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)

DECLARATION OF PERRY M. MANDARINO, CHIEF RESTRUCTURING OFFICER OF THE DEBTORS IN SUPPORT OF DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS: (A) AUTHORIZING THE DEBTORS TO INCUR POST-PETITION DEBT, (B) GRANTING SUPER-PRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (C) SCHEDULING A FINAL HEARING, AND (D) GRANTING RELATED RELIEF

I, Perry Mandarino, pursuant to section 1746 of title 28 of the United States Code, hereby declare ("**Mandarino DIP Declaration**") under the penalty of perjury that the following is true to the best of my knowledge, information, and belief:

1. I am above 18 years of age, and I am competent to testify. 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 certain of the Debtors on December 9 and 12, 2025, as applicable. I submit this declaration in support of the *Debtors' Motion For Entry Of Interim And Final Orders: (A) Authorizing The Debtors To Incur Post-Petition Debt, (B) Granting Super-*

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

Priority Administrative Expense Claims, (C) Scheduling A Final Hearing, And (D) Granting Related Relief (the "**DIP Motion**").[2]

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 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. Except as otherwise indicated, all statements in this Declaration are based on (i) my personal knowledge of the Debtors' operations and finances, (ii) my review of relevant documents, (iii) information provided to me by BRRS employees working under my supervision, (iv)

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

information provided to me by, or discussions with, the members of the Debtors' management team or their other advisors, and/or (v) my opinion based upon my experience as a restructuring professional. If called to testify, I could and would testify to each of the statements set forth herein on that basis.

4. I have issued five previous declarations in support of the Debtors in this case that detail the current and historical business operations of the Debtors and the events precipitating the Chapter 11 Filings, the *Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 025] (the "**Mandarino First Day Declaration**"), the *Supplemental Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 63] (the "**First Supplemental Declaration"**), the *Declaration of Perry Mandarino in Support of 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 (II) Grant Related Relief* [Docket No. 90] (the "**First Funding Declaration**"), the *Second Supplemental Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 163] (the "**Second Supplemental Declaration"**), and the *Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors in Support of Debtors' Motion for Entry of Order (I) Authorizing Use of Funds to (A) Fund Portfolio Companies, (B) Pay Management Company Expenses, and (C) Pay Chapter 11 Expenses, and (ii) Granting Related Relief* [Docket No. 229] (the "**Mandarino Funding Declaration**"), all of which are fully incorporated herein by reference.

B. RILEY'S RETENTION

5. Since becoming involved with the Debtors, members of my team and I have worked closely with the Debtors' management, the recently appointed independent director (the "**Independent Director**") of ATP Life Sciences Venture, L.P. (the "**Fund**"), and other Debtor professionals in the analysis of the Debtors' business affairs, assets, financial position, contractual arrangements, and various proposed strategic transactions. Pursuant to this work, my team and I have become familiar with the Debtors' capital structure, liquidity needs, and business operations.

6. During my time as CRO of the Debtors, I have, among other things, provided advice on strategic transaction alternatives, restructuring options, and financings. I have participated in several meetings and negotiations between the Debtors, Rigmora, and other parties in interest. Members of my team and I have also assisted the Debtors in reviewing the terms, conditions, and the potential impact of various proposed transactions, including comparing iterations of debtor-in-possession financing proposals. Additionally, I have participated in numerous meetings with the Company's management to, among other things, address the Debtors' need for post-petition financing generally and the terms of the proposed debtor-in-possession super-priority secured financing facility described herein (the "**DIP Facility**," and the lenders thereunder, the "**DIP Lenders**").

7. I am not being compensated specifically for this testimony other than through payments received by B. Riley as a professional proposed to be retained by the Debtors.

