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)

DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS 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 above-captioned debtors and debtors in possession (collectively, the "Debtors") submit the *Declaration of Perry Mandarino in Support of Debtors' Motion for Entry of Interim and Final Orders to (I) Make and Accept Secured Loans to Portfolio Companies, (II) Authorize to the Extent Outside of the Ordinary Course of Business Payment of Management Company Expenses and (II) Grant Related Relief* (the "Mandarino Declaration"), filed substantially contemporaneously herewith, and respectfully state the following in support of this motion (this "Motion").

RELIEF REQUESTED

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (respectively, the "Interim Order" and "Final Order"), authorizing the Debtors to undertake the following transactions:

- Debtor ATP Life Science Ventures, L.P. (the "Partnership Debtor") provide secured loans, totaling approximately $13.9 million (the "Portfolio Funding"), to

[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.

four debtor and five non-debtor portfolio companies (the "Non-Debtor Portfolio Companies") pursuant to 11 U.S.C. § 363(b);

- Debtors Apertor Pharmaceuticals, Inc., Initial Therapeutics, Inc., Marlinspike Therapeutics, Inc., and Red Queen Therapeutics (collectively, the "Portfolio Debtors") borrow $3.5 million (out of the $13.9 million in Portfolio Funding) from the Partnership Debtor, pursuant to 11 U.S.C. § 364; and

- Apple Tree Life Sciences, Inc. ("ATLS") make approximately $7.4 million in payments for expenses listed herein (the "Management Company Expenses") which are ordinary course expenses pursuant to 11 U.S.C. § 363(c) but, out of abundance of caution, are being presented for approval by this Court.

2. The Debtors request that the Court schedule a final hearing at the "second day" hearing scheduled for January 20, 2026, or as soon thereafter as is convenient for the Court to consider approval of this Motion on a final basis. Of the amount requested, approximately $3 million must be paid prior to the requested January 20, 2026 final hearing on this Motion. The Debtors submit all such amounts are ordinary course expenses but out of abundance of caution are including them as part of this Motion.

JURISDICTION AND VENUE

3. 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 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 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.

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

5. The bases for the relief requested herein are section 105(a), 363, and 364 of title 11 of the United States Code (the "Bankruptcy Code"), Bankruptcy Rules 4001, 6003, and 6004, and Local Rules 4001-2 and 9013-1.

BACKGROUND

6. On December 9 and 15, 2025 (the "Petition Dates"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). These Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b). *See* Docket No. 69. A detailed description of the facts and circumstances of these Chapter 11 Cases is set forth in the *Declaration of Seth Harrison in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 18] (the "First Day Declaration") incorporated by reference herein.[2]

7. As described in more detail in the First Day Declaration, the Debtors commenced these Chapter 11 Cases due to the failure of Rigmora Biotech Investor One LP, and Rigmora Biotech Investor Two LP (collectively, "Rigmora") to fulfill their contractual obligations, and their attempts to wind up the Partnership, which would destroy the Partnership through liquidation. Through these Chapter 11 Cases, the Debtors seek to stabilize their business, and, under the Court's supervision, restructure the Partnership's capital structure.

8. 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.

[2] Capitalized terms not defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

THE NEED TO PROVIDE FUNDING TO THE PORTFOLIO COMPANIES

9. The primary reason for these Chapter 11 Cases is to save, preserve and maximize the value of the Portfolio Companies. While ultimately the Debtors intend to propose a plan of reorganization to restructure the Partnership Debtor and the Portfolio Companies that provides the Portfolio Companies access to ongoing capital and removes Rigmora from interfering with the Portfolio Companies that are in pre-clinical and clinical stages, the more pressing concern is providing immediate funding to certain Portfolio Companies, which is the Portfolio Funding. Specifically, the Partnership Debtor would provide a total of approximately $13.9 million to all four Portfolio Debtors and five nondebtor Portfolio Companies, as indicated in the table below:

PORTFOLIO COMPANY	INTERIM AMOUNT	FINAL AMOUNT	REASON
Apertor (Debtor)	$106,039.39	$979,780	For the advancement of its novel protein-protein interaction engagers targeting Non Small Cell Lung Cancer, including IND enabling studies and associated costs.
Initial (Debtor)	$52,228.34	$997,656	For the advancement of its proprietary STOPS platform initially targeting Castrate Resistant Prostate Cancer, including work to support feasibility of IND enabling toxicology.

PORTFOLIO COMPANY	INTERIM AMOUNT	FINAL AMOUNT	REASON
Marlinspike (Debtor)	$0.00	$699,500	For the advancement of a novel class of proprietary molecules targeting cMYC, a long-pursued cell "master regulator" that enables the proliferation of breast, colon, lung, ovarian cancers and lymphomas.
Red Queen (Debtor)	$19,394.74	$882,000	For the advancement of new class of clinically tested drugs initially developed at Dana-Farber Cancer Institute, for the treatment of virus-borne illnesses, including preclinical testing of treatments for influenza and RSV.
Aethon (Nondebtor)	$0.00	$2,163,901	For the advancement of multiple pre-clinical programs in oncology targeting two of the most frequently mutated genes in all cancers.

PORTFOLIO COMPANY	INTERIM AMOUNT	FINAL AMOUNT	REASON
Aulos (Nondebtor)	$0.00	$3,700,000	For the continued support of its ongoing Phase 2 clinical studies in oncology with observed responses and a focus on Melanoma and Non Small Cell Lung Cancer as well as objective clinical responses observed in Head and Neck, Renal Cell and Colorectal Cancer. The goal is to publicly present Phase 2 data in June 2026.
Evercrisp (Nondebtor)	$149,278.67	$1,446,684	For the advancement of its proprietary mini-protein tissue targeting platform initially targeting Duchenne Muscular Dystrophy and renal disease, including work to support feasibility of IND enabling toxicology.

