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)
	Hearing Date: April 20, 2026 at 2:00 p.m. (ET) **Obj. Deadline: April 8, 2026 at 4:00 p.m. (ET)**

DEBTORS' MOTION FOR APPROVAL OF (I) EXIT FINANCING PROCEDURES, (II) PAYMENT OF UPFRONT DUE DILIGENCE FEE AND STALKING HORSE PROTECTIONS, AND (III) FORM AND MANNER OF NOTICE RELATED THERETO

Apple Tree Life Sciences, Inc. ("ATLS") and its affiliated debtors, as debtors and debtors in possession (collectively with ATLS, the "Debtors," and, together with their non-debtor affiliates, "ATP"), by and through their proposed undersigned counsel, hereby submit this motion (this "Motion") for entry of an order, substantially in the form annexed hereto as **Exhibit 1** (the "Proposed Order"), pursuant to section 105(a) chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), requesting that the Court approve (i) procedures, substantially in the form annexed to the Proposed Order as **Exhibit A** (the "Exit Financing Solicitation Procedures"), for the Debtors to solicit proposals from parties interested in providing the Debtors with proposed financing, in the form of debt and/or equity financing, to facilitate the Debtors emergence from chapter 11; and (ii) the form and manner of notice related to the selection of a successful exit lender and/or buyer of equity interests.

[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.

PRELIMINARY STATEMENT[2]

1. From the inception of these Chapter 11 Cases, the Debtors have been consumed by litigation with Rigmora Biotech Investor One LP and Rigmora Biotech Investor Two LP (collectively, "Rigmora"). The Debtors have nonetheless made significant progress in seeking and negotiating the cornerstones of a plan to maximize the value of the Portfolio Companies and to successfully emerge from bankruptcy. Specifically, the Debtors have solicited various forms of third-party funding proposals and indications of interest for both financing and equity investments, including with Oaktree Capital Management, L.P. ("Oaktree"). Even after the filing of the conditional DIP Motion,[3] the Debtors have continued to work with Oaktree and others to exit from chapter 11 with long-term third-party financing that will enable the Debtors to continue their efforts at researching and developing treatments for serious diseases, inuring to the benefit of their stakeholders and the general public.

2. The Debtors can no longer wait to take meaningful steps towards negotiating and preparing a confirmable plan of reorganization—indeed the Debtors' exclusivity deadline looms only two weeks away. An exit financing facility would enable the Debtors' implementation of a successful restructuring, including a working capital facility, to be in place on the effective date of a plan. Specifically, the Debtors intend to use exit financing to (i) facilitate payments required under a plan and (ii) provide the Debtors with necessary working capital for their day-to-day operations after the effective date of a plan.

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[2] Capitalized terms that are not defined in this section are defined in other sections of this Motion or the First Day Declarations.

[3] *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* [Docket No. 313].

3. The Debtors, led by their chief restructuring officer and their financial advisors, B. Riley Restructuring Services, LLC ("B. Riley") have been pursuing both debtor in possession and exit financing. In addition, the Debtors will be filing an application to retain Atlantic-Pacific Capital, Inc. ("APC") to solicit equity participation in the Debtors' post-emergence fund. Both B. Riley and APC will solicit offers for exit financing.

RELIEF REQUESTED

4. By this Motion, pursuant to section 105(a) of the Bankruptcy Code, the Debtors request that the United States Bankruptcy Court for the District of Delaware (the "Court") enter the Proposed Order approving (i) the Exit Financing Solicitation Procedures, substantially in the form annexed to the Proposed Order as **Exhibit A**, enabling the Debtors to solicit proposals from parties regarding proposed financing, in the form of debt and/or equity financing, to facilitate the Debtors' emergence from chapter 11, (ii) payment of the upfront Diligence Fee and Stalking Horse Protections (each as defined below), and (iii) the form and manner of notice related to the selection of one or more exit financing participants.

JURISDICTION AND VENUE

5. This 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*, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

6. The Debtors confirm their consent pursuant to rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") to the entry of a final order by the Court 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.

7. The statutory predicate for the relief sought herein is section 105(a) and 363 of the Bankruptcy Code. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

8. Commencing on December 9, 2025, and continuing on certain dates thereafter (the "Petition Dates"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). The Debtors are operating their business and managing their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On January 20, 2026, the United States Trustee appointed the Committee of Unsecured Creditors (the "Committee") [Docket No. 194]. No request has been made for the appointment of a trustee or an examiner in these Chapter 11 Cases.

9. The factual background regarding the Debtors, including their current and historical business operations and the events precipitating the chapter 11 filings, is set forth in detail in the *Declaration of Dr. Seth L. Harrison in Support of Chapter 11 Petitions and First Day Motions* (the "Harrison First Day Declaration"), the *Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* (the "Mandarino First Day Declaration" and with the Harrison First Day Declaration, the "First Day Declarations"), fully incorporated herein by reference.

RELEVANT FACTUAL BACKGROUND

10. As described in more detail in the First Day Declarations, the Debtors commenced these Chapter 11 Cases for the purpose of stabilizing their businesses, allowing the necessary time to restructure their capital structure, preserving the value of the Portfolio Companies, and maximizing value for all stakeholders.

11. B. Riley worked closely with the Debtors' management and other Debtors-retained professionals to understand ATP's capital structure, liquidity needs, and business operations, so

that it could understand the potential sizing of necessary debtor in possession financing and exit financing. B. Riley engaged in a robust process seeking financing proposals, including indications of interest for exit financing. B. Riley contacted twenty-two parties to solicit proposals, and ten 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.

12. That process yielded six debtor in possession ("DIP") financing proposals. In reviewing the financing alternatives, the Debtors considered, among other things, the overall flexibility of the proposed financing, the ability of the 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. Ultimately, the Debtors selected certain funds managed by Oaktree, as the proposed post-petition lender. In selecting the financing proposal of the DIP lender, the Debtors placed significant value on the DIP lender's willingness and ability to provide exit financing and ultimately support a viable plan of reorganization. The Debtors filed their conditional *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* [Docket No. 313] (the "DIP Motion") on February 13, 2026. The Court heard the DIP Motion on February 19, 2026, and took the DIP Motion under advisement.

13. In connection with formulating the DIP Motion, the Debtors negotiated a preliminary term sheet for a plan of reorganization that is included as Annex VII to Exhibit 1 to the DIP Motion (the "Plan Term Sheet"). In furtherance of the Plan Term Sheet, and independently of the DIP Motion, the Debtors now seek to more broadly solicit third parties for an exit transaction

that will maximize value for, and ideally have the support of, all creditors and stakeholders. To do so, the Debtors intend to again approach the market to source capital to fund their emergence from chapter 11 by soliciting exit financing from potential lenders, including Oaktree. The proposed Exit Financing Solicitation Procedures provide a framework for this process to ensure transparency, fairness, and competition and, thus, represent the best method for achieving the Debtors' restructuring goals and maximizing value.

EXIT FINANCING SOLICITATION PROCEDURES

14. As summarized herein and as fully described in **Exhibit A** to the Proposed Order, the Exit Financing Solicitation Procedures provide for a fair and reasonable marketing and diligence process for potential financial and strategic investors, with clear qualification and selection processes and corresponding deadlines to support the Debtors' timely future emergence from chapter 11.[4]

15. Certain of the key terms of the Exit Financing Solicitation Procedures are highlighted below.

Summary of Exit Financing Solicitation Procedures	
Provisions Governing Qualification of Potential Plan Proponents, First Round Investors, and Investors	**Notice and Consultation Parties.** (A) Investor Outreach. Any person that is interested in submitting a proposal in connection with the Transaction may contact B. Riley and APC at: **B. Riley** **Perry Mandarino** **pmandarino@brileysecurities.com** **-and-**

[4] To the extent of any inconsistency between the summary of the Exit Financing Solicitation Procedures described herein and the Exit Financing Solicitation Procedures described in **Exhibit A** to the Proposed Order, **Exhibit A**'s Exit Financing Solicitation Procedures shall control. Capitalized terms used in this section shall have the meanings ascribed to them on **Exhibit A** to the Proposed Order.

APC
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(B) Consultation Parties. The Debtors and their advisors will consult with the Official Committee of Unsecured Creditors (the "Committee") and its advisors (in such capacity, the "Consultation Parties") in good faith on a regular basis with respect to any material decision to be made by the Debtors in connection with the Exit Financing Solicitation Process, including as noted in these Procedures or as otherwise necessary or appropriate in the judgment of the Debtors. To the extent that any member of the Committee is a Potential Plan Sponsor, a First Round Investor, or an Investor then such member of the Committee will be excluded from being a Consultation Party. For the avoidance of doubt, the consultation rights afforded to the Consultation Parties by these Procedures shall not limit the Debtors' discretion in the exercise of their reasonable business judgment.

