

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

In re:

Apple Tree Life Sciences, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-12177 (LSS)

(Joint Administration Requested)

**DECLARATION OF PERRY M. MANDARINO,
CHIEF RESTRUCTURING OFFICER OF THE DEBTORS,
IN SUPPORT OF CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, Perry M. Mandarino (“Mandarino”) hereby declare as follows:

1. I am Head of Restructuring and a Senior Managing Director at B. Riley Restructuring Services, LLC (“BRRS”), resident in its office located at 299 Park Avenue, New York, NY 10171. I was appointed as Chief Restructuring Officer (“CRO”) of the Debtors on December 10, 2025.

2. I have approximately thirty-five years of restructuring experience, most of which has involved corporate restructuring transactions. Prior to BRRS, I was a Partner and Leader of the Business Recovery Services Practice at PricewaterhouseCoopers LLC, a financial advisory and accounting firm with numerous offices throughout the country. Before then, I was Senior Managing Director at Traxi LLC beginning in April 2002. Prior to April 2002, I was a partner at Arthur Andersen LLP. I received a Bachelor of Science in Accounting from Seton Hall University in 1987. Throughout my career I have advised hundreds of debtors, lenders and other stakeholders on numerous restructuring transactions in complex chapter 11 cases. I have served as a Chief

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); and Red Queen Therapeutics, Inc. (8563). The location of the Debtors’ service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169.



Restructuring Officer in re: *Hoop Holdings, Inc., d/b/a The Disney Stores*, Case No. 08-10544 (BLS-DE) and in re: *MIIX Group Holdings*, Case No. 04-13588 (MFW-DE); Chapter 11 Trustee in re: *James F. Lomma/New York Crane & Equipment Corp.*, (16-40043 CEC-EDNY); Examiner in re: *Polaroid Corporation*, Case No. 01-10864 (PJW-DE) and in re: *Summit Global Logistics, Inc.* (Case No. 08-11566 (DKS-NJ)) and served as financial advisor and investment banker in numerous cases, including many in the District of Delaware. I have also been involved in the management of certain principal positions for affiliates of B. Riley Financial, Inc. (NASDAQ:RILY).

THE DEBTORS

3. The seven Debtors comprise a biotechnology venture capital enterprise operating and investing in the United States. Debtor ATP Life Science Ventures, L.P. (“ATPLSV” or the “Partnership”) is a Cayman Islands exempted limited partnership that operates as the investment fund, and has its principal place of business in New York. Debtor ATP III GP, Ltd. (“ATP III” or the “General Partner”) manages the Partnership’s investments and operations. ATP III’s principal place of business is New York. Debtor Apple Tree Life Sciences, Inc. (“ATLS,” and collectively with ATPLSV and ATP III, the “Corporate Debtors”) is a Delaware corporation and wholly-owned subsidiary of the Partnership that handles operational expenses, including facility costs, leases, and employee costs. ATLS’ principal place of business is New York. Since the Partnership’s formation in 2012, the Corporate Debtors have invested billions of dollars in life science companies researching and developing potential promising new treatments for life-threatening conditions including cancer, blindness, opioid addiction, and obesity, among others (collectively, the “Portfolio Companies” or “PortCos”). Of these, Debtors Apertor Pharmaceuticals, Inc. (“Apertor”), Initial Therapeutics, Inc. (“Initial”), Marlinspike Therapeutics, Inc. (“Marlinspike”),

and Red Queen Therapeutics, Inc. (“Red Queen,” and collectively with Apertor, Initial and Marlinspike, the “Filing Portfolio Companies” or the “Filing PortCos”) were all incorporated in Delaware between 2020 and 2021.

4. The Partnership has two majority limited partners: Rigmora Biotech Investor One LP, and Rigmora Biotech Investor Two LP (together, the “Rigmora LPs”), which I understand are ultimately owned by the family trust of Dr. Dmitry Rybolovlev, who was originally born in Russia and now holds Cypriot citizenship.