PORTFOLIO COMPANY	INTERIM AMOUNT	FINAL AMOUNT	REASON
Nereid (Nondebtor)	$98,529.53	$1,556,125	For the advancement of novel drug discovery platform initially developed at Princeton University with initial focus on hard to drug targets such as cMYC, a long-pursued cell "master regulator" that enables the proliferation of breast, colon, lung, ovarian cancers and lymphomas and also may be used for the prevention of TDP43 aggregation. Current research to include IND enabling studies.
Nine Square (Nondebtor)	$155,038.49	$1,434,028	For the advancement of programs in neurodegenerative diseases including Alzheimers and ALS and the continued work in Parkinson's disease where it has received multiple grants from the Michael J. Fox Foundation, the largest patient advocacy foundation for Parkinson's.

10. Prior to the Petition Date, the Partnership Debtor committed to provide pursuant to signed contracts, and did provide, funding to each Portfolio Company as set forth in the table. The aggregate commitment amount was $501.2 million and the Partnership Debtor funded, in the aggregate, $340.6 million.

11. But when Rigmora refused to honor capital calls (leading to the Debtors' successful litigation in Delaware Chancery Court), the Partnership Debtor, ATP III GP, Ltd. (the "GP Debtor"), and ATLS made the decision to provide emergency "drip" funding on a secured basis in the form of secured promissory notes (the "Prepetition Secured Notes"). One example attached hereto as **Exhibit C** is the Prepetition Secured Note provided to Initial.

12. As each Portfolio Company had no other secured debt, it placed the Partnership Debtor in a senior position relative to other creditors, thus further protecting its existing equity investments, and avoiding total loss of value of such Portfolio Companies, pending resolution of matters with Rigmora.

13. The Partnership Debtor proposes to continue this program of providing limited "drip" capital on a secured basis, consistent with the terms of the Prepetition Secured Notes, to all of the Portfolio Companies benefitting from the Portfolio Funding. In the case of the Portfolio Debtors, they are requesting approval under Bankruptcy Code section 364(c)(3) (*i.e.*, junior to their Prepetition Secured Notes).

MANAGEMENT COMPANY EXPENSES

14. In the ordinary course of business, ATLS incurs expenses managing the Partnership Debtor (on behalf of the GP Debtor) and overseeing the Portfolio Company investments. Here, ATLS seeks to pay the following categories of ordinary course expenses:

- $1,951,350 for payroll;
- $2,101,204 for year-end bonuses; and
- $3,306,810 for overhead expenses including (where applicable) rent and utilities, legal fees, patent costs, insurance, office expenses and supplies, travel and meals, journal subscriptions, IT and software licenses, and associated costs.

15. Included in the Management Company Expenses is the first $750,000 of the $3 million annual fee due to non-debtor Apple Tree Venture Management, LLC ("ATVM"), which

is discussed in the Harrison Declaration at paragraph 42. Normally, the entire fee is paid in advance at the start of each year, but ATVM has agreed to break up the payments into four quarterly installments (or otherwise paid in full upon confirmation of a plan of reorganization). The ATVM management fee is set forth in the terms of the 14th amendment to the Limited Partnership Agreement; *i.e.*, it is an ordinary course of business management fee.

16. Finally, the Management Expenses include $456,542 for "pass through" tax distributions. The LPA requires the Partnership Debtor, in the ordinary course, to distribute each year in cash to each limited partner an amount equal to that limited partner's US federal and state tax liability and non-US tax liability attributable to items of income, gain, loss or deduction allocated to such limited partner by the Partnership Debtor with respect to that year.

17. Rigmora is contractually obligated to pay all such expenses if and when called to do so by the GP Debtor. The GP Debtor anticipates making such a call in the near future. However, the Debtors currently have funds available to pay such Management Company Expenses and there is an immediate need to do so. Indeed, before year end the Debtors must pay $183,858.52 in payroll at six of the nine Portfolio Companies and another approximately $50,000 in salary and taxes for ATLS and its United Kingdom subsidiary.

18. While all of these expenses are in the historical ordinary course of business of ATLS, in light of the exceedingly aggressive litigation with Rigmora, including continued (albeit already rejected) allegations of bad faith conduct, and its intent to try to terminate these Chapter 11 Cases and liquidate the Partnership Debtor in the Cayman Islands, the Debtors believe it is prudent to notify the Court of anticipated expenses and, if necessary, obtain Court approval. Accordingly, even if all of the Management Company Expenses constitute ordinary course transactions, the Debtors request authority to pay them.

CONCISE STATEMENT PURSUANT TO BANKRUPTCY RULE 4001 AND LOCAL RULE 4001-2

19. Pursuant to Bankruptcy Rule 4001(b), (c), and (d) and Local Rule 4001-2, the Debtors submit the following concise statement of the material terms of the Portfolio Funding, together with references to the applicable section of the relevant source documents:

	Summary of the Material Terms	Reference
Borrowers: *Bankruptcy Rule 4001(c)(1)(B)*	Apertor Pharmaceuticals, Inc. Initial Therapeutics, Inc. Marlinspike Therapeutics, Inc. Red Queen Therapeutics, Inc.	*See* Interim Order ¶ 4; Final Order ¶ 3; Prepetition Secured Note, Preamble.
DIP Lenders: *Bankruptcy Rule 4001(c)(1)(B)*	ATP Life Science Ventures, L.P. (debtor)	*See* Interim Order ¶ 3; Final Order ¶ 2; Prepetition Secured Note, Preamble.
Parties with an Interest in Cash Collateral: *Bankruptcy Rule 4001(b)(1)(B)(i)*	ATP Life Science Ventures, L.P. (debtor)	*See* Interim Order ¶ 3; Final Order ¶ 2.
DIP Facility: *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(i)(A), (O)*	Same terms as Prepetition Secured Note	*See* Interim Order ¶ 3; Final Order ¶ 2; *see generally*, Prepetition Secured Note
Use of DIP Facility: *Bankruptcy Rule 4001(b)(1)(B)* *Local Rule 4001-2(a)(i)(A)*	Payment of Portfolio Funding	*See* Interim Order ¶¶ 3-4; Final Order ¶¶ 2-3.