SUMMARY OF RELIEF REQUESTED IN DIP MOTION

8. Pursuant to the DIP Motion, the Debtors request entry of an interim order ("**Interim DIP Order**") and a final order ("**Final DIP Order**" and, together, the "**DIP Orders**"):

a. Authorizing the Debtors to obtain post-petition financing on a delayed-draw senior secured super-priority term loan facility in the maximum aggregate principal

amount of up to $65 million upon entry of the DIP Orders on the terms set forth in the DIP Loan Term Sheet;

b. Authorizing the DIP Loan Parties to (i) execute, deliver, and perform under the DIP Loan Term Sheet and each of the DIP Loan Documents, (ii) incur all loans, advances, extensions of credit, financial accommodations, indemnification and reimbursement obligations and other obligations, and pay all principal, interest, premiums, fees, costs, expenses, charges and all other amounts payable under the DIP Loan Documents (collectively, the "**DIP Obligations**"), and (iii) perform such other and further acts as may be necessary, required or desirable to implement and effectuate the terms of the DIP Orders, the DIP Loan Documents and the transactions contemplated hereunder and thereunder;

c. Authorizing the DIP Borrower to incur all DIP Obligations, in accordance with the DIP Orders and the DIP Loan Documents;

d. Granting to the DIP Agent, for the benefit of itself and the other DIP Lenders, the DIP Liens in all DIP Collateral as set forth in the DIP Orders, subject to the Carve Out and subject to the relative priorities set forth in the DIP Orders;

e. Granting to the DIP Agent, for the benefit of itself and the other DIP Lenders, allowed super-priority administrative expense claims against each of the Debtors, on a joint and several basis, in respect of all DIP Obligations, subject in each case to the Carve Out, as set forth in the DIP Orders;

f. Authorizing the Debtors to use the proceeds of the DIP Facility and the DIP Collateral, solely in accordance with the terms and conditions set forth in the DIP Orders and the DIP Loan Documents, including the Approved Budget (as defined below), subject to any variances expressly permitted under the DIP Loan Term Sheet (the "**Permitted Variances**");

g. Approving certain stipulations, waivers, and releases by the Debtors with respect to the DIP Lenders, the DIP Loan Documents, the DIP Liens, the DIP Obligations, and the DIP Collateral, in each case, subject to the terms and provisions of the DIP Orders;

h. Modifying or vacating the automatic stay imposed by sections 105(a) and 362 of the Bankruptcy Code or otherwise, to the extent necessary, required or desirable to implement and effectuate the terms and provisions of the DIP Orders and the DIP Loan Documents, as set forth herein, waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of the DIP Orders, providing for the immediate effectiveness of the DIP Orders, and granting related relief; and

i. Scheduling a final hearing (the "**Final Hearing**") on the Motion to consider entry of a final order (the "**Final Order**") authorizing the relief requested in the Motion

> on a final basis, which order shall be in form and substance and on terms and conditions acceptable in all respects to the DIP Lenders, and approving the form of notice with respect to such Final Hearing.

9. I have personally observed, and it is therefore my opinion—based on my experience, in my professional judgment, and as a result of the broad marketing process undertaken regarding the DIP financing opportunity—that the proposed DIP Facility is the product of arm's-length negotiations, represents the best post-petition financing alternative available to the Debtors under the circumstances, and, if the Funding Motion is denied in any respect, is in the best interest of the Debtors, their estates, and all parties in interest in these Chapter 11 Cases.

DEBTORS' NEED FOR DIP FINANCING

10. The Debtors have sought authority to use cash on hand to fund critical programs at portfolio companies and to pay for administrative expenses (*see* Docket No. 228, the "**Funding Motion**"). While the requested funding set forth in the Funding Motion benefits the estates and all constituencies and provides a cheaper cost of capital compared to the DIP Motion, the Debtors must also contingency plan. If the Funding Motion is denied in any respect, or is conditioned on the imposition of terms or conditions that would result in the unreasonable expenditure of estate resources or delay in achieving a confirmable plan of reorganization, the Debtors will urgently need immediate access to the alternative source of funds available under the DIP Facility. As described in the Mandarino First Day Declaration, the Debtors commenced these Chapter 11 Cases as a direct result of Rigmora's refusal to honor the capital calls and the subsequent severe liquidity constraints causing an existential crisis for the enterprise and its life-saving research. Years of research and pre-clinical drug development conducted by the Portfolio Companies have been severely disrupted in the middle of critical experiments and clinical trials. These experiments and

trials now operate on barebones budgets, but without additional funding, the Portfolio Companies will be forced to cease operations entirely, and the Fund's significant investments will be wasted.