EVENTS AND REASONS LEADING THE DEBTORS TO FILE FOR CHAPTER 11²

5. The Rigmora LPs have breached their obligations owed to the Partnership to honor capital calls. On May 30, 2025, the Partnership filed an action in the Delaware Chancery Court, and on December 5, 2025, the Delaware Chancery Court issued a decision confirming the Rigmora LPs’ breach.³ The Delaware Chancery Court subsequently entered an order of specific performance against the Rigmora LP to pay in excess of \$96 million—money that the Rigmora LPs have not paid yet. Without the Rigmora LPs paying their debt, and in absence of a chapter 11, the Partnership and the filing PortCos have no viable means to raise new equity financing from outside investors because of Dr. Rybolovlev’s prior connections to Russia. These connections have made it virtually impossible for entities associated with Dr. Rybolovlev, including the Debtors, to obtain outside financing due to Know Your Customer (“KYC”) regulatory concerns and fears of future sanctions.

² The events and reasons leading the Debtors to file for chapter 11 relief are described in detail in the *Declaration of Dr. Seth L. Harrison in Support of Chapter 11 Petitions and First Day Motions*, which is contemporaneously filed herein.

³ See *ATP III GP, LTD., in its capacity as Gen. Partner of ATP Life Sci. Ventures, L.P., Plaintiff, v. Rigmora Biotech Investor One LP & Rigmora Biotech Investor Two LP, Defendants.*, 2025 WL 3496987, at *16 (Del. Ch. Dec. 5, 2025) (the “Delaware Decision”).

6. The Rigmora LPs’ refusal to honor the capital calls has directly caused a severe liquidity crisis across the Partnership’s Portfolio Companies. Because the Rigmora LPs are the chief funding source for the Partnership, and the Partnership is in turn often the only source of funding for its Portfolio Companies, the consequences of the Rigmora LPs’ breach have been existential. To date, the Debtors and their affiliates had to terminate approximately 100 employees, leaving most of the Portfolio Companies with skeletal workforces barely sufficient to maintain intellectual property and prevent immediate collapse. Years of research and pre-clinical drug development conducted by the Portfolio Companies have been severely disrupted, with scientists cut off from funding in the middle of critical experiments and clinical trials reduced in scope.

7. In retaliation for the General Partner filing suit in the Delaware Chancery Court, in June 2025, the Rigmora LPs commenced a winding-up proceeding (the “Winding Up Proceeding”), claiming that Dr. Seth Harrison—the Partnership’s managing director (among other roles)—had engaged in misconduct and that the Rigmora LP would be harmed.⁴ A Cayman Islands winding up would be catastrophic for all stakeholders. It would be a pure liquidation and force fire sales of the interests in the Portfolio Companies at distressed prices, terminate ongoing clinical trials, and extinguish the value that the Partnership has built since the inception of the PortCos. As stated in the Delaware Decision (at page 67), “the [P]ortfolio [C]ompanies are developing treatments for serious medical conditions, including childhood blindness, various cancers, obesity, and neurodegenerative diseases. The public interest strongly favors preserving potentially life-saving research programs.” The Debtors seeking chapter 11 relief is a step in that direction.

⁴ In contrast with the Delaware Chancery Court’s decision, the Rigmora LPs, on an *ex parte* basis, sought and obtained within a few days interim injunctions from being declared a “Defaulted Partner” or having any more capital calls made against it.

DEBTORS' FILING FOR CHAPTER 11

8. On December 9 and 15, 2025 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "Court") (the "Chapter 11 Cases"). 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. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases and no official committees have been appointed or designated.

9. Chapter 11 provides the comprehensive solution that the Debtors need to save their business. The Debtors have already been in touch with founders and employees across the Portfolio Companies, who extensively support Debtors' Court-supervised restructuring efforts.

10. Chapter 11 provides access to debtor-in-possession and exit financing. Lenders who would not provide capital to an entity controlled by Russian-connected investors may be willing to lend to a debtor-in-possession under court supervision, particularly given the extraordinary value represented by the Portfolio Companies. With proper financing, the Debtors can stabilize operations, fund critical research programs, and preserve the going-concern value of the enterprise.