Confidentiality; Virtual Data Room. Any Potential Plan Sponsor, subject to executing a confidentiality agreement satisfactory to the Debtors and providing sufficient information to allow the Debtors to determine whether such party has the financial wherewithal and sophistication to consummate the Transaction, shall be invited to conduct due diligence through a virtual data room ("VDR"). In the event that any Potential Plan Sponsor is an actual or potential competitor of the Debtors or holds a meaningful equity or debt interest in a direct competitor (a "Competitor") and the Debtors and the Consultation Parties permit such Potential Plan Sponsor to participate in the process in their sole discretion, then such Potential Plan Sponsor shall establish a clean team, and execute a clean team agreement, in each case, satisfactory to the Debtors, prior to such party or its advisors being granted access to any confidential information of the Debtors. For the avoidance of doubt, the Debtors are under no obligation to provide any of their confidential information to a Competitor even if it establishes a clean team, and the Debtors reserve all rights in providing such information to a Competitor, which remains subject to the Debtors' sole discretion.

- Each Potential Plan Sponsor, First Round Investor, or Investor shall comply with all reasonable requests for information and due diligence access by the Debtors or their advisors regarding the ability of such

Potential Plan Sponsor, First Round Investor, or Investor to consummate a Transaction.

- Subject to the restrictions that apply to a Competitor, until the LOI Deadline or the Final Proposal Deadline (each as defined below), as applicable, the Debtors will provide any Potential Plan Sponsor, First Round Investor, or Investor, as applicable, with access to the VDR and any additional information reasonably requested by a Potential Plan Sponsor, First Round Investor, or Investor. All due diligence requests shall be directed to B. Riley and APC. Unless consented to by the Debtors in writing, no Potential Plan Sponsor or Investor may contact the Debtors (or their directors, officers, or employees) directly.

Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Debtors' assets (i) to any entity that (a) is not a Potential Plan Sponsor, First Round Investor, or Investor, as applicable, (b) does not comply with the requirements set forth in these Procedures, or (c) in the case of competitively sensitive information, is a Competitor of the Debtors, and (ii) to the extent not permitted by law.

First Round of LOIs. Non-binding letters of interest (each, a "First Round LOI") shall be due no earlier than 50 days from the date the Exit Financing Solicitation Process is launched (the "LOI Deadline"). The Debtors may extend the LOI Deadline for any reason whatsoever, in their reasonable business judgment, in consultation with the Consultation Parties, for all Potential Plan Sponsors. Only First Round LOIs submitted to B. Riley and APC shall be accepted. No First Round LOI shall be submitted to the Debtors or any director, officer, employee, other insider of the Debtors, or lender to or creditor of the Debtors. The Debtors shall share summaries of all First Round LOIs with the Consultation Parties promptly after the LOI Deadline.

With respect to First Round LOIs, each First Round Investor must include:

(A) A minimum facility of no less than $300 million;

(B) The identity of the First Round Investor by its legal name and all significant beneficial owners thereof (i.e., >5% beneficial owners);

	(C) A preliminary indication of the amount and type of investment for exit financing consistent with the Plan Term Sheet; (D) A statement of any material conditions or assumptions made in reaching the preliminary indication of the amount and type of investment for exit financing consistent with the Plan Term Sheet; (E) A detailed description of the intended sources of financing for the Transaction. (F) A statement regarding the level of review and, if necessary, approval that the First Round Investor has received within its organization and from its direct or indirect owners or parent, as and if applicable, and any remaining internal approvals and approvals from its direct or indirect owners or parent, as and if applicable, required to consummate the Transaction; (G) A list of the First Round Investor's ownership in the biotechnology and pharmaceutical industries and/or assets; (H) A detailed description of the specific due diligence issues that must be resolved and any additional information that will be required to submit a Final Proposal; (L) Any other material terms to be included in the Final Proposal, including material executory contracts or unexpired leases that the Investor wishes to assume or reject; and (I) A list of advisors and contacts for the First Round Investor; The Debtors shall determine, in consultation with the Consultation Parties, whether each First Round LOI satisfies the above requirements and whether to provide the First Round Investor a Due Diligence Fee. Submitting a First Round LOI by the LOI Deadline does not obligate the First Round Investor to consummate the Transaction, submit a Final Proposal, or to participate further in the Exit Financing Solicitation Process. **Co-Investing**. Co-investing shall not be permitted absent the prior written consent of B. Riley and APC acting with the consent of the

	Debtors and after consulting the Consultation Parties. Prior to the LOI Deadline, a Potential Plan Sponsor may seek to co-invest with one or more Potential Plan Sponsors by written notice submitted to B. Riley and APC. The Debtors will review such requests on a case-by-case basis, in their sole discretion after consulting the Consultation Parties, and reserve the right to withhold approval for any reason. For the avoidance of doubt, Potential Plan Sponsors, First Round Investors, or Investors seeking to co-invest must obtain the prior written consent of B. Riley and APC acting with the consent of the Debtors, prior to (i) contacting or otherwise communicating with other Potential Plan Sponsors, First Round Investors, or Investors to see if they would be interested in co-investing, and (ii) submitting a co-investment proposal with another Potential Plan Sponsor, First Round Investor, or Investor.
Provisions Governing Final Proposals	As determined by the Debtors, in consultation with the Consultation Parties, a First Round Investor may be granted access to additional information in the VDR and invited to submit a final, binding proposal with respect to a Transaction (a "Final Proposal"). **Final Proposals**. Final Proposals shall be due no earlier than 99 days following the launch of the Exit Financing Solicitation Process (the "Final Proposal Deadline"). Any Final Proposal that meets the below criteria, as determined by the Debtors, in consultation with the Consultation Parties, will be considered a "Qualified Plan Sponsor Proposal" and, such Investor, a "Qualified Plan Sponsor." The Debtors shall share summaries of all Final Proposals with the Consultation Parties promptly after the Final Proposal Deadline. A Final Proposal must contain a signed investment agreement (the "Investment Agreement"). Each Investment Agreement for an Investor shall include, at a minimum, the following: (A) Identity of the Investor. The legal identity of each entity participating in such Final Proposal (including all equity holders and financing sources) and, in the case of any permitted joint Final Proposal, the nature of all economic arrangements between or among such participants. Each Final Proposal must also disclose information as reasonably requested by the Debtors in order to determine whether an Investor is an insider of the Debtors. (B) Finalized Investment Agreement. In both PDF and MS-WORD format, an executed copy of the Investment Agreement and a copy of same that has been marked against the form of Investment

	Agreement provided by the Debtors, a copy of which will be located in the VDR, including all exhibits and schedules contemplated thereby, other than such schedules or exhibits that by their nature must be (but have not yet been) prepared by the Debtors. (C) Stalking Horse Transaction. If the Debtors designate a Stalking Horse Transaction, a minimum proposal (to be considered a Qualified Plan Sponsor Proposal), must be equal to the value offered under the Stalking Horse Transaction plus (i) the amount of any Stalking Horse Protections and (ii) $250,000. (D) Transaction Structure. A complete description of the proposed Transaction structure, including specificity regarding the type of debt or equity instrument to be issued to such Investor in connection with the Transaction (*i.e.*, common, preferred, convertible preferred, etc.), inclusive of voting rights and all material terms and conditions, if applicable, the jurisdiction of formation of the issuer, and the manner of implementation, in each case, to the extent different, if at all, from the form Transaction structure described in the Transaction documents included in the VDR. (E) Investment Value; Form of Consideration; Minimum Cash Component. A statement describing the aggregate amount and type of investment, including the cash and non-cash components of such Final Proposal, including confirmation that the cash component of the Final Proposal consists solely of U.S. dollars. (F) Unconditional Offer. A commitment that the Final Proposal is formal, binding, and unconditional (except for those conditions expressly set forth in the Investment Agreement), is not subject to any internal approvals, due diligence or financing contingency, and is irrevocable until the Debtors notify the Investor that such Final Proposal is not a Successful Plan Sponsor Proposal. (G) Good-Faith Deposit. A good-faith deposit in the form of cash equal to 10% of the aggregate investment amount proposed to be paid at closing of the Transaction (the "Deposit"), delivered into escrow

	with a third-party escrow agent designated by the Debtors (the "Escrow Agent"). (H) Proof of Financial Ability to Perform. Written evidence (i) of a firm commitment for financing to consummate the Transaction, or other evidence, as reasonably determined by the Debtors, in consultation with the Consultation Parties, to allow the Debtors to determine the ability of the Investor to consummate the Transaction and (ii) that the Investor has, or can obtain, the financial wherewithal, operational capability, and corporate and regulatory authorization, as reasonably determined by the Debtors, in consultation with the Consultation Parties, to allow the Debtors to determine the ability of the Investor to consummate the Transaction contemplated by the Final Proposal in a timely manner. (I) Closing Conditions. A statement specifying each condition to closing of the Transaction. (J) Representations and Warranties. i. A statement that the Investor has had an opportunity to conduct any and all due diligence regarding the Debtors prior to submitting its Final Proposal; ii. A statement that the Investor has relied solely upon its own independent review, investigation, or inspection of any relevant documents and the Debtors in making its Final Proposal and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Investment Agreement ultimately accepted and executed by the Debtors; and