11. Chapter 11 protections are crucial to stabilize the enterprise and ensure the Portfolio Companies received the funding necessary to continue their life-saving research and avoid irreversible value destruction. At the same time, the Debtors now have an opportunity to restructure and ensure their enterprise continues to be profitable and value-maximizing going forward. That is dependent on continued, unfettered access to funding based on the Debtors' business judgement.

12. Both before and after filing these Chapter 11 Cases, Rigmora has opposed the Debtors' attempts to preserve the value of the enterprise and to protect the investments made in the Portfolio Companies. The Debtors filed the Chapter 11 Cases with approximately $17.3 million in cash on hand, and on December 22, 2025, Rigmora wired $96,960,925.88 to the Debtors, as ordered and mandated by the Delaware Chancery Court's Judgment. However, Rigmora has litigiously opposed the Debtors using this available cash on hand to fund the Portfolio Companies. Rigmora has represented that it would be willing to discuss the Debtors' funding needs; however, its principals have not shown any true willingness to engage with myself or other representatives in our efforts to make informed, strategic business decisions necessary to preserve value. While I and other representatives of the Debtors have conferred with counsel for Rigmora, Rigmora has not provided any principals of its business or financial decisionmakers with whom I can discuss strategic next steps for the Debtors. Rigmora's counsel did introduce a medical expert (the "**Representative**"). After an initial call with the Representative and counsel, I offered to introduce this individual to members of the Debtors' management teams to facilitate meaningful discussions. However, we came to understand that this individual is an employee of a direct competitor of the

Debtors. In fact, the Representative's employer, in which I understand Rigmora has a financial interest, had, as recently as December 18, 2025, prepared and presented a presentation to Rigmora containing an analysis of the Debtors' business. I then came to understand that this same entity had entered into non-disclosure agreements ("**NDA**") with certain of the Portfolio Companies that are Debtors in the Chapter 11 Cases. Due to concerns with the possible motives and likely competitive interests of the Representative, I was unwilling to provide this individual access to the Debtors' proprietary information.

13. In an email from Rigmora's counsel, attached hereto as Exhibit "A," Rigmora suggests that its refusal to agree to use of the Proceeds of the Chancery Court Judgment emanate from its view that existing estate professionals are conflicted and that conflict resulted in a failure to attract capital. Mr. Taft of Debevoise stated, "the Debtors have indicated that they will be appointing an independent director to protect the interests of the Fund, as distinct from other Debtors, in an attempt to mitigate the obvious conflict of interest that arises from your (and other advisors') concurrent roles for the Management Company, GP, Fund and Portfolio Companies. Under these circumstances, the Debtors cannot reasonably insist on approval of a full 26-week budget prepared by conflicted fiduciaries for the benefit of debtor portfolio companies that have failed to attract capital from any source other than the Fund (even from DIP lenders, who you testified were not interested in providing funding to individual portfolio companies)." Of course, the estate professionals including myself have worked tirelessly to identify not only DIP lenders but exit financing to bring these cases to a fair and equitable resolution, including for the benefit of Rigmora. Moreover, Mr. Taft stated that Rigmora's agreement to use the Judgment Proceeds would only be done in 6 week increments which would mean that (1) the Portfolio Companies would not have a confirmed source of funding in the long term as is needed to

effectively complete their research projects that often require long term contractual commitments to third party clinical and pre-clinical partners and (2) the imbedded costs of using the Judgment Proceeds would be quite high given the high cost of interacting with Rigmora and having to do so in 6-week increments.

14. Finally, Rigmora never provided information that the Debtors requested regarding the role that RTW Investments LLC played in (1) using information that RTW received under non-disclosure agreements with the Portfolio Companies such as Deep Apple and Ascidian, (2) using information that RTW received in violation of Rigmora's confidentiality obligations under the LPA, and (3) potentially acquiring information through a supposed budget process that could be used to the competitive disadvantage of the Debtors and the value of their intellectual property. Having engaged in hundreds of investment banking processes, the inability of the Debtors or target company to restrict access to its intellectual property would not only devalue that property but would affirmatively discourage potential strategic partners and investors from participating in a value-maximizing process if they knew that a competitor had gained unfettered access to the confidential data. Rigmora's continued insistence that RTW or the Representative invade the Debtors' proprietary scientific data and intellectual property cannot be reconciled with maximizing value of these estates. Interacting with Rigmora on this basis would create another hidden cost that the proposed DIP Financing would avoid, and Rigmora has refused to sequester RTW and Dr. Lu from the Debtors' intellectual property and proprietary data.