11. Chapter 11 provides the tools to restructure the Partnership's capital structure, where the Rigmora LPs are currently the majority limited partners. As stated above, one fundamental problem facing the Debtors is that the Rigmora LPs have breached their funding obligations, which have remained unpaid. Chapter 11 may permit the Debtors to bring in new investors to replace the defaulting Rigmora LPs, investors who are willing and able to fund the

Portfolio Companies' development, so that the Portfolio Companies can continue to pursue their life-saving drug programs.

12. In addition, the automatic stay halts the destructive Winding Up Proceeding, preventing the Rigmora LPs from pursuing their winding-up petition while the Debtors reorganize. This breathing room is essential to preserve value and develop a path forward.

13. The Debtors aim to soon submit a plan of reorganization. The plan is still subject to substantial modification, but roughly envisions the following steps:

- a. Stabilization of PortCos through funding pursuant to a post-petition budget, which will eliminate the immediate sale/liquidation risk that threatens to reduce value substantially;
- b. Stemming litigation costs;
- c. Securing debtor in possession financing;
- d. Delivery of comprehensive restructuring plan to counterparties;
- e. Securing exit financing; and
- f. Negotiation and confirmation of a plan of reorganization.

14. At the Petition Date, the Debtors had approximately \$17.3 million of cash which is not subject to the lien of any creditor and is utilizing that to fund its operations. The Debtors are currently working with the Debtors management team to prepare a 13-week cash flow budget. The Debtors expect to present the budget to the Court no later than December 17, 2025.

15. Without the Court's protection under chapter 11, the Debtors will be unable to fund operations, the Portfolio Companies will fail, the remaining employees will lose their jobs, creditors will go unpaid, and years of life-saving research will be lost, as well as the potential drugs that such research can lead to. As stated above, the Delaware Chancery Court recognized this reality when it found that "the public interest strongly favors preserving potentially life-saving

research programs.” Delaware Decision, at p. 67. Chapter 11 is the mechanism by which that preservation can be achieved.

EVIDENTIARY SUPPORT FOR FIRST DAY MOTIONS⁵

16. Contemporaneously herewith, the Debtors filed a number of First Day Motions and are seeking orders granting various forms of relief intended to stabilize the Debtors’ business operations and facilitate an orderly restructuring through these chapter 11 cases. The First Day Motions seek authority to, among other things, ensure the continuation of the Debtors’ cash management systems, and allow for other business operations without interruption. I believe that the relief requested in the First Day Motions is necessary to give the Debtors an opportunity to work towards a restructuring that will benefit the Debtors’ stakeholders.

17. The First Day Motions request authority to pay certain pre-petition claims. I understand that Rule 6003 of the Federal Rules of Bankruptcy Procedure provides, in relevant part, that the Court shall not consider motions to pay pre-petition claims during the first 21 days following the filing of a chapter 11 petition, “except to the extent relief is necessary to avoid immediate and irreparable harm.” In light of this requirement, the Debtors have narrowly tailored their requests for immediate authority to pay certain pre-petition claims to those circumstances where the failure to pay such claims would cause immediate and irreparable harm to the Debtors and their estates. Other relief will be deferred for consideration at a later hearing.

18. I am familiar with the content and substance of the First Day Motions. The facts stated therein are true and correct to the best of my knowledge, information, and belief, and I believe that the relief sought in each of the First Day Motions is necessary to enable the Debtors

⁵ Capitalized terms used but not otherwise defined in this section shall have the meanings ascribed to them in the respective First Day Motions.

to operate in chapter 11 with minimal disruption to their continued operations. A description of the relief requested and the facts supporting each of the First Day Motions is detailed in **Exhibit A** to this Declaration.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Executed this 15th day of December, 2025.