	iii. A statement that the Investor has not engaged in any collusion with respect to the submission of its Final Proposal. (K) Required Approvals. A (i) statement or evidence that the Investor has made or will make in a timely manner all necessary filings under antitrust and merger control laws, and pay the fees associated with such filings (unless otherwise agreed with the Debtors), (ii) list of all other requisite governmental, regulatory, or other third party approvals required to consummate the Transaction, including, but not limited to, approvals related to foreign direct investment and foreign subsidies regulations, and (iii) statement or evidence of the Investor's plan and ability to obtain all requisite governmental, regulatory, or other third party approvals under (i) and (ii) and the proposed timing for the Investor to undertake the actions required to obtain such approvals. The Debtors must be given the right to share any such plans and analyses related to any of the above required approvals with the Consultation Parties. The Investor further agrees that its legal counsel will coordinate in good faith with Debtors' legal counsel and counsel to the Consultation Parties, to discuss and explain such Investor's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable, and in no event later than the outside date contemplated in the Investment Agreement. (L) Authorization. For each Investor, evidence of corporate authorization from all applicable entities and approval from the applicable investment committees or boards of directors (or comparable governing bodies) with respect to the submission, execution, and delivery of a Final Proposal, and closing of the Transaction contemplated by the Final Proposal, including the transactions contemplated by the Investment Agreement in accordance with these Procedures. (M) Other Requirements. i. Expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code in connection with the

submission of a Final Proposal or participating in the Exit Financing Solicitation Process except in connection with any Stalking Horse Protections;

ii. Be reasonably likely (based on regulatory issues, experience, and other considerations) to consummate the Transaction if selected as the Successful Plan Sponsor, within a timeframe acceptable to the Debtors, as determined by the Debtors in their sole discretion and after consulting the Consultation Parties.

(O) Contact Information. The contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the Final Proposal submitted by the Investor.

(P) Further Information. A covenant to cooperate with the Debtors to provide pertinent factual information regarding the Investor's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements.

Successful Plan Sponsor Proposal. The Debtors, in consultation with the Consultation Parties, shall select the highest or otherwise best Qualified Plan Sponsor Proposal as the "Successful Plan Sponsor Proposal" and such Investor(s), the "Successful Plan Sponsor." If there are multiple Qualified Plan Sponsor Proposals, the Debtors reserve the right, in consultation with the Consultation Parties, to (i) host an auction to facilitate their selection process and (ii) adopt procedures to govern the auction process.

Consent to Jurisdiction and Authority as Condition to Submission of a Final Proposal. All Potential Plan Sponsors, First Round Investors, and Investors, as applicable, shall be deemed to have (i) consented to the jurisdiction of the Court to enter any order, which shall be binding in all respects, in any way related to, among other things, (a) these Procedures or (b) the construction or enforcement of any agreement or any other document relating to a Transaction, including the Debtors' Chapter 11 Plan, the confirmation order related thereto, and the Investment Agreement, (ii) waived any right to a jury trial in connection with any disputes relating to these Procedures, or the construction or enforcement of

	any agreement or any other document relating to a Transaction, and (iii) consented to the entry of a final order or judgment in any way related to these Procedures, or the construction or enforcement of any agreement or any other document relating to a Transaction if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.
Provisions Providing Transaction Protections	To the extent a Plan Sponsor Stalking Horse requires the provision of transaction protections (the "Stalking Horse Protections"), including a break-up fee or expense reimbursement, the Debtors shall be authorized to seek approval of a break-up fee of up to 3% of the gross cash consideration of any Stalking Horse Transaction *less* any expense reimbursement and Due Diligence Fee (the "Pre-Approved Stalking Horse Protections") pursuant to the notice procedures outlined herein. If the proposed Stalking Horse Protections exceed the Pre-Approved Stalking Horse Protections, the Debtors shall file a motion for approval of such Stalking Horse Protections on an expedited basis but not less than five days' notice. All parties' rights are reserved to object to the Debtors' entry into a Stalking Horse Agreement, including any Stalking Horse Protections.
Modification of Proposal and Auction Procedures	The Debtors may, in consultation with the Consultation Parties, amend or waive the requirements to be a Qualified Plan Sponsor at any time, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law (as reasonably determined in good faith by the Debtors in consultation with their outside legal counsel), and may engage in negotiations with Investors that submitted Final Proposals complying with this Section III(7) as the Debtors deem appropriate, in the exercise of their business judgment, based upon the Debtors' evaluation of the content of each Final Proposal. The Debtors expressly reserve the right to extend the Final Proposal Deadline for all Investors, after consulting the Consultation Parties, pursuant to a notice filed with the Court. **Amendments and Reservation of Rights**. The Debtors and their advisors reserve the right, subject to the exercise of their reasonable business judgment, in consultation with the Consultation Parties, to amend, modify, or supplement any non-material or procedural provisions in these Procedures as they see fit to ensure a successful Exit Financing Solicitation Process; *provided, however*, that Court's approval prior to implementing any material amendment, modification, or supplement to these Procedures. The Debtors further reserve the right to (i) negotiate with one or more prospective investors at any time (including by granting exclusivity), (ii) enter into a definitive agreement for any Transaction, (iii) reject any or all

	proposals at any time prior to entry of an order confirming the Debtors' chapter 11 plan that are (a) inadequate or insufficient, or (b) not in conformity with the requirements of these Procedures or the requirements of the Bankruptcy Code, (iv) waive terms and conditions set forth herein with respect to all Potential Investors and Investors, as applicable, or (v) terminate the Exit Financing Solicitation Process, in each case without prior notice and without assigning a specific reason. For the avoidance of doubt, nothing herein shall obligate the Debtors to consummate or pursue any transaction with a Qualified Plan Sponsor.
Good Faith Deposit	Each Final Proposal must contain an Investment Agreement that provides for a good-faith Deposit in the form of cash equal to 10% of the aggregate investment amount proposed to be paid at closing of the Transaction, delivered into escrow with a third-party escrow agent designated by the Debtors. **Disposition of Good-Faith Deposits.** (A) Investors. Within five business days after the filing of the Successful Plan Sponsor Proposal Notice, the Escrow Agent shall return to each Investor that did not submit a Successful Plan Sponsor Proposal, as confirmed by the Debtors, such Investor's Deposit (without any interest accrued thereon). (B) Forfeiture of Deposit. The Deposit of an Investor will be forfeited to the Debtors if the Investor is selected as the Successful Plan Sponsor and (i) fails to enter into the required definitive documentation or to consummate a Transaction in accordance with these Procedures and the terms of the applicable transaction documents with respect to the Successful Plan Sponsor Proposal or (ii) otherwise breaches the definitive transaction documents in a manner giving rise to a forfeiture of the Deposit. (C) Successful Plan Sponsor. Unless otherwise provided in the definitive transaction documents between the Debtors and the Successful Plan Sponsor, the Deposit of the Successful Plan Sponsor shall be applied against the purchase price of the Successful Plan Sponsor Proposal upon the consummation of the Transaction proposed in the applicable Successful Plan Sponsor Proposal.

	(D) Joint Notice to Escrow Agent. The Debtors and the Investor, as applicable, agree to execute a joint notice to the Escrow Agent for the return of any Deposit to the extent such return is required by these Procedures in a form acceptable to the Debtors and the Escrow Agent.

A. Defining Potential Plan Sponsor, First Round Investor, and Investor

16. Pursuant to the Exit Financing Solicitation Procedures, the Debtors will solicit exit financing proposals in the form of debt or equity financing, including an ability to invest in the equity interests in Reorganized ATPLSV. The Debtors, in conjunction with B. Riley and APC, have contacted and will continue to contact parties (each, a "Potential Investor") that have, or may have, an interest in participating in the exit financing solicitation process (the "Exit Financing Solicitation Process") to be the plan sponsor (the "Plan Sponsor") with respect to a proposed transaction that finances the Debtors' emergence from chapter 11 (the "Transaction"). Any Potential Investor that submits a First Round LOI (the "First Round Investor") and is then invited by B. Riley or APC, acting on behalf of the Debtors, to submit a Final Proposal in accordance with these Procedures, is an "Investor."

B. Important Dates and Deadlines

Key Event	**Estimated Deadline**[5]	
Launch Date	L	
LOI Deadline	L + 50	
Final Proposal Deadline	L + 99	
Auction (If Needed)	L + 106	
	No Auction	**Auction**
File of Successful Plan Sponsor Proposal Notice	L + 102	L + 109

[5] The dates included in this table are approximate and are measured from the formal launch date ("L") of the Exit Financing Solicitation Process, which will occur upon the opening of the virtual data room following the entry of the Proposed Order. The Debtors will file a notice on the Court's docket and will post such notice in the data room with the actual dates and deadlines referenced in this table when finalized (including taking into account holidays and other non-business days).