15. Rigmora intends to contest use of the Debtors' available unencumbered funds in accordance with the 26-week budget. The Debtors' management, my team, and I deliberately crafted a budget tailored to expend only the funds necessary to preserve estate value. The Debtors' restructuring will not succeed if they are unable to spend the money they have budgeted. If the

Funding Motion is denied in any respect or is conditioned on the imposition of terms or conditions that would result in the unreasonable expenditure of estate resources or delay in achieving a confirmable plan of reorganization, then without immediate access to the DIP Loans, the Debtors will be forced to liquidate their assets, which would irreparably damage the Debtors' efforts to preserve value available for distribution to their stakeholders.

DEBTORS' EFFORTS TO OBTAIN POSTPETITION FINANCING

16. As contingency planning, we contemplated seeking outside alternative funding for this bankruptcy concurrently with filing the Funding Motion. In order to preserve the value of the Debtors' estates and explore potential exit strategies, I and my team put together a teaser and began canvassing for a potential DIP lender that might also be interested in providing exit financing.

17. We began to work closely with the Debtors' management and advisors to evaluate the Company's capital structure, liquidity needs, and business operations, so that we could understand the potential sizing of necessary debtor-in-possession financing. Through this process, we determined that the Debtors would need up to $65 million in new money financing for the duration of these Chapter 11 Cases.

18. We then engaged in a robust process seeking financing proposals, including indications of interest for exit financing. We solicited proposals from twenty-two potential lenders. Ten of those parties entered into non-disclosure agreements and received material non-public information. The parties that executed non-disclosure agreements were provided access to a virtual data room, confidential presentations, information on the Debtors' assets and liabilities and financial projections, liquidity analyses, and other relevant information.

19. As a result of this marketing process, the Debtors received six DIP financing proposals. I and my team evaluated all the DIP financing proposals in consultation with the

Debtors' management. In reviewing the financing alternatives, we considered each lender's ability to fund, the cost of the debt (including fees and interest), any repayment requirements, the funding timing, the overall flexibility of the proposed financing, the ability of the potential lender to work cooperatively with the Debtors, and the utility and flexibility of the financing in achieving an exit strategy for these cases, among other factors.

20. Oaktree Capital Management, L.P. immediately showed substantial and sustained interest in providing the Debtors with the necessary funding to preserve value during and emerge from bankruptcy. After reviewing proposals submitted by lenders, we determined that Oaktree provided the highest and best proposal. The DIP Lender's proposal provided the Debtors with the liquidity they sought on the most favorable terms available. Oaktree's proposed financing would adequately address the Debtors' reasonably foreseeable liquidity needs while affording the Debtors the flexibility they need to stabilize their business. More importantly, I place significant value on Oaktree's willingness and ability to provide exit financing and ultimately support a viable plan of reorganization.

21. The Debtors and the DIP Lender exchanged multiple drafts of term sheets and debtor-in-possession loan documents with respect to the proposed DIP Loan, and they engaged in hours of intense negotiations. Cleary Gottlieb Steen & Hamilton LLP, as advisors to the DIP Lender, and Quinn Emanuel, B. Riley, and Wachtell Lipton Rosen & Katz LLP, as advisors to the Debtors, were fully engaged in this process, exchanging significant diligence information through a virtual data room and participating in numerous conference calls, videoconferences, and negotiations as they worked toward finalizing DIP financing terms and final documentation. The Independent Director was also consulted. This process involved, among other things, extensive

evaluation of the Debtors' financial forecasts by the DIP Lender and the Debtors' financial advisors. These negotiations with Oaktree resulted in the DIP Term Sheet.

KEY BENEFITS OF PROPOSED DIP FACILITY

22. The marketing process and subsequent negotiations culminated in the proposed DIP Loan, the terms of which are set forth in the DIP Term Sheet. The proposed DIP Loan is reasonable in light of the Debtors' financial position and current market conditions. Negotiations were informed and influenced by the Debtors' circumstances and precedent DIP financings, as well as by the terms proposed by potential alternative lenders.