	Summary of the Material Terms	Reference
Interest Rate and Fees: *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(i)(B), (K)*	Contract rate: eight percent (8%) Default rate: thirteen percent (13%)	*See* Prepetition Secured Note, §§ 2, 8.
Provisions Limiting the Court's Power or Discretion to Enter Future Orders: *Local Rule 4001-2(a)(i)(C)*	None	N/A
Funding of Non-Debtor Affiliates: *Local Rule 4001-2(a)(i)(D)*	The Portfolio Debtors will not be funding any non-debtor affiliates under their borrowings, but, for the avoidance of doubt and as described in more detail elsewhere in this Motion, the Partnership Debtor is seeking to advance ordinary course loans to fund the Non-Debtor Portfolio Companies.	*See* Interim Order ¶ 3; Final Order ¶ 2.
Lending Conditions: *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(i)(E)*	Same terms as Prepetition Secured Note	*See* Interim Order ¶ 5; Final Order ¶ 4; *see generally* Prepetition Secured Note.
Carve-Out: *Bankruptcy Rule 4001(b)(1)(B)* *Local Rule 4001-2(a)(i)(F)*	N/A	N/A

	Summary of the Material Terms	Reference
Priority and Security: *Bankruptcy Rules 4001(c)(1)(B)(i), (vii), (xi)* *Local Rule 4001-2(a)(i)(G)*	Junior to valid, perfected, enforceable and unavoidable prepetition secured claims Secured by all assets of applicable Portfolio Debtor	*See* Interim Order ¶ 5; Final Order ¶ 4; Prepetition Secured Note, Annex A.
Milestones: *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(i)(H)*	None	N/A
Repayment Features: *Local Rule 4001-2(a)(i)(I)*	Interest payable in arrears on quarterly basis at the end of each calendar quarter. Principal due upon earlier of: (i) one year; (ii) Effective Date of a Plan; or (iii) event of default which remains uncured for ten days after written notice.	*See* Prepetition Secured Note, § 2.
Joint Liability: *Local Rule 4001-2(a)(i)(J)*	None	N/A
Payment of Secured Lender Professional Fees: *Local Rule 4001-2(a)(i)(K)*	None.	N/A
Use of Estate Funds for Investigation: *Local Rule 4001-2(a)(i)(L)*	N/A.	N/A
Maturity Date: *Bankruptcy Rules 4001(b)(1)(B), (c)(1)(B)* *Local Rule 4001-2(a)(i)(M)*	Earlier of Effective Date of a Plan or 1 year	N/A

	Summary of the Material Terms	Reference
Events of Default: *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(i)(M)*	(i) Failure to pay when due any principal or interest on the Note; (ii) Conversion of the case to Chapter 7, (iii) dismissal of the case; (iv) the appointment of a Chapter 11 Trustee.	*See* Prepetition Secured Note, § 5.
Cross-Collateralization: *Local Rule 4001–2(a)(i)(N)*	None.	N/A
Roll-up: *Local Rule 4001–2(a)(i)(O)*	None.	N/A
Adequate Protection: *Bankruptcy Rules 4001(b)(1)(B), (c)(1)(B)(ii)* *Local Rule 4001-2(a)(i)(P)*	None.	N/A
Debtors' Stipulations: *Bankruptcy Rule 4001(c)(1)(B)(iii)* *Local Rule 4001–2(a)(i)(Q)*	None.	N/A
Provisions that Approve Terms of Loan Documents: *Local Rule 4001–2(a)(i)(R)*	None.	N/A

	Summary of the Material Terms	Reference
Waiver or Modification of Automatic Stay/Provisions Seeking to Limit Parties in Interest during the Remedies Notice Period: *Bankruptcy Rule 4001(c)(1)(B)(iv)* *Local Rule 4001-2(a)(i)(S), (T)*	None.	N/A
Liens on Avoidance Actions: *Bankruptcy Rule 4001(c)(1)(B)(xi)* *Local Rule 4001–2(a)(i)(U)*	None.	N/A
Sections 506(c) and 552(b) and Marshalling Waivers: *Bankruptcy Rules 4001(c)(1)(B)(viii),(x)* *Local Rules 4001–2(a)(i)(C), (V), (W), (X)*	None.	N/A

	Summary of the Material Terms	Reference
Budget: *Bankruptcy Rule 4001(c)(1)(B)* *Local Rule 4001-2(a)(iii)* *Local Rule 4001-2(a)(i)(E)*	No specific budget conditions	N/A
Release, Waiver or Limitation on any Claim or Cause of Action: *Bankruptcy Rule 4001(c)(1)(B)(viii)*	None	N/A

BASIS FOR RELIEF

I. Bankruptcy Code Sections 363(b), 363(c), and 105(a) Authorize the Partnership Debtor to Make the Portfolio Funding and Payment of Management Company Expenses.

20. The Debtors request authority pursuant to 11 U.S.C. §§ 363(b), 363(c), and 105(a) to provide the Portfolio Funding pursuant to the Prepetition Secured Notes' terms and conditions and to pay the Management Company Expenses. In each case, sound business judgment supports these requests.