C. Confidentiality/Establishment of Virtual Data Room/Diligence

17. B. Riley and APC have contacted and will continue to contact Potential Investors who may be interested in becoming the Plan Sponsor based on their collective experience. Potential Investors must execute a confidentiality agreement satisfactory to the Debtors and provide sufficient information to allow the Debtors to determine whether such party has the financial wherewithal and sophistication to consummate a Transaction. Potential Investors will then be invited to conduct due diligence through a virtual data room ("VDR"). The Debtors will also provide Potential Investors with additional information upon request if reasonable and appropriate under the circumstances. Any Potential Investor who is a Competitor must establish a clean team and execute a clean team agreement satisfactory to the Debtors before being granted access to certain confidential information of the Debtors in the VDR.[6]

D. Upfront Due Diligence Fee

18. Due to the need for Potential Investors to hire third-party consultants to understand and evaluate the Debtors' Portfolio Companies and their scientific programs, subject to the conditions set forth below, the Debtors propose to pay a fee of up to $1 million per First Round Investor, or $3 million maximum across multiple First Round Investors (the "Due Diligence Fee") pursuant to section 363(b) of the Bankruptcy Code. The Debtors, in consultation with B. Riley and APC, have concluded that the Due Diligence Fee will be necessary to attract exit financing proposals because the nature of the Debtors' assets require due diligence teams beyond the usual in-house personnel that financial participants could deploy. In other words, Potential Investors will require significant cash outlay to pay specialized scientists and consultants to even begin to

[6] For the avoidance of doubt, the Debtors are under no obligation to provide any of their confidential information to a Competitor even if it establishes a clean team, and the Debtors reserve all rights in providing such information to a Competitor, which remains subject to the Debtors' sole discretion.

understand the nature of the Debtors' assets, thus necessitating advanced due diligence expense reimbursement to engender a robust auction process. The Debtors propose to pay the Due Diligence Fee to one or more First Round Investors that have submitted First Round LOI(s) in their sole discretion, but based on (i) the reasonable request by the First Round Investors documenting the need for the Due Diligence Fee; and (ii) the financial ability and fit of the First Round Investor to provide the necessary exit financing, engage in a robust auction process and successfully close a restructuring transaction.

19. Non-debtor Braeburn Pharmaceuticals, Inc. ("Braeburn") negotiated with Oaktree to pay Oaktree a due diligence fee to facilitate Oaktree's ongoing due diligence and approved a Due Diligence Fee on March 20, 2026. Braeburn has paid the Due Diligence Fee to Oaktree concurrently with this Motion. To ensure a level playing field, the Debtors seek authorization to provide a Due Diligence Fee to one or more competing First Round Investors.

20. The Due Diligence Fee ensures that initial cash outlay hurdles to Potential Investors will not chill participation in an auction process. The Due Diligence Fee will be fully deductible from any break-up fee (*see* section E below). Further, the Due Diligence Fee represents a tiny fraction (one third of one percent) of the minimum opening bid amount of $300 million.

E. Potential Stalking Horse

21. The Debtors may, pursuant to these Exit Financing Solicitation Procedures, and in consultation with the Committee, seek to (i) designate a stalking horse investor with respect to the Transaction (the "Plan Sponsor Stalking Horse"); and (ii) enter into an agreement with such Plan Sponsor Stalking Horse (a "Stalking Horse Agreement"[1]) to establish a minimum Qualified Plan Sponsor Proposal for the submission of Final Proposals. For the avoidance of doubt, unless otherwise agreed, the proposal submitted by a Plan Sponsor Stalking Horse (the "Stalking Horse Transaction"), if designated, must comply with the requirements for submitting a Final Proposal.

22. To the extent such Stalking Horse Transaction requires the provision of transaction protections (the "Stalking Horse Protections"), including a break-up fee or expense reimbursement, the Debtors request that the Proposed Order authorize procedures for the authorization of a break-up fee of up to 3% of the gross cash consideration of any Stalking Horse Transaction less any expense reimbursement and Due Diligence Fee (the Pre-Approved Stalking Horse Protections").

23. The Debtors believe that the ability to designate a Plan Sponsor Stalking Horse will assist in maximizing value for the Debtors' estates, as a Stalking Horse Transaction will set the baseline bid in what the Debtors anticipate will be a robust auction process. Consistent with the market for this kind of process, the Debtors anticipate it may be necessary to afford a Plan Sponsor Stalking Horse certain Stalking Horse Protections to induce the Plan Sponsor Stalking Horse to provide a substantial proposal and firm commitment to provide exit financing.

24. If the Debtors, consistent with the Exit Financing Solicitation Procedures, determine, in consultation with the Committee, to designate any Plan Sponsor Stalking Horse, the Debtors shall seek approval to enter into a Stalking Horse Transaction.

25. If the Debtors select a Plan Sponsor Stalking Horse with Stalking Horse Protections less than or equal to the Pre-Approved Stalking Horse Protections, the Debtors shall file with the Court and serve a notice (the "Stalking Horse Notice") regarding such selection and provide no less than three (3) business days' notice of the deadline to object to the Debtors' selection of the Plan Sponsor Stalking Horse and Stalking Horse Transaction to (i) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"); (ii) the Consultation Parties; and (iii) any party that has filed the appropriate notice pursuant to Bankruptcy Rule 2002 requesting notice of all pleadings filed in the Chapter 11 Cases (the "Stalking Horse Notice Parties").

26. The Stalking Horse Notice shall (i) disclose the identity of the Plan Sponsor Stalking Horse; (ii) set forth the amount of the Stalking Horse Transaction and any Stalking Horse Protections; (iii) state whether the Plan Sponsor Stalking Horse has any connection to the Debtors other than those that arise from the Stalking Horse Transaction; (iv) confirm that the proposed Stalking Horse Protections are consistent with the Proposed Order; (v) attach the agreements finalized with the Plan Sponsor Stalking Horse or otherwise summarize the material terms thereof; and (vi) set forth the deadline to object to the Plan Support Stalking Horse's designation. All parties in interest shall have the right to object to the Debtors' entry into a Stalking Horse Transaction on any grounds, including objections to the Stalking Horse Protections and the form of proposed order (the "Stalking Horse Order").

27. Objections to the designation of a Plan Sponsor Stalking Horse or any of the terms of a Stalking Horse Transaction (a "Stalking Horse Objection") shall (i) be in writing; (ii) comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules; (iii) state, with specificity, the legal and factual bases thereof; and (iv) be filed with the Court and served on the Debtors, the Plan Sponsor Stalking Horse, and the Consultation Parties within three (3) business days after the service of the Stalking Horse Notice.

28. If a timely Stalking Horse Objection is filed, the Debtors will schedule a hearing regarding such Stalking Horse Objection as soon as reasonably practicable by seeking approval of such Stalking Horse Transaction. If no timely Stalking Horse Objection is filed and served with respect to the Stalking Horse Transaction, upon the expiration of the objection deadline, the Debtors may submit a proposed Stalking Horse Order to the Court approving the Debtors' entry into the Stalking Horse Transaction (including the Stalking Horse Agreement and the Stalking Horse Protections), which the Court may enter without a hearing and any further or other notice

except as required herein or under the Exit Financing Solicitation Procedures, including with respect to any Stalking Horse Protections set forth in the Stalking Horse Notice.

29. If the Debtors, in their sole discretion, agree to any Stalking Horse Protections above the Pre-Approved Stalking Horse Protections, the Debtors shall file a motion for approval of such Stalking Horse Protections on an expedited basis but not less than five (5) days' notice. All parties' rights are reserved to object to the Debtors' entry into a Stalking Horse Agreement, including any Stalking Horse Protections above the Pre-Approved Stalking Horse Protections.

F. Successful Plan Sponsor Proposal Notice

30. Upon the selection of a Successful Plan Sponsor and entry into definitive documentation with respect thereto, the Debtors propose to file with the Court a general notice on the docket, substantially in the form annexed to the Proposed Order as **Exhibit B**, which will provide notice to all parties-in-interest of such Successful Plan Sponsor Proposal (the "Successful Plan Sponsor Proposal Notice").

31. The other elements of the Exit Financing Solicitation Procedures, including the submission of First Round LOIs, the submission of Final Proposals and Good-Faith Deposits, and the selection of the Successful Plan Sponsor Proposal, are all further described in **Exhibit A** to the Proposed Order. The Debtors reserve the right, subject to the exercise of their reasonable business judgment, in consultation with the Consultation Parties, to amend, modify, or supplement any non-material or procedural provisions in the Exit Financing Solicitation Procedures as they see fit to ensure a successful Exit Financing Solicitation Process. The Debtors will obtain the Court's approval prior to implementing any material amendment, modification, or supplement to the Exit Financing Solicitation Procedures.

RELIEF REQUESTED SHOULD BE GRANTED

I. The Debtors' Exit Financing Solicitation Procedures Are Appropriate.

32. The Debtors seek Court approval to ensure at the outset of the Exit Financing Solicitation Process that the proposed process is fair and transparent with appropriate Court oversight and to provide the necessary tools to facilitate a vigorous and competitive process.