23. In assessing the need for financing of these Chapter 11 cases, the Debtors took into account the following factors:

- economic cost of the financing;
- ability to access financing in a manner which would best maximize the value of the Debtors; and
- likelihood of the financing to provide a path to a Plan of Reorganization.

24. While the proposed DIP financing is facially more expensive than the cost to use the Judgment Proceeds, as requested, I believe that in the absence of the Court's authority to use the Judgment Proceeds, the DIP Facility is the best alternative. Moreover, the DIP Facility comes with the additional benefit of a path to an exit from Chapter 11 for the Debtors. Approximately $700 million has already been invested in intellectual property and research and development—value that would be lost if the Funding Motion were denied and the Debtors were unable to access the Judgment Proceeds and the DIP Facility. And while the costs of the DIP Facility exceed the costs of using the unencumbered cash-on-hand, the cost of losing the $700 million investment in the Portfolio Companies would far surpass the costs of the DIP Facility.

25. In addition, the DIP Facility provides a clear path for an exit, demonstrating why chapter 11 has been a value-maximizing exercise for all stakeholders. Oaktree is interested in not just lending in and of itself, but in being a credible and supportive economic partner in supporting the long-term success and value proposition of the Portfolio Companies. This notably includes those Portfolio Companies for which Rigmora attempted to eliminate funding. Oaktree shows promise to be an effective partner to the Debtors because it is aligned with the Debtors' goals to protect investments in research, which I believe will preserve and maximize value of the Debtors' estates, thereby providing a true market test that supports the Debtors' business judgment.

26. The DIP Loan Proceeds will be used to fund the Debtors' operations during the Chapter 11 cases. If the DIP Facility is not approved, the Debtors will be forced to continue litigating with Rigmora and burning through expenses in their attempts to use the money sitting in their accounts, with no end in sight. The Debtors have therefore exercised their sound business judgment in deciding to enter into the DIP Facility in order to ensure that these cases can be funded, and that they have a rational funding partner that can provide a bridge to maximizing the value of these estates, rather than seeking destructive liquidation.

27. Under the proposed DIP Facility, the Debtors will gain critical access to DIP financing in the aggregate amount of up to $65 million following entry of the Interim DIP Order. It is my belief—based on both my work with the Debtors and my experience—that the proposed DIP Facility is essential to fund these Chapter 11 Cases and provides significant benefit to the Debtors and their estates if the Funding Motion is denied in any respect or subject to unreasonable conditions. The proposed DIP Facility is critical because, due to Rigmora's persistent effort to starve the Portfolio Companies of necessary capital to continue research, the Debtors require

liquidity from an outside source to fund the Portfolio Companies and preserve the Fund's investments. The proposed DIP Facility meets this need.

28. The Debtors intend to use funds from the DIP Borrowing for, among other things, (a) working capital expenses; (b) general corporate purposes; (c) intercompany loans to Portfolio Companies; (d) professional fees, transaction costs, and expenses; (e) statutory fees for the United States Trustee; (f) allowed professional fees and expenses of the Committee; and (g) and any other amounts set forth in the DIP Budget.

29. I have reviewed the DIP Motion, and it is my belief that the relief sought therein is both critical to ensuring the uninterrupted operation of the Debtors' business and the success of the Debtors' Chapter 11 Cases and necessary to avoid immediate and potentially irreparable harm to the Debtors' estates. If the Funding Motion is denied in any respect, then, absent the Court's entry of the Interim DIP Order, I believe the value of the Portfolio Companies will be at existential risk, and would result in serious, immediate, and irreparable harm to the Debtors' estates, and their creditors. Approval of the DIP Facility will allow the Debtors to revise their capital structure, preserve the value of the Portfolio Companies, and maximize value for all stakeholders.

30. As a result of comprehensive good-faith and arm's-length negotiations and a competitive dynamic, the proposed DIP Facility satisfies the Debtors' primary strategic considerations outlined above. Based on the foregoing, it is my belief that the DIP Facility will satisfy the Debtors' postpetition liquidity needs, will provide the Debtors with sufficient flexibility to operate their business in an efficient manner in the ordinary course of business, and is in the best interests of the Debtors and their estates.