21. Bankruptcy Code section 363(b)(1) 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). Bankruptcy Code section 363(c) provides that if a business of a debtor is authorized under, among others, Bankruptcy Code section 1108, the estate "may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice and a hearing." 11 U.S.C. § 363(c)(1).

22. Here, the Debtors propose to use cash on hand – property of the estates - to provide the Portfolio Funding pursuant to the Prepetition Secured Notes terms and conditions and to pay the Management Company Expenses. The Debtors submit all such proposed uses of estate property are in the ordinary course of business. It was the prepetition business of the Partnership Debtor to invest in the Portfolio Companies, and that included providing secured loans evidenced by the Prepetition Secured Notes. Similarly, at all times ATLS has incurred expenses managing the Partnership Debtor and the GP Debtor, including paying the ATVM fee that is expressly provided for in the 14th amendment to the Limited Partnership Agreement.

23. But this case is already litigious because Rigmora has continued with its scorched earth tactics. The Debtors do not want to be accused of making unauthorized postpetition transfers subject to Bankruptcy Code section 549. Accordingly, they request authority under Bankruptcy Code section 363(b) out of an abundance of caution.

24. 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(b) if it is a proper exercise of the debtor's business judgment," and noting 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); *Myers v. Martin (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 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); *Off. Comm. of Unsecured Creditors of Enron Corp. v. Enron Corp. (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*, No. 25-1136, 2025 U.S. App. LEXIS 30514, at *9 (3d Cir. Nov. 21, 2025) (acknowledging that section 363(b) applies a business judgment standard, but determining that only a debtor can invoke section 363(b)).

25. Here, the Debtors easily satisfy the standards. The Debtors believe that investments in the Portfolio Companies, which at this stage is merely to "keep the lights on," avoid total shutdown, and preserve the hundreds of millions of dollars already invested, is an exercise of sound business judgment. Further, the investment is in the form of a secured financing, which gives the Partnership Debtors protections in a downside scenario.

26. Similarly, the Management Company Expenses are all expenses to keep individuals employed and pay vendors and rent for expenses that are necessary to overseeing Portfolio Company investments. This includes the ATVM management fee, which is in effect the compensation to Dr. Harrison.

II. Bankruptcy Code Sections 105(a) and 364(c)(3) Authorize the Portfolio Debtors to Agree to Postpetition Secured Debtor in Possession Financing

27. The Portfolio Debtors request authority pursuant to 11 U.S.C. §§ 364(c)(3) and 105(a) to grant junior liens to secure the Portfolio Funding, on the same terms and conditions as the Prepetition Secured Notes. Again, sound business judgment supports these requests.

28. The statutory requirement for obtaining postpetition credit under section 364(c) is a finding, made after notice and hearing, that the debtors are "unable to obtain unsecured credit allowable under section 503(b)(1) of the [the Bankruptcy Code]." 11 U.S.C. § 364(c). Furthermore, section 364(c) financing is appropriate when the debtor in possession is unable to obtain unsecured credit allowable as an ordinary administrative claim. *See In re Crouse Grp., Inc.*, 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987) (debtor seeking secured credit under section 364(c) of the Bankruptcy Code must prove that it was unable to obtain unsecured credit); *In re Ames Dep't Stores*, 115 B.R. 24, 37-39 (Bankr. S.D.N.Y. 1990) (holding that debtor must show it made a reasonable effort to seek other sources of financing under sections 364(a) and (b) of the Bankruptcy Code).

29. Bankruptcy courts have articulated a three-part test to determine whether a debtor is entitled to financing under section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

> (a) [The debtor is] unable to obtain unsecured credit per section 364(b), *i.e.*, by allowing a lender only an administrative claim per 11 U.S.C. § 503(b)(1)(A);
>
> (b) The credit transaction is necessary to preserve the assets of the estate; and
>
> (c) The terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and the proposed lender.

In re L.A. Dodgers LLC, 457 B.R. 308, 312 (Bankr. D. Del. 2011) (citing *In re St. Mary Hosp.*, 86 B.R. 393, 401 (Bankr. E.D. Pa. 1988)); *see also Crouse Grp.*, 71 B.R. at 549; *Ames Dep't Stores*, 115 B.R. at 37-39. The elements of this test are satisfied here.

30. Here, the Portfolio Debtors satisfy Bankruptcy Code section 364(c)(3). The terms and conditions are the same as the Prepetition Secured Notes, but the postpetition financing will be junior. There is no "roll up." The terms are exceedingly favorable to the Portfolio Companies

and it is virtually impossible for the Portfolio Companies—thirteen of which are in pre-clinical or clinical stages—to obtain unsecured credit on an expedited basis. And given that it is the Partnership Debtor itself providing the Portfolio Financing and doing so only to preserve its equity investment and avoid distracting arguments whether the Partnership Debtor is subject to prepetition "budget" approval by Rigmora,[3] the Portfolio Debtors submit that section 364(c)(3) is satisfied.

INTERIM APPROVAL IS APPROPRIATE

31. Bankruptcy Rules 4001(b) and 4001(c)(2) provide that a final hearing on a motion to obtain credit pursuant to section 364 of the Bankruptcy Code may not be commenced earlier than 14 days after the service of such motion. Upon request, however, a bankruptcy court is empowered to conduct a preliminary expedited hearing on the motion and authorize the obtaining of credit to the extent necessary to avoid immediate and irreparable harm to the Debtors' estates. *See* Fed. R. Bankr. P. 4001(c)(2).