33. The Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105; *see* 2 Collier on Bankruptcy P 105.01 (16th 2026); *see In re Venoco LLC*, 998 F.3d 94, 100 n.4 (3d Cir. 2021) (noting that "11 U.S.C. § 105 is an omnibus provision phrased in such general terms as to be the basis for a broad exercise of power in the administration of a bankruptcy case.") (citation and internal marks omitted); *In re SubMicron Sys. Corp.*, 432 F.3d 448, 455 n.6 (3d Cir. 2006) (noting that "Bankruptcy courts' general powers of equity are codified at 11 U.S.C. § 105(a)."); *In re Swift Energy Co.*, No. 15-12670 (MFW), 2016 WL 3566962, at *5 (D. Del. June 29, 2016) ("Pursuant to section 105(a) of the Bankruptcy Code, the Bankruptcy Court has broad equitable powers to take action or make any determination necessary to implement court orders or rules."); *In re Byju's Alpha, Inc.*, No. 24-10140 (JTD), 2024 WL 3487793, at *7 (D. Del. July 18, 2024) ("Section 105(a) gives the court general equitable powers, but only insofar as those powers are applied in a manner consistent with the Code." (citation and internal marks omitted)); *In re Croton River Club, Inc.*, 52 F.3d 41, 45 (2d Cir. 1995) (holding that bankruptcy courts have broad equity power to manage the affairs of debtors); *In re Comu*, Adv. No. 10-3269, 2014 WL 3339593, at 40, 41 (Bankr. N.D. Tex. July 8, 2014) ("It is well established that under 11 U.S.C. § 105(a), a bankruptcy court has broad powers to implement the provisions of Title 11 and to prevent abuse of the

bankruptcy process," and that "Courts interpret section 105 liberally"); *In re Chinichian*, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code."); *In re Cooper Props. Liquidating Trust, Inc.*, 61 B.R. 531, 537 (Bankr. W.D. Tenn. 1986) (acknowledging that "the [b]ankruptcy [c]ourt is one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws.").

34. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, "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). In order for a court to approve a request for the use of property of the estate outside the ordinary course of business, the court must find that the proposed course of action is supported by sound business reasons. *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 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 Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983); *In re Delaware & Hudson R.R. Co.*, 124 B.R. 169, 175 (D. Del. 1991).

35. The Exit Financing Solicitation Procedures are fair and appropriate and will maximize the value of the Debtors' estate for the benefit of the Debtors' creditors and equity holders. The Exit Financing Solicitation Procedures provide for an orderly, uniform, and competitive process through which interested parties may submit offers to provide exit financing

to the Debtors, in the form of debt and/or equity financing, including investing in Reorganized ATPLSV. B. Riley and APC have already started the process of reaching out to Potential Investors and will send the Exit Financing Solicitation Procedures to all parties that express an interest in pursuing a Transaction. Additionally, the Debtors, with the assistance of their advisors, have structured the Exit Financing Solicitation Procedures to promote active bidding by interested parties and to obtain the highest or otherwise best offer for a Transaction. Further, the Exit Financing Solicitation Procedures provide the Debtors with an adequate opportunity to consider competing proposals and to select the highest or otherwise best offer for a Transaction, and will allow the Debtors to conduct an auction, if necessary, to encourage participation by financially capable investors with demonstrated abilities to timely consummate a Transaction. Moreover, the proposed Successful Plan Sponsor Proposal Notice will provide the Court and parties-in-interest with sufficient notice related to the selection of a Plan Sponsor.

36. The Exit Financing Solicitation Procedures further provide for the marketing of equity in the Reorganized ATPLSV to facilitate the Debtors' future emergence from chapter 11 while also ensuring sufficient Court oversight of, and opportunity for stakeholders to object to, the Debtors' decision-making process. Accordingly, the Debtors have articulated a clear business justification for proceeding with the Exit Financing Solicitation Procedures and have determined that the Exit Financing Solicitation Procedures are the best method for maximizing value to creditors and equity holders. Therefore, the Debtors respectfully request the Court approve the Exit Financing Solicitation Procedures and the form and manner of the Successful Plan Sponsor Proposal Notice.

II. The Due Diligence and Stalking Horse Protections Are Appropriate

37. The Debtors further submit that granting them the authority to pay (i) the Due Diligence Fee in connection with obtaining an exit financing commitment from a potential exit

lender is necessary to a successful reorganization and (ii) Stalking Horse Protections for a potential Plan Sponsor Stalking Horse to encourage entry of a floor-setting Transaction is in the best interest of the Debtors' estates, their creditors and all parties in interest.[7] Indeed, the exit facility will fund payments to creditors and equity holders as required under a plan and fund the Debtors' working capital needs after their emergence from chapter 11. The Debtors further submit that the amount of the Due Diligence Fee, either to a single First Round Investor or multiple First Round Investors in the aggregate, is reasonable under the circumstances and represents a small fraction of the minimum bid required under the proposed Exit Financing Solicitation Procedures. The Stalking Horse Protections are necessary to promote a value-maximizing process that will inure to the benefit of all stakeholders.

38. Courts have identified at least two instances in which transaction protections may benefit the estate. *First*, such costs may be necessary to preserve the value of a debtor's estate if assurance of the fee "promote[s] more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited." *Calpine Corp v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.)*, 181 F.3d 527,

[7] Bankruptcy Courts have approved payment of various fees to secure the commitment of investors in connection with restructuring transactions, including in connection with exit financing facilities. *See, e.g.*, *In re General Growth Props, Inc.*, Case No. 09-11977 (ALG) (Bankr. S.D.N.Y. Oct. 8, 2010) (Docket No. 6142) (approving payment of fees up to an amount of $60 million plus reimbursement of expenses in connection with potential $1.5 billion exit financing facility); *In re Premier Int'l Holdings Inc.*, Case No. 09-12019 (CSS) (Bankr. D. Del. Dec. 18, 2009) (Docket No. 1235) (permitting the debtor to pay a 5% commitment fee and expense reimbursement on a $450 million rights offering proposed to fund the debtor's exit from bankruptcy); *In re Accuride Corp.*, Case No. 09-13449 (BLS) (Bankr. D. Del. Nov. 2, 2009) (Docket No. 167) (approving a commitment fee of 8% of common stock, plus expense reimbursement); *In re MagnaChip Semiconductor Fin. Co.*, Case No. 09-12008 (PJW) (Bankr. D. Del. Sept. 1, 2009) (Docket No. 250) (approving a commitment fee of 10% of new common stock, plus expense reimbursement); *In re Global Power Equip. Group, Inc.*, Case No. 06-11045 (BLS) (Bankr. D. Del. Oct. 31, 2007) (Docket No. 1915) (approving a 5.5% commitment fee, with an increase up to 6.5% if the backstop deadline is extended, payable in warrants to purchase new common stock, plus expense reimbursement); *In re Owens Corning*, Case No. 00-03837 (JKF) (Bankr. D. Del. June 29, 2006) (Docket No. 18228) (approving a 4.5% commitment fee, with an increase up to 5.9% if the backstop deadline is extended, plus expense reimbursement); *In re Foamex International Inc.*, Case No. 05-12685 (KG) (Bankr. D. Del. Nov. 27, 2006) (Docket No. 2004) (approving 6.33% in commitment and termination fee, plus reimbursement of $125,000 per month).

537 (3d Cir. 1999). *Second*, if the availability of a such fees was to induce a bidder to research the value of the debtor and convert the value to a dollar figure on which other bidders can rely, the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth." *Id.*; *see also In re Reliant Energy Channelview LP*, 594 F.3d 200, 206-08 (3d Cir. 2010) (reasoning that a break-up fee should be approved if it is necessary to entice a party to make the first bid or if it would induce a stalking horse bidder to remain committed to a purchase).

39. In particular, the Due Diligence Fees and the Stalking Horse Protections are necessary to preserve the value of the Debtors' estates. The Due Diligence Fees are necessary to entice Potential Plan Sponsors to engage in the costly due diligence surrounding the Debtors' hyper-technical business. Likewise, the Stalking Horse Protections enable the Debtors to secure an adequate floor for the exit financing and to therefore insist that competing proposals be materially higher or otherwise better than any Stalking Horse Agreement—a clear benefit to the Debtors' estates. Absent the Due Diligence Fees, Potential Plan Sponsors may not agree to commence diligence given the substantial costs inherent in conducting diligence in a biopharmaceutical company, and a Plan Sponsor Stalking Horse may not agree to act as a "stalking horse" without the Stalking Horse Protections, given the substantial time and expense that would be incurred in connection with entering into definitive documentation and the risk that it will be outbid at the Auction. Without the Due Diligence Fees and the Stalking Horse Protections, the Debtors might lose the opportunity to obtain the highest or otherwise best offer for exit financing and would certainly lose any downside protection that would be afforded by the existence of a Plan Sponsor Stalking Horse. The proposal of a Plan Sponsor Stalking Horse would send a message to all Potential Plan Sponsors that the Debtors have real value. Therefore, without the

benefit of the proposal of a Plan Sponsor Stalking Horse (*i.e.*, a proposal providing the floor), the proposals received at any auction for the exit financing could be substantially lower than any proposal offered by a Plan Sponsor Stalking Horse.

40. Accordingly, the Debtors submit that payment of the Due Diligence Fees and Stalking Horse Protections is a reasonable exercise of the Debtors' business judgment and will create real value for all stakeholders.

