital with respect to an approved project and in accordance with an approved budget.

Separately, subsections (a)(2)(A) through (C) of this same paragraph five, also permit the general partner to call capital sufficient to pay partnership expenses, other

partnership nondiscretionary items, obligations incurred in the ordinary course of business, and the management fee. It is this very paragraph that Chancellor McCormick cited in her post-trial memorandum opinion when evaluating the capital calls made in June -- made in May and June 2025. But this paragraph has no language that restricts the use of the capital calls, once money is received.

In argument, the Rigmora LPs take the position that a restriction must logically follow from the right to make the capital call, that is, funds received must be used strictly in accordance with the capital calls. While this may make some sense, these sophisticated parties did not draft that into the limited partnership agreement. Paragraph 5 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.

The cases cited by the Rigmora LPs do not mandate any other result; for example, the Third Circuit's decision in Integrated Solutions, 124 F.3d 487, provides that Sections 363(b)(1) and 704(1) are enabling statutes and neither displaces express state law restrictions on transferring property, in that case, a tort claim. Integrated Solutions, itself, references another case cited by the Rigmora LPs, the Eighth Circuit's decision in, In re Schauer, 835 F.2d 1222, which also holds that Section 363 and 704 are enabling statutes. The Schauer Court held that patronage certificates in a farm cooperative could not be redeemed or sold in contravention of a Minnesota farm cooperative statute and bylaws promulgated thereunder, which provided that transfers of patronage certificates were not binding without the consent of the board of directors.

Neither of these cases address language in a statute or contract, such as that here, which does not contain an express restriction of any sort, but at most, some implied understanding. I will not extend the holdings of Integrated Solutions and Schauer to these circumstances.

Nor does Chancellor McCormick's decision strict the use of the funds in the specific performance account.

Chancellor McCormick ruled on the propriety of the capital calls under the limited partnership agreement. She did not rule on the use of the drawn-down capital.

I will note, however, that Chancellor McCormick ruled that the general partner was not acting in bad faith with respect to the May and June capital calls, notwithstanding the Rigmora LPs' argument that those capital calls were improper because ATP did not intend to distribute all the capital called to portfolio companies, as required under the LPA. And I note that she recognized the partnership's need to reallocate funds to mitigate harm to certain portfolio companies.

As with so many of the arguments I have heard in these cases, while there may be other relief or defenses available to the Rigmora LPs related to use of funds, paragraph 5 of the limited partnership agreement does not strict the use of the funds in the specific performance account.

Turning to the business judgment standard. Finally, the Rigmora LPs argue that I should not approve the funding motion because debtors have not properly exercised their business judgment in seeking to use the money in the specific performance account. Debtors presented evidence through Drs. Carson, Eisenberg, and Harrison. Each testified to a greater or a lesser degree about the needs of one or

more portfolio companies for funding.

As reflected in my previous memorandum opinion, the general partner has developed an impressive team of scientists from across the world to lead the research performed by the portfolio companies. In my previous memorandum opinion, I also provided examples of the harm incurred by the portfolio companies because of the uncertainty of or complete lack of funding in the last couple of years.

In building the budgets for the second funding motion, Dr. Harrison started with the already-approved budgets, prior to the tightening or cessation of the funding. He and his team reevaluated those budgets and made changes, mostly around the periphery, where needed, but the core of the budgets were the already-approved ones. In determines whether further funding was appropriate, as requested in the second funding motion, Dr. Harrison also considered options for what the portfolio companies could become, including combining compatible research and projects across portfolio companies to create a critical mass that would attract corporate partners.

As part of the natural iterative process of evaluating the fund's portfolio companies, Dr. Harrison and/or his team have had preliminary discussions with potential syndicate leads about future financing.

The Rigmora LPs offered the testimony of Dr. Strabolev (phonetic), Dr. Rimm, and Mr. Aebersold. Dr. Rimm testified regarding five of the portfolio companies for which debtors seek funding: Aethon, Apertor, Evercrisp, Initial, and Marlinspike. In each instance, it was her opinion that no prudent investor would invest in the R&D budget of these companies at this time. Basically, as to each company, Dr. Rimm testified that the original expectations of these companies did not pan out. They spent amounts budgeted and did not succeed in completing goals. She testified that there was no reason to believe that any of these companies could succeed in the future if they could not do so previously.

On cross, she admitted that some investors might invest in these companies. It would depend on their goals. And she believed that there could be another construct of these companies with some variation of plan and molecules and different management that could generate a return and, thus, be investable. Her testimony focused on one thing: return on investment. There was no evidence that Dr. Rimm spoke with any of the principals of the company or understood any possible future plans.

Mr. Aebersold's testimony centered around the Rigmora LPs' own DIP proposal, which, as a managing director of Rothschild, he put together. As he testified, the Rigmora

LPs were willing to consent to the use of $31.7 million of the funds in the specific performance account, but on their terms: 9.1 million available immediately and another 22 million over time. The budgeted amounts were based on the debtors' budget. It includes funding for Apertor, Initial, Marlinspike, Red Queen, Evercrisp, Nine Square, Nereid, and Apple Tree Life Sciences. It is formulated as eight individual loans with no cross-collateralization.