32. The Debtors request that the Court authorize them, on an interim basis pending a final hearing, to spend up $3,000,000 before January 20, 2026 to make payroll at the Portfolio Companies, pay the "pass through" tax due January 15, 2026, and pay immediately due ordinary course expenses (such as health insurance benefits, utilities, IT support, software licenses and the like). As discussed above, this relief will enable the Debtors to operate their business in a manner that will permit them to preserve and maximize value and thereby avoid immediate and irreparable harm and prejudice to their estates and all parties in interest, pending a final hearing. Absent interim approval of this interim borrowing, the Debtors' businesses (including their nondebtor

[3] Any such prepetition contractual limitations do not bind the Debtors now, *see* 11 U.S.C. § 541(c), but this Court need not resolve the issue to grant this Motion.

Portfolio Companies that lack the ability to pay employees) would suffer immediate and irreparable harm.

REQUEST FOR FINAL HEARING

33. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtors request that the Court set a date for a final hearing to consider this Motion that is as soon as practicable, and in no event after 30 days after the Petition Date and fix the time and date prior to the final hearing for parties to file objections to this Motion.

REQUESTS FOR IMMEDIATE RELIEF AND WAIVER OF STAY

34. Pursuant to Bankruptcy Rules 6003(a) and 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 6003(a) provides, in relevant part, that "[u]nless relief is needed to avoid immediate and irreparable harm, the court must not, within 21 days after the petition is filed, grant an application or motion to: . . . pay all or a part of a claim that arose before the petition was filed." Fed. R. Bankr. P. 6003(a). 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). Accordingly, where the failure to grant any such requested relief would result in immediate and irreparable harm to a debtor's estate, a court may allow a debtor to pay all or part of a claim that arose prepetition immediately.

35. As set forth above, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. 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

36. The Debtors will provide notice of this Motion to the following parties and/or their respective counsel, as applicable: (a) the United States Trustee for the District of Delaware; (b) the holders of the 20 largest unsecured claims against the Debtors; (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, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

37. No prior request for the relief sought in this Motion has been made to this or any other court.

CONCLUSION

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

Dated: December 23, 2025
Wilmington, Delaware

Respectfully submitted,

/s/ Ethan H. Sulik

L. Katherine Good (No. 5101)
Brett M. Haywood (No. 6166)
Shannon A. Forshay (No. 7293)
Ethan H. Sulik (No. 7270)
POTTER ANDERSON & CORROON LLP
1313 N. Market Street, 6th Floor
Wilmington, Delaware 19801
Telephone: (302) 984-6000
Facsimile: (302) 658-1192
Email: kgood@potteranderson.com
bhaywood@potteranderson.com
sforshay@potteranderson.com
esulik@potteranderson.com

Andrew M. Berdon, Esq. (admitted *pro hac vice*)
Patricia B. Tomasco, Esq. (admitted *pro hac vice*)
Rachel E. Epstein, Esq. (admitted *pro hac vice*)
Alain Jaquet, Esq. (admitted *pro hac vice*)
Rachel Harrington, Esq. (admitted *pro hac vice*)
QUINN EMANUEL URQUHART & SULLIVAN, LLP
295 5th Avenue, 9th Floor
New York, New York 10016
Telephone: (212) 849-7000
Facsimile: (212) 849-7100
Email: andrewberdon@quinnemanuel.com
pattytomasco@quinnemanuel.com
rachelepstein@quinnemanuel.com
alainjaquet@quinnemanuel.com
rachelharrington@quinnemanuel.com

-and-

Eric D. Winston, Esq. (admitted *pro hac vice*)
Razmig Izakelian, Esq. (admitted *pro hac vice*)
Ben Roth, Esq. (admitted *pro hac vice*)
QUINN EMANUEL URQUHART & SULLIVAN, LLP
865 S. Figueroa Street, 10th Floor
Los Angeles, California 90017
Telephone: (213) 443-3000
Facsimile: (213) 443-3100
Email: ericwinston@quinnemanuel.com
razmigizakelian@quinnemanuel.com
benroth@quinnemanuel.com

Proposed 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 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

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"): (a) authorizing (i) the Partnership Debtor to provide secured loans pursuant to section 363(b) of the Bankruptcy Code; and (ii) the Portfolio Debtors to borrow from the Partnership Debtor pursuant to section 364 of the Bankruptcy Code; (b) authorizing Debtor ATLS to pay Management Company Expenses in the ordinary course of business pursuant to section 363(c) of the Bankruptcy Code; and (c) scheduling a final hearing to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration and the Mandarino 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

[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.

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

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 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 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 therefor;

IT IS HEREBY ORDERED THAT

1. The Motion is granted on an interim basis as set forth herein.

2. The final hearing with respect to this Motion shall be held on **January 20, 2026 at 2:30 p.m. (prevailing Eastern Time)**. Any objections or responses to entry of the proposed Final Order shall be filed on or before **4:00 p.m. (prevailing Eastern Time) on January 6, 2026** and served on the following parties: (a) proposed co-counsel to the Debtors, (i) Quinn Emanuel Urquhart & Sullivan, LLP, 700 Louisiana Street, Suite 3900, Houston, TX 77002, Attn: Patricia B. Tomasco (pattytomasco@quinnemanuel.com), (ii) Quinn Emanuel Urquhart & Sullivan, LLP, 865 S. Figueroa Street, 10th Floor, Los Angeles, CA 90017, Attn: Eric D. Winston (ericwinston@quinnemanuel.com), and (iii) Potter Anderson & Corroon LLP, Hercules Plaza, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attn: L. Katherine Good (kgood@potteranderson.com) and Brett M. Haywood (bhaywood@potteranderson.com); (b) counsel to any statutory committee appointed in these Chapter 11 Cases; (c) the U.S. Trustee,

844 King Street, Suite 2207, Wilmington, DE 19801, Attn: Megan Seliber (megan.seliber@usdoj.gov) and Hannah McCollum (hannah.mccollum@usdoj.gov); (d) counsel for Rigmora Biotech Investor One LP and Rigmora Biotech Investor Two LP (collectively, the "LPs"), Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: Michael J. Merchant (merchant@rlf.com), and Debevoise & Plimpton LLP, 66 Hudson Boulevard, New York, NY 10001, Attn: Sidney P. Levinson (slevinson@debevoise.com); and (e) to the extent not listed herein, those parties requesting notice pursuant to Bankruptcy Rule 2002. If no objections are timely filed, this Court may enter the Final Order without further notice or hearing.