NOTICE

41. The Debtors have served notice of this Motion to the following parties or their respective counsel: (i) the United States Trustee for the District of Delaware; (ii) the Committee; (iii) the United States Attorney's Office for the District of Delaware; (iv) the Internal Revenue Service; (v) the offices of the attorneys general in the states in which the Debtors operate; (vi) all other parties asserting a lien on or a security interest in the assets of the Debtors to the extent reasonably known to the Debtors; and (vii) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors believe no further notice is necessary, and the that the form, scope and timing of notice of the Motion were adequate and sufficient under the circumstances.

NO PRIOR REQUEST

42. No prior request for the relief requested herein has been made to this or any other court.

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CONCLUSION

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: March 25, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Ethan H. Sulik

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Proposed Counsel to the Debtors and Debtors in Possession

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)
	Hearing Date: April 20, 2026 at 2:00 p.m. (ET) **Objection Deadline: April 8, 2026 at 4:00 p.m. (ET)**

NOTICE OF DEBTORS' MOTION FOR APPROVAL OF (I) EXIT FINANCING PROCEDURES, (II) PAYMENT OF UPFRONT DUE DILIGENCE FEE AND STALKING HORSE PROTECTIONS, AND (III) FORM AND MANNER OF NOTICE RELATED THERETO

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (the "Debtors"), filed the *Debtors' Motion for Approval of (I) Exit Financing Procedures, (II) Payment of Upfront Due Diligence Fee and Stalking Horse Protections, and (III) Form and Manner of Notice Related Thereto* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

PLEASE TAKE FURTHER NOTICE that objections to the Motion, if any, must be in writing, filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801, on or before **April 8, 2026 at 4:00 p.m. (ET)** (the "Objection Deadline"), and served upon and received by the undersigned proposed counsel for the Debtors.

[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.

PLEASE TAKE FURTHER NOTICE that, if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before the Honorable Laurie Selber Silverstein at the Bankruptcy Court, 824 N. Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801 on **April 20, 2026 at 2:00 p.m. (ET)**.

IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

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Dated: March 25, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Ethan H. Sulik

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT 1

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. ___

ORDER FOR APPROVAL OF (I) EXIT FINANCING SOLICITATION PROCEDURES, (II) PAYMENT OF UPFRONT DUE DILIGENCE FEE AND STALKING HORSE PROTECTIONS, AND (III) FORM AND MANNER OF NOTICE RELATED THERETO

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), pursuant to sections 105(a) and 363(b) of the Bankruptcy Code for entry of an order (this "Order") approving (i) the Exit Financing Solicitation Procedures; (ii) the upfront Due Diligence Fee and Stalking Horse Protections, and (iii) the form and manner of notice related to the selection of a Successful Plan Sponsor Proposal, all as more fully set forth in the Motion; and upon the First Day Declarations; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, entered February 29, 2012; and the Debtors having consented to entry of a final order; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being

[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.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion and the Exit Financing Solicitation Procedures attached hereto as **Exhibit A**.

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 as set forth herein.

2. The Exit Financing Solicitation Procedures, substantially in the form attached to this Order as **Exhibit A**, are approved.

3. The Debtors are authorized to select a Successful Plan Sponsor Proposal pursuant to the terms and provisions of the Exit Financing Solicitation Procedures and may take such actions as necessary to effectuate the selection of a Successful Plan Sponsor.

4. The Debtors are authorized to pay the Due Diligence Fee up to (i) $1 million per First Round Investor or (ii) $3 million maximum across multiple First Round Investors, in each case subject to the terms and conditions set forth in the Motion.

5. The Debtors are authorized to seek approval of the Stalking Horse Protections pursuant to Exit Financing Solicitation Procedures.

6. The Successful Plan Sponsor Proposal Notice, substantially in the form annexed to this Order as **Exhibit B**, is approved.

7. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order.

8. The entry of this Order shall not be construed as limiting this Court's jurisdiction, the scope and applicability of the automatic stay set forth in section 362 of the Bankruptcy Code, or this Court's authority to enforce the Order. This Court reserves the right to issue any orders or injunctions that this Court deems proper to protect its jurisdiction and enforce the provisions of the Bankruptcy Code, including the automatic stay, as to which all parties' rights and defenses are expressly preserved.

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

Exhibit A

Exit Financing Solicitation Procedures

Plan Sponsor Selection Procedures

On December 9 and 12, 2025, and on January 1 and 15, 2026, Apple Tree Life Sciences, Inc. and its debtor affiliates, as debtors and debtors in possession in the below-referenced chapter 11 cases (collectively, the "Debtors"), each commenced a voluntary case under chapter 11 of title 11 of the United States Code in the United States Court for the District of Delaware (the "Court"). The Debtors' chapter 11 cases have been consolidated for procedural purposes only under the lead case, *In re Apple Tree Life Sciences, Inc., et al.*, No. 25-12177 (LSS). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

On [●], 2026, the Debtors filed the *Motion of Debtors for Approval of (I) Exit Financing Solicitation Procedures, (II) Payment of Upfront Diligence Fee and Stalking Horse Protections, and (III) Form and Manner of Notice Related Thereto* (Docket No. [●]) (the "Exit Financing Solicitation Procedures Motion"). On [●], 2026, the Court entered an order (Docket No. [●]) (the "Order"), granting the Motion and approving the exit financing solicitation procedures contained therein (the "Exit Financing Solicitation Procedures" or "Procedures") with respect to a transaction to finance Debtors' emergence from the respective chapter 11 cases (the "Transaction"), permitting payments required under the Debtors' plan and providing the Debtors with necessary financings for their day-to-day operations after the effective date.

I. Defining Potential Plan Sponsor and Plan Sponsor

The Debtors, in conjunction with B. Riley Restructuring Services, LLC ("B. Riley") and Atlantic-Pacific Capital, Inc. ("APC"), have contacted and will continue to contact parties that have, or may have, an interest in participating in the exit financing solicitation process (the "Exit Financing Solicitation Process") with respect to a Transaction. Specifically, B. Riley and APC have contacted, and will continue to contact, parties that they believe, based on their experience, may be interested in working together, with the prior written consent of the Debtors through B. Riley and/or APC, to be plan sponsor (the "Plan Sponsor") for the Transaction (each, a "Potential Plan Sponsor").

Any Potential Plan Sponsor that submits a First Round LOI (as defined below) (the "First Round Investor") and is invited by B. Riley or APC, acting on behalf of the Debtors, to submit a Final Proposal (as defined below), in each case, in accordance with these Procedures, shall be referred to herein as an "Investor."

II. Important Dates and Deadlines

Key Event	Estimated Deadline[1]	
Launch Date	L	
LOI Deadline	L + 50	
Final Proposal Deadline	L + 99	
Auction (If Needed)	L + 106	
	No Auction	**Auction**
File of Successful Plan Sponsor Proposal Notice	L + 102	L + 109

III. Plan Sponsor Selection Procedures

1. Notice and Consultation Parties.

(A) Investor Outreach. Any person that is interested in submitting a proposal in connection with the Transaction may contact B. Riley and APC at:

B. Riley
Perry Mandarino
pmandarino@brileysecurities.com

- and -

APC
Shawn R. Schestag
sschestag@apcap.com

(B) Consultation Parties. The Debtors and their advisors will consult with the Official Committee of Unsecured Creditors (the "Committee") and its advisors (in such capacity, the "Consultation Parties") in good faith on a regular basis with respect to any material decision to be made by the Debtors in connection with the Exit Financing Solicitation Process, including as noted in these Procedures or as otherwise necessary or appropriate in the judgment of the Debtors. To the extent that any member of the Committee is a Potential Plan Sponsor, a First Round Investor, or an Investor then such member of the Committee will be excluded from being a Consultation Party. For the avoidance of doubt, the consultation rights afforded to the Consultation Parties by these Procedures shall not limit the Debtors' discretion in the exercise of their reasonable business judgment.

2. Confidentiality; Virtual Data Room. Any Potential Plan Sponsor, subject to executing a confidentiality agreement satisfactory to the Debtors and providing sufficient information

[1] The dates included in this table are approximate and are measured from the formal launch date ("L") of the Equity Solicitation Process, which will occur upon the opening of the virtual data room following the entry of the Order. The Debtors will file a notice on the Court's docket and will post such notice in the data room with the actual dates and deadlines referenced in this table when finalized (including taking into account holidays and other non-business days).

to allow the Debtors to determine whether such party has the financial wherewithal and sophistication to consummate the Transaction, shall be invited to conduct due diligence through a virtual data room ("VDR"). In the event that any Potential Plan Sponsor is an actual or potential competitor of the Debtors or holds a meaningful equity or debt interest in a direct competitor (a "Competitor") and the Debtors and the Consultation Parties permit such Potential Plan Sponsor to participate in the process in their sole discretion, then such Potential Plan Sponsor shall establish a clean team, and execute a clean team agreement, in each case, satisfactory to the Debtors, prior to such party or its advisors being granted access to any confidential information of the Debtors. For the avoidance of doubt, the Debtors are under no obligation to provide any of their confidential information to a Competitor even if it establishes a clean team, and the Debtors reserve all rights in providing such information to a Competitor, which remains subject to the Debtors' sole discretion.