The Rigmora LPs also indicate a willingness to engage in discussions for nondebtor portfolio companies. Having heard the testimony and assessed the credibility of the witnesses, I conclude that the second funding motion reflects an appropriate use of debtors' business judgment. The testimony is clear and no one disputes that anywhere from 50 to 90 percent of start-up companies in this space fail. That is to be expected.

The testimony is also clear, and no one disputes, that as start-up companies in this space progress, the research may pivot into different or adjacent areas of interest. This is not a failure. Dr. Harrison recognizes the need to continually evaluate the portfolio companies and is doing so.

Notably, the 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 portfolio company.

Significantly, the Rigmora LPs' objection to the second funding motion is hard to square with its own DIP financing proposal. In its proposal, it provides financing for each of the seven debtor portfolio companies starting from the budgets proposed by debtors. The Rigmora LPs also propose to discuss financing for the nondebtor portfolio companies and earlier this week, agreed to some financing for Aulos. They also agreed to fund certain expenses.

Even if only viewed as an alternative to the Oaktree financing, this proposal shows that the Rigmora LPs are amenable to funding the portfolio companies, at least in some amount and in some fashion. The proposal also wholly undercuts Dr. Rimm's testimony that no prudent investor would invest in these companies.

Further, Dr. Rimm's evaluation was based on a review of documents. There was no evidence that she spoke with the leaders of the portfolio companies and as even Dr. Rimm admitted, the portfolio companies might generate a return if re-imagined under a different structure.

So, to the extent that there actually is a dispute regarding funding, after weighing the supporting and opposing evidence and considering argument, I conclude debtors have properly exercised their business judgment. I also note that this is an operational decision, which the general partner is

charged with making under the limited partnership agreement and the Exempted Limited Partnership Act.

So, for all of those reasons, I am approving the second funding motion. I understand that that makes moot the DIP funding motion and I will enter the form of order that was attached. I don't recall that there were any objections to the actual form of order itself.

Are there any questions? Is.

MR. DOUGHTY: Natasha, I think you're on mute.

MS. LABOVITZ: Thanks, Alex.

Your Honor, this is Natasha Labovitz from Debevoise & Plimpton, representing the Rigmora LPs.

I was saying, when reminded to come off mute, that we thank you for your ruling and for your detailed thought and, you know, particularly, for sitting through the lengthy evidentiary presentation.

Your Honor, at the time of the trial, I don't think we had an objection to the form of the order, *per se*. At this stage, however, as Your Honor has noted, the facts have overtaken us in the sense that there has been emergency funding awarded. I think that there have -- that that would create some double-counting. And the parties have been in discussion about what the debtors' actual needs are going forward. I would suggest, Your Honor, that before a ruling is entered, the Rigmora LPs would appreciate actually

engaging in that discussion to understand what funding is needed and hopefully reach agreement on what the appropriate amount is, taking into account the principles of your ruling.

THE COURT: Do I have a response?

MR. WINSTON: Your Honor, Eric Winston from Quinn Emanuel, on behalf of the debtors.

I think the ruling makes it clear that the second funding motion has been approved, along with the budget that was proposed. Certainly, in light of the emergency funding order that happened earlier this week, deducting from the budget and making sure that Rigmora understands what goes to what, I think that's fair. But we're not reopening the budget itself. So, as long as we can get requested certainty as to where the money is literally being spent in accordance with the budget, I've got no problems with that, and if it takes a day or so, that's fine. But we desperately need to get this money out to the PortCos. We don't want to wait on that and so I don't think that's really in dispute as to what the budget provides. So, if we can get that going without friction, I think that would be good.

MS. LABOVITZ: Your Honor, we've been awaiting a proposal on this and other matters this week and we continue to await that. But, certainly, the intent is not to create friction, but to address the fact that we reached an agreement on some other funding and it makes sense for their

involuntary to be double-counting.

THE COURT: Okay.

MR. WINSTON: I -- certainly, yeah -- Your Honor, certainly, there's no intention to do double-counting. That, I think, would be inconsistent with the budget that Your Honor just approved. But we can certainly avoid that and Ms. Labovitz may not know this yet, but we did, in fact, provide a written counterproposal just before this hearing. They just haven't had a chance to deal with it and it assumed we were getting the budget we wanted. So, in that sense, you know, the budget aspect of this, we're now past.

THE COURT: Okay. Well, then, I will wait to enter an order until I get a revised form of order from the debtors under certification of counsel that reflects whatever changes are necessary so that there's no double-counting and it takes into account previous orders entered by this Court. But when I get that, I will enter the order.

MR. WINSTON: Thank you so much, Your Honor.

THE COURT: Okay.

MS. LABOVITZ: Thank you, Your Honor.

THE COURT: Thank you.

We're adjourned.

(Proceedings concluded at 3:31 p.m.)

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of my knowledge and ability.

/s/ William J. Garling April 22, 2026

William J. Garling, CET-543

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