3. The Partnership Debtor is authorized to provide Portfolio Funding, and the Debtors are authorized pay Management Company Expenses, pursuant to section 363(b) of the Bankruptcy Code to the extent not ordinary course expenses pursuant to section 363(c) of the Bankruptcy Code in an amount not to exceed $3,000,000 prior to entry of the Final Order.

4. The Portfolio Debtors are authorized to borrow Portfolio Funding pursuant to section 364(c)(3) in an amount not to exceed $3,000,000 prior to entry of the Final Order.

5. The Portfolio Debtors are further authorized to provide, and the Partnership Debtor is authorized to receive, 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, 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. 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 Interim Order or the Final 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.

7. 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 section 365 of the Bankruptcy Code; (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.

8. This Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied, and that the interim relief requested is necessary to avoid immediate and irreparable harm.

9. 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.

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

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

12. 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 Nos. __ & __

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

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Final Order"): (a) authorizing (i) the Partnership Debtor to provide secured loans pursuant to section 363(b) of the Bankruptcy Code; and (ii) the Portfolio Debtors to borrow from the Partnership Debtor pursuant to section 364 of the Bankruptcy Code; (b) authorizing Debtor ATLS to pay Management Company Expenses in the ordinary course of business pursuant to section 363(c) of the Bankruptcy Code; and (c) scheduling a final hearing to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration and the Mandarino 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

[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.

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

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 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 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 therefor;

IT IS HEREBY ORDERED THAT

1. The Motion is granted in all respects.

2. The Partnership Debtor is authorized to provide Portfolio Funding pursuant to section 363(b) of the Bankruptcy Code in an amount not to exceed $13,900,000.

3. The Portfolio Debtors are authorized to borrow Portfolio Funding pursuant to section 364(c)(3) in an amount not to exceed $3,500,000.

4. The Portfolio Debtors are further authorized to provide, and the Partnership Debtor is authorized to receive, 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, 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.

5. 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 the Interim Order or this Final 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.

6. ATLS is authorized to pay Management Company Expenses pursuant to section 363(c) in an amount not to exceed $7,400,000.

7. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final 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 Final Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (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 Final 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.

8. 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.

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

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

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

EXHIBIT C

SECURED PROMISSORY NOTE

$530,000.00

This Secured Promissory Note (this "**Note**"), dated as of June 11, 2025, is made and delivered by Initial Therapeutics, Inc. ("**Borrower**"), in favor of ATP Life Science Ventures, L.P. ("**Lender**").

FOR VALUE RECEIVED, and subject to the terms and conditions hereof, and in reliance upon Borrower's representations and warranties contained herein, Lender agrees to lend Borrower the initial sum of Two Hundred Thirty Thousand dollars US ($230,000.00), plus such additional advances as Lender may agree to make not to exceed $530,000.00 in the aggregate, with interest thereon in accordance with the provisions set forth below, both principal and interest being payable in lawful funds via wire transfer to a bank account identified by Lender or as otherwise reasonably directed by Lender.

1. Maturity Date. If not sooner paid as indicated below, the outstanding principal balance and all accrued but unpaid interest under this Note shall be due and payable on demand (the "**Maturity Date**").

2. Interest. Interest shall accrue on this Note, from the date of this Note until the date this Note is paid in full, at the rate of eight percent (8%) per annum (the "**Note Rate**"). Interest shall be calculated on the basis of a 360-day year and actual days elapsed. Accrued but unpaid interest shall be compounded monthly and shall be payable in arrears on a quarterly basis at the end of each calendar quarter, with the first such payment due September 30, 2025 until this Note is paid in full.

3. Grant of Security Interest. Borrower hereby assigns to Lender, and hereby grants to Lender a security interest in, all of Borrower's right, title, and interest in the assets and property listed in Annex A (the "**Collateral**"), which secures all of Borrower's obligations under this Note (including, without limitation, payment of reasonable attorneys', advisers' and agents' fees, expenses, and disbursements of Lender) (collectively, the "**Secured Obligations**"). This Note secures, and the Collateral is collateral security for, due and punctual payment of the Secured Obligations when and as the same shall be due and payable. Borrower shall cooperate with Lender and execute and file any documentation or take any other actions requested by Lender to secure or perfect Lender's security interest in the Collateral, including, without limitation the filing of any UCC-1 financing statement. If Borrower fails to file any UCC-1 financing statement, Borrower hereby consents to Lender filing any UCC-1 financing statement and any amendment thereto with respect to the Collateral.

4. Prepayments. Borrower shall have the option to prepay any portion of the principal or accrued interest under this Note without prepayment penalty.