/s/ Perry M. Mandarino
Perry M. Mandarino
Chief Restructuring Officer

EXHIBIT A

Evidentiary Support for First Day Pleadings¹

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the applicable First Day Motion.

Procedural Motions

I. Joint Administration Motion

1. The Debtors filed a motion to jointly administer the Debtors' bankruptcy cases. Given the integrated nature of the Debtors' operations, joint administration of these Chapter 11 Cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these Chapter 11 Cases will affect each Debtor entity. Entry of the order directing joint administration of these Chapter 11 Cases will reduce fees and costs by avoiding duplicative filings and objections. Joint administration also will allow the United States Trustee for the District of Delaware ("U.S. Trustee") and all parties in interest to monitor these Chapter 11 Cases with greater ease and efficiency. Moreover, joint administration will not adversely affect the Debtors' respective constituencies because the Joint Administration Motion seeks only administrative, not substantive, consolidation of the Debtors' estates. Parties in interest will not be harmed by the relief requested; instead, parties in interest will benefit from the cost reductions associated with the joint administration of these Chapter 11 Cases.

2. I believe that the relief requested in the Joint Administration Motion is in the best interest of the Debtors' estates, their creditors, and all other parties in interest and will facilitate the Debtors' ability to operate their businesses in chapter 11 without disruption in order to implement reorganization of their business.

II. Claims Agent Application

3. The Debtors seek entry of an order (a) appointing Kurtzman Carson Consultants, LLC dba Verita Global as the claims and noticing agent in the Debtors' chapter 11 cases effective as of the Petition Date, including assuming full responsibility for the distribution of notices and

the maintenance, processing, and docketing of proofs of claim filed in the Debtors' chapter 11 cases and (b) granting related relief. Although the Debtors have not yet filed their schedules of assets and liabilities, they anticipate that there will be in excess of 200 entities to be noticed.

4. In view of the number of the anticipated claimants and the complexity of the Debtors' business, I believe that the relief requested in the Claims Agent Application is in the best interest of the Debtors' estates, their creditors, and all other parties in interest, and it will facilitate the Debtors' ability to operate their businesses in chapter 11 without disruption in order to implement reorganization of their business.

III. Motion to Redact Personally Identifiable Information

5. The Debtors filed an administrative or procedural First Day Motion requesting that the Court enter an order (a) authorizing the Debtors to redact certain personally identifiable information within the Consolidated Creditor Matrix, the Top Creditors Lists, the Debtors' schedules of assets and liabilities and statements of financial affairs (the "Schedules and Statements"), and any other filing within these Chapter 11 Cases that may contain personally identifiable information; and (b) granting such other relief as is just and proper.

6. The Debtors submit that cause exists, under section 107(b)(1) of the Bankruptcy Code, to authorize the Debtors to redact from any paper filed or to be filed with the Court in these Chapter 11 Cases the personally identifiable information—including email addresses and home addresses—of any of the Debtors' individual equity security holders and creditors—including the Debtors' board members and current and former employees—to the extent applicable—because such information could be used by third parties, among other things, to perpetrate identity theft or locate survivors of domestic violence, harassment, or stalking who have otherwise taken steps to conceal their whereabouts. The disclosure of the unredacted home addresses of individuals is not

necessary for the purpose of the relevant parties reviewing the amounts owed to those individuals as part of the chapter 11 process, and redaction would be a less intrusive way of achieving this purpose. The rights of individuals to not have their unredacted home addresses disclosed would also override the legitimate interest of disclosing them to assist with these Chapter 11 Cases. In connection with the relief sought under section 107(b) of the Bankruptcy Code, the Debtors propose to provide an unredacted version of the Consolidated Creditor Matrix and any other redacted, applicable filings to this Court, the U.S. Trustee, counsel to any statutory committee appointed in these Chapter 11 Cases, and other parties in interest upon reasonable request (email being sufficient) to the Debtors or this Court that is reasonably related to these Chapter 11 Cases, or as otherwise ordered by the Court.