TERMS OF DIP FACILITY ARE REASONABLE UNDER THE CIRCUMSTANCES

31. After outreach to numerous institutions to obtain financing, the Debtors (on the recommendation of my team) determined that the DIP Lender's proposed terms were superior to

terms that could be obtained from any other prospective lender. I believe it is appropriate for Oaktree to provide the DIP Facility on a secured, super-priority administrative claim status. We received no interest in, or proposals for, an unsecured facility. The proposed DIP Loan will allow the Debtors the necessary liquidity to fund and continue operations during these Chapter 11 Cases if the Funding Motion is denied any respect or is conditioned on the imposition of terms or conditions that would result in the unreasonable expenditure of estate resources or delay in achieving a confirmable plan of reorganization.

32. The negotiations with the DIP Lenders were rigorous, marked by hard bargaining, and resulted in significant concessions by the DIP Lenders and additional benefits to the Debtors. I am confident that the Debtors would be unable to obtain this level of credit on more attractive terms within the timeframe required to preserve estate value.

33. Based on my experience as a restructuring professional and my understanding of the Debtors' need for post-petition financing, the obligations, interest rate, fees, maturity, covenants, and milestones under the DIP Facility are reasonable. Further, based on my experience with DIP financing transactions and my involvement in the negotiation of the DIP Loan Agreement, and pursuit of alternative post-petition financing proposals, the DIP Facility provides the best financing option currently available to the Debtors under the circumstances. In my view, the DIP Lenders have acted in good faith and have agreed to provide the DIP Facility to the Debtors on terms that, taken as a whole, I consider to be fair and reasonable under the current circumstances and market conditions.

FEES IN CONNECTION WITH THE DIP FACILITY ARE FAIR AND REASONABLE

34. The DIP Lenders have committed, subject to the conditions set forth in the DIP Term Sheet, to provide a substantial amount of capital to ensure successful execution of the DIP Facility. In view of those commitments and the circumstances of these cases, including the

magnitude of the Debtors' Chapter 11 Cases and the tangible benefit to the estates of a substantial committed postpetition financing that the DIP Lenders are working towards in good faith with the Debtors, I believe that the consideration being provided to the DIP Lenders in exchange for providing such commitment, is (i) reasonable in amount, (ii) appropriately compensates the DIP Lenders for their costs and the assurances they are providing to the process, and (iii) is necessary to obtain the DIP Facility, which will permit the Debtors to both continue operating their business and maximize the value of their estates.

A. DIP Fees

35. In consideration for the DIP Agent's and DIP Lenders' respective commitments in connection with the DIP facility, the Debtors have agreed to, among other things, (i) pay certain fees (the "**DIP Fees**"), (ii) pay reasonable and documented out-of-pocket fees and expenses for the DIP Lenders (including reasonable and documented fees and expenses of outside counsel) (the "**Out-of-Pocket Expenses**" and, together with the DIP Fees, the "**DIP Fees and Expenses**"), and (iii) indemnify the DIP Lenders in accordance with the DIP Loan Documents.

B. DIP Fees Are Reasonable

36. The DIP Fees were the subject of arm's-length and good-faith negotiations between the Debtors and the DIP Lenders, are integral components of the overall terms of the DIP Facility, and were required by the DIP Lenders as consideration for the extension of postpetition financing. I do not believe that a financing commitment with terms similar to those in the DIP Facility is available to the Debtors for lower fees. Accordingly, I believe that the DIP Fees are reasonable under the circumstances of these Chapter 11 Cases.

37. The term sheet includes an Upfront Fee, an Undrawn Fee, an Exit Fee, and an Exit Financing Work Fee. These fees were negotiated at arms-length and were necessary to procure the favorable financing from Oaktree. The Exit Financing Work Fee is roughly equivalent to a

monitoring fee combined with a break-up fee of $1,000,000 payable in cash upon entry of the Exit Financing Work Fee Order.