5. Defaults; Acceleration. The occurrence of any one or more of the following,

whatever the reason therefor, shall constitute an "**Event of Default**" hereunder:

(a) Borrower shall fail to pay when due any principal or interest on this Note; or

(b) Borrower shall fail to perform or observe any term, covenant or agreement contained in this Note or any Loan Document on its part to be performed or observed, other than the failure to make a payment covered by Section 5(a), and such failure shall continue uncured as of fifteen (15) calendar days after written notice of such failure is given by Lender to Borrower; provided, however, that if the default cannot be cured in fifteen (15) days but Borrower is diligently pursuing the cure, then Borrower shall have thirty (30) days after written notice to effect the cure; or

(c) any representation or warranty contained in any of the Loan Documents is incorrect in any material respect when made if Lender determines, in its reasonable discretion, that such condition materially adversely affects Borrower's ability to repay this Note; or

(d) Borrower is dissolved or liquidated, or otherwise ceases to exist, or all or substantially all of the assets of Borrower are sold or otherwise transferred without Lender's prior written consent; or

(e) Borrower is the subject of an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer (the "**Receiver**"); or any Receiver is appointed without the application or consent of Borrower and the appointment continues undischarged or unstayed for sixty (60) calendar days; or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceedings relating to it or to all or any part of its property under the laws of any jurisdiction; or any similar proceeding is instituted without the consent of Borrower and continues undismissed or unstayed for sixty (60) calendar days.

6. Remedies. The Lender may demand repayment of the loan and all amounts evidenced by this Note at any time and from time to time. In such event, Lender may declare the entire principal balance of this Note then outstanding (if not then due and payable), all accrued but unpaid interest, and all other obligations of Borrower hereunder to be immediately due and payable. Subject to the applicable provisions of law, upon any such declaration, the principal of this Note, all accrued but unpaid interest, and all other amounts to be paid under this Note shall become and be immediately due and payable, anything in this Note or any other document or agreement entered into in connection with this Note (collectively, "**Loan Documents**") to the contrary notwithstanding. If an Event of Default specified in Section 5(e) occurs, the entire principal balance of this Note then outstanding (if not then due and payable), all accrued and unpaid interest, and all other obligations of Borrower shall become and be immediately due and payable without any declaration or other act on the part of Lender. Upon demand, Lender may exercise any and all rights

provided herein, in any Loan Document, by law or otherwise, including without limitation, without advertisement or notice of any kind to or upon Borrower or any other person (all and each of which advertisements and/or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of (including the disposition by merger) and deliver such Collateral, or any part thereof, in one or more portions at public or private sale or sales or transactions, at any exchange, broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable (but in all cases in compliance with the terms and provisions of this Note) and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale or sales, public or private, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly waived or released.

7. Late Charge. If any payment is not received in full by Lender within five (5) days following the due date of any payment (but not including any payment due on the Maturity Date or resulting from an acceleration of the amounts due under this Note), Borrower shall also pay to Lender a late charge in an amount equal to two percent (2.00%) of the amount of such overdue payment. For so long as any Event of Default exists under this Note or under any of the other Loan Documents, regardless of whether or not there has been an acceleration of the amounts due under the Loan Documents, and at all times after maturity (whether by acceleration or otherwise), and in addition to all other rights and remedies of Lender hereunder, interest shall accrue on the outstanding principal balance hereof at the Default Rate (as defined below), and such accrued interest shall be immediately due and payable. Borrower acknowledges that it would be extremely difficult or impracticable to determine Lender's actual damages resulting from any late payment or Event of Default, and such late charges and accrued interest are reasonable estimates of those damages and do not constitute a penalty.

8. Default Rate. From and after the Maturity Date or, if any Event of Default occurs, from the date the payment was due regardless of any cure period, through and including the date such default is cured, at the option of Lender hereof, the amount of the missed payment(s), or, if this Note has been accelerated, all amounts owing under this Note and all sums owing under all of the Loan Documents shall bear interest at a default rate equal to five percent (5.00%) per annum in excess of the Note Rate (the "**Default Rate**"). Such interest shall be paid on the first day of each month thereafter, or on demand if sooner demanded.

9. Waivers. Borrower waives any and all defenses to payment and collection under this Note. Borrower waives any right of offset it now has or may hereafter have against Lender hereof and its successors and assigns. Borrower waives presentment, demand, protest, notice of protest, notice of intent to accelerate, notice of acceleration, notice of nonpayment or dishonor and all other notices in connection with the delivery, acceptance, performance, default or enforcement of this Note. Borrower expressly agrees that no extension or delay in the time for payment or enforcement of this Note or any Loan Document, and no alteration, amendment, waiver, renewal, or substitution of this Note or any Loan Document, will in any way affect the liability of Borrower

hereunder. No delay on Lender's part in exercising any right hereunder or under any of the Loan Documents shall operate as a waiver. Lender's acceptance of partial or delinquent payments or the failure of Lender to exercise any rights shall not waive any obligation of Borrower or any right of Lender, or modify this Note, or waive any other similar default.

10. Costs of Collection. Borrower agrees to pay all costs of collection when incurred and all costs incurred by Lender hereof in exercising or preserving any rights or remedies in connection with the enforcement of this Note or following a default by Borrower, including, but not limited to, actual attorneys' fees. If any suit or action is instituted to enforce this Note, Borrower promises to pay, in addition to the costs and disbursements otherwise allowed by law, all court costs plus such sum as the court may adjudge reasonable attorneys' fees in such suit or action.

11. Usury. Borrower hereby represents that this loan is for commercial use and not for personal, family, or household purposes. It is the specific intent of Borrower and Lender that this Note bear a lawful rate of interest, and if any court of competent jurisdiction should determine that the rate herein provided for exceeds that which is statutorily permitted for the type of transaction evidenced hereby, the interest rate shall be reduced to the highest rate permitted by applicable law, with any excess interest theretofore collected being applied against principal or, if such principal has been fully repaid, returned to Borrower upon written demand.