7. I believe that the relief requested in the Motion to Redact Personally Identifiable Information is in the best interest of the Debtors' estates, their creditors, and all other parties in interest and will facilitate the Debtors' ability to operate their businesses in chapter 11 without disruption in order to implement reorganization of their business.

Operational Motions

I. Cash Management Motion

8. The Debtors seek entry of interim and final orders: (a) authorizing, but not directing, the Debtors to (i) continue to operate their Cash Management System; (ii) honor certain pre-petition obligations related thereto; (iii) pay any pre-petition or post-petition amounts outstanding on account of the Bank Fees; and (iv) continue to perform Intercompany Transactions; (b) granting administrative expense status to post-petition intercompany balances; and (c) granting related relief.

9. In the ordinary course of business, the Debtors maintain a cash management system

comparable to the systems used by similarly situated companies to manage cash in a cost-effective and efficient manner. The Debtors' Cash Management System is critical to the Debtors' business, as it streamlines the Debtors' ability to collect, transfer, and disburse cash and to facilitate cash monitoring, forecasting, and reporting.

10. As of the Petition Date, the Debtors' Cash Management System is comprised of 20 bank accounts.

11. The Debtors receive cash from capital calls. This cash is deposited into an account at Banc of California held by ATP Life Science Ventures, L.P. ("6841 Account"). Funds are then disbursed from the 6841 Account to: (i) pay a management fee to Apple Tree Life Sciences, Inc.; (ii) fund investments in portfolio companies; and (iii) make vendor payments.

12. The management fee is paid to an account at Banc of California held by Apple Tree Life Sciences, Inc. ("6809 Account"). Funds are disbursed from the 6809 Account to: (i) make vendor payments; and (ii) an Apple Tree Life Sciences, Inc. account at JPM ("9710 Account"). Vendor payments are also made from an Apple Tree Life Science, Inc. account at Banc of California ("6817 Account"). Cash is also swept from two accounts at Banc of California ("1819 Account" and "6973 Account") to the 6809 Account. Interest from two additional Banc of California accounts ("9187 Account" and "9895 Account") is swept into the 1819 and 6973 Accounts, respectively.

13. Apertor Pharmaceuticals, Inc. receives funds from ATP Life Science Ventures, L.P. at a Citizens Bank account, a JPM account, and a Banc of California account (the "Apertor Checking Accounts"). Funds from the Apertor Checking Accounts are used to pay Apertor Pharmaceuticals, Inc.'s expenses. Apertor Pharmaceuticals, Inc. also has a letter of credit account with respect to its leased premises.

14. Red Queen Therapeutics, Inc. receives funds from ATP Life Science Ventures, L.P. at an Eastern Bank Account (“3214 Account”). Funds from the 3214 Account are used to pay Red Queen Therapeutics, Inc.’s expenses.

15. Initial Therapeutics, Inc. receives funds from ATP Life Science Ventures, L.P. at a Western Alliance Account and a Banc of California account (the “Initial Accounts”). Funds from the Initial Accounts are used to pay Initial Therapeutics, Inc.’s expenses. Initial Therapeutics, Inc. also has a money market account at Western Alliance that holds accrued interest.

16. Marlinspike Therapeutics, Inc. receives funds from ATP Life Science Ventures, L.P. at a Banc of California account (“0916 Account”), and funds from the 0916 Account are used to pay expenses. Marlinspike Therapeutics, Inc. also has money market and ICS sweep accounts that hold accrued interest.

17. As of the Petition Date, the Debtors have approximately \$17,281,275 of cash on hand.

18. In the ordinary course of business, the Debtors incur periodic service charges, payment processing fees, and other fees in connection with maintaining the Cash Management System. The Debtors incur between approximately \$2,000 and \$2,500 in Bank Fees each month under the Cash Management System in the aggregate. Of that amount, Banc of California charged a fee of \$23,071 in 2025 with respect to the Standby LOC Account and a \$235 annual fee with respect to the Credit Card LOC Account, with the remainder varying based on the number of incoming and outgoing transactions each month. The Debtors estimate that there are no pre-petition Bank Fees remain outstanding as of the Petition Date. To ensure continued access to their Bank Accounts without disruption, the Debtors seek authority to pay any such due and owing Bank Fees, including pre-petition Bank Fees, in the ordinary course on a post-petition basis, consistent

with historic practice.

