

**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)

(Jointly Administered)

**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 THE ORDINARY COURSE OF BUSINESS PAYMENT OF
MANAGEMENT COMPANY EXPENSES AND (III) GRANT RELATED RELIEF**

I, Perry M. 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 and 15, 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.



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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).

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. 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. 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 “Portfolio Debtors”) were all incorporated in Delaware between 2020 and 2021.

4. 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 funds its operations.

5. It is my understanding that prior to the Petition Date, in the ordinary course of business, the Partnership Debtor committed to provide pursuant to signed contracts, and did provide, funding to each Portfolio Company as set forth in the table below. The aggregate commitment amount was \$501.2 million and the Partnership Debtor funded, in the aggregate, \$340.6 million.

6. 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.

7. It is my understanding that 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").

8. 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.

9. ATP Life Science Ventures, L.P. funds operations at each of the Portfolio Debtors and Non-Debtor Portfolio Companies. Pursuant to the Motion, the Debtors seek authority to pay approximately the Funding Commitments to the Portfolio Debtors and the Non-Debtor Portfolio Companies as follows:

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.
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.

PORTFOLIO COMPANY	INTERIM AMOUNT	FINAL AMOUNT	REASON
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.
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. Additionally, in the ordinary course of business, ATLS incurs expenses managing the Corporate Debtors and the Partnership’s investments in the Portfolio Debtors and the Non-Debtor Portfolio Companies (the “Management Company Expenses”). The Management Company Expenses, which the Debtors estimate to be approximately \$7.4 million, include \$1,951,350 for payroll, \$2,101,204 for year-end bonuses for eligible employees, \$456,542 for

pass-through tax distributions, and \$3,306,810 for overhead expenses including rent and utilities, legal fees, patent costs, insurance, office expenses and supplies, travel and meals, journal subscriptions, IT and software licenses, and associated costs. The Management Company Expenses also include the fees paid to Apple Tree Venture Management, LLC, as discussed in paragraph 42 of the *Declaration of Seth Harrison in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 18]. From the Petition Date through January 20, 2026, the Debtors will need to pay Management Company Expenses in the amount of approximately \$2.4 million (the “Interim Management Company Expenses,” and with the Portfolio Funding, the “Funding Commitments”).

11. Without payment of the Funding Commitments, the Debtors’ investment in the Portfolio Debtors and Non-Debtor Portfolio Companies will suffer, potentially irrevocably. By paying the Funding Commitments on an ongoing basis, critical research and development progress can be preserved for a minimum outlay of funds. I believe that the relief requested in the *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*, as detailed therein and herein, 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.

[Signature Page Follows]

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 23rd day of December, 2025.

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