12. Notices. All notices, requests and other communications hereunder must be in writing and shall be deemed to have been duly given only if delivered personally, by recognized overnight courier, or by email transmission or mailed (certified mail, return receipt requested) at the addresses set forth below. All such notices, requests and other communications shall (a) if delivered personally to the address as provided in this Section, be deemed given upon delivery; (b) if delivered by email to the email address as provided in this Section, be deemed given upon receipt (if received during business hours on a Business Day (as used in this Note, the term "**Business Day**" shall mean any day other than a Saturday, Sunday, or any day on which banks located in New York are authorized or obligated to close), otherwise the next Business Day); provided that the notice sent by email must be followed by notice sent by one of the other means of notice set forth in this Section 12; and (c) if delivered by mail or overnight courier in the manner described above to the address as provided in this Section, be deemed given upon receipt, or attempted delivery, if earlier (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section). Any party from time to time may change such party's address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other party.

If to Borrower: Initial Therapeutics, Inc.
Attn: Peter DiLaura
285 East Grant Avenue.
South San Francisco, CA 94080
Email: pdilaura@initialtx.com

With a copy to counsel:

Harold B. Murphy, Esq.
Andrew G. Lizotte, Esq.
Murphy & King, P.C.
28 State Street, Suite 3101
Boston, MA 02109

If to Lender:

ATP Life Science Venture, L.P.
Attn: Joseph A. Yanchik, III
245 Main Street, Floor 12
Cambridge, MA 02142
Email: jyanchik@appletreepartners.com

With a copy to counsel:

Eric Winston, Esq.
Quinn Emanuel Urquhart & Sullivan, LLP
865 S. Figueroa Street, 10th Floor
Los Angeles, CA 90017
Email: ericwinston@quinnemanuel.com

Daniel Holzman, Esq.
Quinn Emanuel Urquhart & Sullivan, LLP
295 Fifth Avenue, 9th Floor
New York, NY 10016
Email: danielholzman@quinnemanuel.com

13. Construction. This Note and all Loan Documents have been reviewed and negotiated by Borrower and Lender at arms' length with the benefit of or opportunity to seek the assistance of legal counsel and shall not be construed against any party. The titles and captions in this Note are inserted for convenience only and in no way define, limit, extend, or modify the scope of intent of this Note.

14. Partial Invalidity. If any section or provision of this Note is declared invalid or unenforceable by any court of competent jurisdiction, said determination shall not affect the validity or enforceability of the remaining terms hereof. No such determination in one jurisdiction shall affect any provision of this Note to the extent it is otherwise enforceable under the laws of any other applicable.

15. Governing Law; Jurisdiction. This Note shall be construed according to and governed by the laws of State of New York, without regard to its choice of law provisions that would result in the application of law of another jurisdiction. Borrower and Lender irrevocably submit to the exclusive jurisdiction of the federal and state courts located in New York, New York in any action or proceeding arising out of this Note, and covenant that any such action or proceeding

shall be brought only in such courts; provided that either Lender or Borrower shall be entitled to enforce any judgment relating to this Note in any court of competent jurisdiction. Borrower and Lender irrevocably waive, to the fullest extent permitted by law, any objection that they may now or hereafter have to the laying of the venue of or jurisdiction of any such action or proceeding brought in such courts and that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

16. WAIVERS OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM HEREUNDER OR THEREUNDER.

17. Entire Agreement. This Note and the other instruments, statements or documents described herein constitute the entire agreement between Lender and Borrower, with any and all prior agreements and understandings being canceled and merged herein.

[***Signature Page Follows***]

IN WITNESS WHEREOF, Borrower and Lender have caused this Note to be signed as of the date first written above.

BORROWER:

Initial Therapeutics, Inc.,

By: DocuSigned by: Spiros Liras 31A06B013C4B480...

Name: Spiros Liras

Title: President

LENDER:

ATP Life Science Ventures, L.P.,

By: _____

Name:

Title:

ANNEX A

Description of Collateral

Collateral means all assets and personal property of the Borrower, including, without limitation, all of the following items, whether now owned or now due, or in which the Borrower has an interest or hereafter, at any time in the future, acquired, arising or to become due, or in which the Borrower obtains an interest, and all products, proceeds, replacements, substitutions and accessions of or to any of the following, which to the extent not defined below, shall have the meanings given to them under the Code:

A. all accounts and accounts receivable;

B. all inventory (including raw materials, work-in-process, finished goods and supplies);

C. all contract rights;

D. all general intangibles (including, without limitation, payment intangibles, software, trademarks, patents, copyrights, domain names or other intellectual property rights of the Borrower);

E. all equipment (including all machinery, furniture, and fixtures);

F. all farm products;

G. all goods;

H. all chattel paper (whether tangible or electronic);

I. all fixtures;

J. all investment property (including, without limitation, all financial assets, certificated and uncertificated securities, securities accounts and security entitlements);

K. all letter-of-credit rights;

L. all rights under judgments, all commercial tort claims, and choses in action;

M. all books, records and information relating to the Collateral and/or to the operation of the Borrower's business and all rights of access to such books, records and information and all property in which such books, records and information are stored, recorded and maintained;

N. all instruments, promissory notes, documents of title, documents, policies and certificates of insurance, securities, deposits, deposit accounts, money, cash or

other property;

O. all federal, state and local tax refunds and/or abatements to which the Borrower is or becomes entitled no matter how or when arising, including, but not limited to, any loss carryback tax refunds;

P. all insurance proceeds, refunds and premium rebates, including without limitation proceeds of fire and credit insurance, whether any of such proceeds, refunds and premium rebates arise out of any of the foregoing (A-O) or otherwise; and

Q. all liens, guaranties, rights, remedies and privileges pertaining to any of the foregoing (A-P), including the right of stoppage in transit.