19. Of the Cash Management Banks, only Eastern Bank is not designated as authorized depository in the District of Delaware by the Office of the United States Trustee pursuant to the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees*. However, Eastern Bank is a well-capitalized and financially stable financial institution that is insured by the Federal Deposit Insurance Corporation, and therefore maintenance of the Bank Accounts will not jeopardize any party in interest.

28. Requiring the Debtors to transfer the cash funds held in non-authorized depositories to authorized depositories would similarly place a needless administrative and financial burden on the Debtors, imposing unnecessary and avoidable costs on the Debtors' estates to the detriment of their efforts to maximize value for stakeholders. The Debtors will reach out to authorized depositories to find suitable banks. In the event that any of the Bank Accounts cease to comply with, or do not comply with, the requirements of section 345(b) of the Bankruptcy Code during these chapter 11 cases, the Debtors request that the Court either (a) provide the Debtors without prejudice with 45 days to seek an additional extension from the entry of the Interim Order to bring the Bank Accounts into compliance with section 345(b) of the Bankruptcy Code, or (b) grant the right to seek appropriate relief from the Court.

20. I believe that the relief requested in the Cash Management Motion is in the best interest of the Debtors' estates, their creditors, and all other parties in interest and will facilitate the Debtors' ability to operate their businesses in chapter 11 without disruption in order to implement reorganization of their business.

II. Wages Motion

21. Pursuant to the Wages Motion, the Debtors seek entry of interim and final orders

to continue employee compensation and benefits programs in the ordinary course.

22. As of the Petition Date, the Debtors employed approximately seventeen individuals across the United States (each, an “Employee” and collectively, the “Employees”) on a full-time basis and other non-employee Contractors. All employees are employed by Debtor Apple Tree Life Sciences, Inc. The remaining debtors have no employees. All of the Employees are salaried and exempt and none are represented by a union or collective bargaining unit.

23. The Employees serve finance, executive, administrative and other roles, and perform functions critical to the Debtors’ business operations. The services provided by the Contractors are essential to the continued operations of the company. Without the continued, uninterrupted services of their Employees and Contractors, the Debtors’ the estates will suffer severe adverse effects, including impairment of their ability to conduct an orderly restructuring of their business and administer their estates.

24. Additionally, the Debtors intend to emerge from bankruptcy as a going concern and continue their business of supporting lifesaving medical research. The Employees possess intimate familiarity with the Debtors’ business, and if they are not retained, the company will lose valuable institutional knowledge. Maintaining a properly incentivized team is vital to the continued operations of the Debtors’ business and is necessary to maximize value for all of the Debtors’ stakeholders.

25. Moreover, the Employees rely on their compensation and benefits to pay their daily living expenses and to support their families. The Debtors will experience significant financial hardship if they are not permitted to continue paying wages and salaries, providing employee benefits, and maintaining existing employee programs in the ordinary course of business. Accordingly, the relief requested herein is necessary and appropriate under the facts and

circumstances of these chapter 11 cases.

26. I believe the relief requested in the Wages Motion represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm to the Debtors' estates, and is therefore justified under sections 105(a), 362(d), 363(b), 507(a), and 541(b)(1) of the Bankruptcy Code, and Bankruptcy Rules 6003 and 6004. I understand the Debtors believe that without the relief requested in the Wages Motion, Employees may seek alternative employment opportunities, which would deplete the Debtors' workforce and hinder the Debtors' ability to implement an orderly wind down.

27. I believe that the relief requested in the Wages Motion is in the best interest of the Debtors' estates, their creditors, and all other parties in interest and will facilitate the Debtors' ability to implement an orderly wind down of the Debtors' business that maximizes value for all of the Debtors' stakeholders.