CONCLUSION

38. I have reviewed the DIP Motion, and it is my belief that the relief sought therein is (a) critical to ensure the uninterrupted operation of the Debtors' business and the success of the Debtors' Chapter 11 Cases, and (b) necessary to avoid immediate and potentially irreparable harm to the Debtors' estates. The Debtors intend to use funds from the DIP Borrowing to, among other things, (a) working capital expenses; (b) general corporate purposes; (c) intercompany loans to Portfolio Companies; (d) professional fees, transaction costs, and expenses; (e) statutory fees for the United States Trustee; (f) allowed professional fees and expenses of the Committee; and (g) and any other amounts set forth in the DIP Budget.

39. Absent the Court's entry of the DIP Order, I believe the value of the Portfolio Companies will be at existential risk, and would result in serious, immediate, and irreparable harm to the Debtors' estates and their creditors. Approval of the DIP Order will allow the Debtors to revise their capital structure, preserve the value of the Portfolio Companies, and maximize value for all stakeholders.

40. In sum, it is my professional opinion that (i) the terms of the DIP Facility—including the fee structure and applicable interest rates—are, taken as a whole, within the range of comparable DIP financing transactions and reasonable under the current circumstances and market conditions; (ii) the terms of the DIP Facility were the product of good faith, arm's-length negotiations; (iii) the DIP Facility will benefit all stakeholders in these Chapter 11 Cases; and (iv) absent the Court's entry of the Interim DIP Order, the Debtors' business will likely be immediately and irreparably harmed. If the Funding Motion is denied in any respect or is conditioned on the imposition of terms or conditions that would result in the unreasonable expenditure of estate

resources or delay in achieving a confirmable plan of reorganization, I firmly believe that entry into the DIP Facility is a reasonable exercise of the Debtors' business judgment.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 13th day of February, 2026.

/s/ Perry Mandarino
Perry Mandarino
Chief Restructuring Officer

EXHIBIT A

From: Taft, William <whtaft@debevoise.com>
Sent: Saturday, February 7, 2026 12:56 PM
To: 'Perry Mandarino'; Patty Tomasco; Elise Melconian
Cc: Labovitz, Natasha; Alain Jaquet; Saltzman, Zachary H.; Rachel Harrington
Subject: Budget Request

[EXTERNAL EMAIL from whtaft@debevoise.com]

NOT A SETTLEMENT COMMUNICATION -- NOT SUBJECT TO 408 OR EQUIVALENT

Dear Perry,

Based on yesterday's email from Ms. Tomasco, it seems the Debtors have determined not to provide Rigmora and its scientific advisor access to information necessary to assess the Debtors' proposed 26-week budget and second funding motion. That is unacceptable and will require time to resolve. We also have multiple outstanding document requests and interrogatories that seek information relevant to the funding motion. As you are also aware, the Court will be considering Rigmora's motion to dismiss the bankruptcy petitions filed by the Fund and GP on February 25th. Finally, the Debtors have indicated that they will be appointing an independent director to protect the interests of the Fund, as distinct from other Debtors, in an attempt to mitigate the obvious conflict of interest that arises from your (and other advisors') concurrent roles for the Management Company, GP, Fund and Portfolio Companies.

Under these circumstances, the Debtors cannot reasonably insist on approval of a full 26-week budget prepared by conflicted fiduciaries for the benefit of debtor portfolio companies that have failed to attract capital from any source other than the Fund (even from DIP lenders, who you testified were not interested in providing funding to individual portfolio companies).

We believe a possible solution is a short-term bridge funding arrangement that allows for use of some of the $97 million currently held in a segregated account for purposes other than it was originally called for. In order to inform a proposal for such a short-term bridge funding arrangement, please provide the following information as soon as possible:

- For each portfolio company, the amount of incremental funding (over and above amounts approved in the First Funding Order, [Doc. #206]) required for six (6) weeks of operations starting on February 21st and ending on April 3rd. (From our review the First Funding Order it appears some portfolio companies are funded into April or beyond, but you will have access to the actual spending details.)
- For each portfolio company, the subset of that incremental funding for that same 6 week period that is budgeted for (i) external R&D spending and (ii) new hires.
- For the management company, the amount of incremental funding (over and above amounts approved in the First Funding Order) required for six (6) weeks of operations starting on February 21st and ending on April 3rd.

Rigmora reserves all of its rights.

Sincerely,
Will

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