- Each Potential Plan Sponsor, First Round Investor, or Investor shall comply with all reasonable requests for information and due diligence access by the Debtors or their advisors regarding the ability of such Potential Plan Sponsor, First Round Investor, or Investor to consummate a Transaction.

- Subject to the restrictions that apply to a Competitor, until the LOI Deadline or the Final Proposal Deadline (each as defined below), as applicable, the Debtors will provide any Potential Plan Sponsor, First Round Investor, or Investor, as applicable, with access to the VDR and any additional information reasonably requested by a Potential Plan Sponsor, First Round Investor, or Investor. All due diligence requests shall be directed to B. Riley and APC. Unless consented to by the Debtors in writing, no Potential Plan Sponsor or Investor may contact the Debtors (or their directors, officers, or employees) directly.

- Notwithstanding the foregoing, access to the VDR may be terminated by the Debtors in their reasonable discretion at any time and for any reason (after consulting with the Consultation Parties), including if (i) a Potential Plan Sponsor is not invited to become an Investor and participate in the final round of Transaction proposals (the "Final Proposal Process"), (ii) an Investor does not become a Qualified Plan Sponsor (as defined below), (iii) a Potential Plan Sponsor or Investor violates these Procedures, (iv) a Potential Plan Sponsor or Investor withdraws from the process, or (v) these Procedures are terminated.

- Neither the Debtors nor any of their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Debtors' assets (i) to any entity that (a) is not a Potential Plan Sponsor, First Round Investor, or Investor, as applicable, (b) does not comply with the requirements set forth in these Procedures, or (c) in the case of competitively sensitive information, is a Competitor of the Debtors, and (ii) to the extent not permitted by law.

3. **Co-Investing**. Co-investing shall not be permitted absent the prior written consent of B. Riley and APC acting with the consent of the Debtors and after consulting the Consultation Parties. Prior to the LOI Deadline, a Potential Plan Sponsor may seek to co-

invest with one or more Potential Plan Sponsors by written notice submitted to B. Riley and APC. The Debtors will review such requests on a case-by-case basis, in their sole discretion after consulting the Consultation Parties, and reserve the right to withhold approval for any reason. For the avoidance of doubt, Potential Plan Sponsors, First Round Investors, or Investors seeking to co-invest must obtain the prior written consent of B. Riley and APC acting with the consent of the Debtors, prior to (i) contacting or otherwise communicating with other Potential Plan Sponsors, First Round Investors, or Investors to see if they would be interested in co-investing, and (ii) submitting a co-investment proposal with another Potential Plan Sponsor, First Round Investor, or Investor.

4. **First Round of LOIs**. Non-binding letters of interest (each, a "First Round LOI") shall be due no earlier than 50 days from the date the Exit Financing Solicitation Process is launched (the "LOI Deadline"). The Debtors may extend the LOI Deadline for any reason whatsoever, in their reasonable business judgment, in consultation with the Consultation Parties, for all Potential Plan Sponsors. Only First Round LOIs submitted to B. Riley and APC shall be accepted. No First Round LOI shall be submitted to the Debtors or any director, officer, employee, other insider of the Debtors, or lender to or creditor of the Debtors. The Debtors shall share summaries of all First Round LOIs with the Consultation Parties promptly after the LOI Deadline.

With respect to First Round LOIs, each First Round Investor must include:

(A) A minimum facility of no less than U.S. $300 million;

(B) The identity of the First Round Investor by its legal name and all significant beneficial owners thereof (i.e., >5% beneficial owners);

(C) A preliminary indication of the amount and type of investment for exit financing consistent with the Plan Term Sheet;

(D) A statement of any material conditions or assumptions made in reaching the preliminary indication of the amount and type of investment for exit financing consistent with the Plan Term Sheet;

(E) A detailed description of the intended sources of financing for the Transaction.

(F) A statement regarding the level of review and, if necessary, approval that the First Round Investor has received within its organization and from its direct or indirect owners or parent, as and if applicable, and any remaining internal approvals and approvals from its direct or indirect owners or parent, as and if applicable, required to consummate the Transaction;

(G) A list of the First Round Investor's ownership in the biotechnology and pharmaceutical industries and/or assets;

(H) A detailed description of the specific due diligence issues that must be resolved and any additional information that will be required to submit a Final Proposal;

(L) Any other material terms to be included in the Final Proposal, including material executory contracts or unexpired leases that the Investor wishes to assume or reject; and

(I) A list of advisors and contacts for the First Round Investor;

The Debtors shall determine, in consultation with the Consultation Parties, whether each First Round LOI satisfies the above requirements and whether to provide the First Round Investor a Due Diligence Fee.[2] Submitting a First Round LOI by the LOI Deadline does not obligate the First Round Investor to consummate the Transaction, submit a Final Proposal, or to participate further in the Exit Financing Solicitation Process.

5. **Designation of Plan Sponsor Stalking Horse**. In consultation with the Consultation Parties, the Debtors may seek to (i) designate a stalking horse investor with respect to the Transaction (the "Plan Sponsor Stalking Horse") and (ii) enter into an agreement with such Plan Sponsor Stalking Horse (a "Stalking Horse Agreement") to establish a minimum Qualified Plan Sponsor Proposal (as defined below) for the submission of Final Proposals.

For the avoidance of doubt, unless otherwise agreed, the proposal submitted by a Plan Sponsor Stalking Horse (the "Stalking Horse Transaction"), if designated, shall comply with the requirements for submitting a Final Proposal.

To the extent such Stalking Horse Transaction requires the provision of transaction protections (the "Stalking Horse Protections"), including a break-up fee of up to 3% of the gross cash consideration of any Stalking Horse Transaction ***less*** any expense reimbursement and Due Diligence Fee (the Pre-Approved Stalking Horse Protections"), the Debtors shall file with the Court and serve a notice (the "Stalking Horse Notice") regarding such selection and provide no less than three (3) business days' notice of the deadline to object to the Debtors' selection of the Plan Sponsor Stalking Horse and Stalking Horse Transaction to (i) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"); (ii) the Consultation Parties; and (iii) any party that has filed the appropriate notice pursuant to Bankruptcy Rule 2002 requesting notice of all pleadings filed in the Chapter 11 Cases (the "Stalking Horse Notice Parties"). The Stalking Horse Notice shall (i) disclose the identity of the Plan Sponsor Stalking Horse; (ii) set forth the amount of the Stalking Horse Transaction and any Stalking Horse Protections; (iii) state whether the Plan Sponsor Stalking Horse has any connection to the Debtors other than those that arise from the Stalking Horse Transaction; (iv) confirm that the proposed Stalking Horse Protections are consistent with the Proposed Order; (v) attach the agreements finalized with the Plan Sponsor Stalking Horse or otherwise summarize the material terms thereof; and (vi) set forth the deadline to object to the Plan Support Stalking Horse's designation. All parties in interest shall have the right to object to the Debtors' entry into a Stalking Horse Transaction on any grounds, including objections to the Stalking Horse Protections and the form of proposed order (the "Stalking Horse Order").

[2] As defined in the Exit Financing Solicitation Procedures Motion. The Debtors and the Consultation Parties, for the avoidance of doubt, may or may not provide a Due Diligence Fee to any First Round Investor in their sole and absolute discretion.

Objections to the designation of a Plan Sponsor Stalking Horse or any of the terms of a Stalking Horse Transaction (a "Stalking Horse Objection") shall (i) be in writing; (ii) comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules; (iii) state, with specificity, the legal and factual bases thereof; and (iv) be filed with the Court and served on the Debtors, the Plan Sponsor Stalking Horse, and the Consultation Parties within three (3) business days after the service of the Stalking Horse Notice. If a timely Stalking Horse Objection is filed, the Debtors will schedule a hearing regarding such Stalking Horse Objection as soon as reasonably practicable seeking approval of such Stalking Horse Transaction. If no timely Stalking Horse Objection is filed and served with respect to the Stalking Horse Transaction, upon the expiration of the objection deadline, the Debtors may submit a proposed Stalking Horse Order to the Court approving the Debtors' entry into the Stalking Horse Transaction (including the Stalking Horse Agreement and the Stalking Horse Protections), which the Court may enter without a hearing and any further or other notice except as required herein or under the Exit Financing Solicitation Procedures, including with respect to any Stalking Horse Protections set forth in the Stalking Horse Notice

If the Debtors, in their sole discretion, agree to any Stalking Horse Protections above the Pre-Approved Stalking Horse Protections, the Debtors shall file a motion for approval of such Stalking Horse Protections on an expedited basis but not less than five (5) days' notice. All parties' rights are reserved to object to the Debtors' entry into a Stalking Horse Agreement, including any Stalking Horse Protections above the Pre-Approved Stalking Horse Protections.

6. **Additional Information**. As determined by the Debtors, in consultation with the Consultation Parties, a First Round Investor may be granted access to additional information in the VDR and invited to submit a final, binding proposal with respect to a Transaction (a "Final Proposal").

7. **Final Proposals**. Final Proposals shall be due no earlier than 99 days following the launch of the Exit Financing Solicitation Process (the "Final Proposal Deadline"). Any Final Proposal that meets the below criteria, as determined by the Debtors, in consultation with the Consultation Parties, will be considered a "Qualified Plan Sponsor Proposal" and, such Investor, a "Qualified Plan Sponsor." The Debtors shall share summaries of all Final Proposals with the Consultation Parties promptly after the Final Proposal Deadline. A Final Proposal must contain a signed investment agreement (the "Investment Agreement"). Each Investment Agreement for an Investor shall include, at a minimum, the following:

(A) Identity of the Investor. The legal identity of each entity participating in such Final Proposal (including all equity holders and financing sources) and, in the case of any permitted joint Final Proposal, the nature of all economic arrangements between or among such participants. Each Final Proposal must also disclose information as reasonably requested by the Debtors in order to determine whether an Investor is an insider of the Debtors.

(B) Finalized Investment Agreement. In both PDF and MS-WORD format, an executed copy of the Investment Agreement and a copy of same that has been marked against

the form of Investment Agreement provided by the Debtors, a copy of which will be located in the VDR, including all exhibits and schedules contemplated thereby, other than such schedules or exhibits that by their nature must be (but have not yet been) prepared by the Debtors.

(C) Stalking Horse Transaction. If the Debtors designate a Stalking Horse Transaction, a minimum proposal (to be considered a Qualified Plan Sponsor Proposal), must be equal to the value offered under the Stalking Horse Transaction plus (i) the amount of any Stalking Horse Protections and (ii) $250,000.

(D) Transaction Structure. A complete description of the proposed Transaction structure, including specificity regarding the type of debt or equity instrument to be issued to such Investor in connection with the Transaction (*i.e.*, common, preferred, convertible preferred, etc.), inclusive of voting rights and all material terms and conditions, if applicable, the jurisdiction of formation of the issuer, and the manner of implementation, in each case, to the extent different, if at all, from the form Transaction structure described in the Transaction documents included in the VDR.

(E) Investment Value; Form of Consideration; Minimum Cash Component. A statement describing the aggregate amount and type of investment, including the cash and non-cash components of such Final Proposal, including confirmation that the cash component of the Final Proposal consists solely of U.S. dollars.

(F) Unconditional Offer. A commitment that the Final Proposal is formal, binding, and unconditional (except for those conditions expressly set forth in the Investment Agreement), is not subject to any internal approvals, due diligence or financing contingency, and is irrevocable until the Debtors notify the Investor that such Final Proposal is not a Successful Plan Sponsor Proposal.

(G) Good-Faith Deposit. A good-faith deposit in the form of cash equal to 10% of the aggregate investment amount proposed to be paid at closing of the Transaction (the "Deposit"), delivered into escrow with a third-party escrow agent designated by the Debtors (the "Escrow Agent").

(H) Proof of Financial Ability to Perform. Written evidence (i) of a firm commitment for financing to consummate the Transaction, or other evidence, as reasonably determined by the Debtors, in consultation with the Consultation Parties, to allow the Debtors to determine the ability of the Investor to consummate the Transaction and (ii) that the Investor has, or can obtain, the financial wherewithal, operational capability, and corporate and regulatory authorization, as reasonably determined by the Debtors, in consultation with the Consultation Parties, to allow the Debtors to determine the ability of the Investor to consummate the Transaction contemplated by the Final Proposal in a timely manner.

(I) Closing Conditions. A statement specifying each condition to closing of the Transaction.

(J) Representations and Warranties.

i. A statement that the Investor has had an opportunity to conduct any and all due diligence regarding the Debtors prior to submitting its Final Proposal;

ii. A statement that the Investor has relied solely upon its own independent review, investigation, or inspection of any relevant documents and the Debtors in making its Final Proposal and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Investment Agreement ultimately accepted and executed by the Debtors; and

iii. A statement that the Investor has not engaged in any collusion with respect to the submission of its Final Proposal.

(K) Required Approvals. A (i) statement or evidence that the Investor has made or will make in a timely manner all necessary filings under antitrust and merger control laws, and pay the fees associated with such filings (unless otherwise agreed with the Debtors), (ii) list of all other requisite governmental, regulatory, or other third party approvals required to consummate the Transaction, including, but not limited to, approvals related to foreign direct investment and foreign subsidies regulations, and (iii) statement or evidence of the Investor's plan and ability to obtain all requisite governmental, regulatory, or other third party approvals under (i) and (ii) and the proposed timing for the Investor to undertake the actions required to obtain such approvals. The Debtors must be given the right to share any such plans and analyses related to any of the above required approvals with the Consultation Parties. The Investor further agrees that its legal counsel will coordinate in good faith with Debtors' legal counsel and counsel to the Consultation Parties, to discuss and explain such Investor's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable, and in no event later than the outside date contemplated in the Investment Agreement.

(L) Authorization. For each Investor, evidence of corporate authorization from all applicable entities and approval from the applicable investment committees or boards of directors (or comparable governing bodies) with respect to the submission, execution, and delivery of a Final Proposal, and closing of the Transaction contemplated by the Final Proposal, including the transactions contemplated by the Investment Agreement in accordance with these Procedures.

(M) Other Requirements.

i. Expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code in connection with the submission of a Final Proposal or participating in the

Exit Financing Solicitation Process except in connection with any Stalking Horse Protections;

ii. Be reasonably likely (based on regulatory issues, experience, and other considerations) to consummate the Transaction if selected as the Successful Plan Sponsor, within a timeframe acceptable to the Debtors, as determined by the Debtors in their sole discretion and after consulting the Consultation Parties.

(O) Contact Information. The contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the Final Proposal submitted by the Investor.

(P) Further Information. A covenant to cooperate with the Debtors to provide pertinent factual information regarding the Investor's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements.

The Debtors may, in consultation with the Consultation Parties, amend or waive the requirements to be a Qualified Plan Sponsor at any time, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law (as reasonably determined in good faith by the Debtors in consultation with their outside legal counsel), and may engage in negotiations with Investors that submitted Final Proposals complying with this Section III(7) as the Debtors deem appropriate, in the exercise of their business judgment, based upon the Debtors' evaluation of the content of each Final Proposal. The Debtors expressly reserve the right to extend the Final Proposal Deadline for all Investors, after consulting the Consultation Parties, pursuant to a notice filed with the Court.

8. Plan Sponsor Selection.

(A) Successful Plan Sponsor Proposal. The Debtors, in consultation with the Consultation Parties, shall select the highest or otherwise best Qualified Plan Sponsor Proposal as the "Successful Plan Sponsor Proposal" and such Investor(s), the "Successful Plan Sponsor." If there are multiple Qualified Plan Sponsor Proposals, the Debtors reserve the right, in consultation with the Consultation Parties, to (i) host an auction to facilitate their selection process and (ii) adopt procedures to govern the auction process.

(B) Successful Plan Sponsor Proposal Notice. Approximately 102 days (if no auction is held) or 109 days (if an auction is held) after launching the Exit Financing Solicitation Process and following the selection of a Successful Plan Sponsor Proposal, the Debtors will file with the Court a general notice on the docket, substantially in the form attached to the Order as Exhibit B, which shall provide notice to all parties-in-interest of such Successful Plan Sponsor Proposal (the "Successful Plan Sponsor Proposal Notice").

9. Disposition of Good-Faith Deposits.

(A) Investors. Within five business days after the filing of the Successful Plan Sponsor Proposal Notice, the Escrow Agent shall return to each Investor that did not submit a Successful Plan Sponsor Proposal, as confirmed by the Debtors, such Investor's Deposit (without any interest accrued thereon).

(B) Forfeiture of Deposit. The Deposit of an Investor will be forfeited to the Debtors if the Investor is selected as the Successful Plan Sponsor and (i) fails to enter into the required definitive documentation or to consummate a Transaction in accordance with these Procedures and the terms of the applicable transaction documents with respect to the Successful Plan Sponsor Proposal or (ii) otherwise breaches the definitive transaction documents in a manner giving rise to a forfeiture of the Deposit.

(C) Successful Plan Sponsor. Unless otherwise provided in the definitive transaction documents entered into between the Debtors and the Successful Plan Sponsor, the Deposit of the Successful Plan Sponsor shall be applied against the purchase price of the Successful Plan Sponsor Proposal upon the consummation of the Transaction proposed in the applicable Successful Plan Sponsor Proposal.

(D) Joint Notice to Escrow Agent. The Debtors and the Investor, as applicable, agree to execute a joint notice to the Escrow Agent for the return of any Deposit to the extent such return is required by these Procedures in a form acceptable to the Debtors and the Escrow Agent.

10. Consent to Jurisdiction and Authority as Condition to Submission of a Final Proposal. All Potential Plan Sponsors, First Round Investors, and Investors, as applicable, shall be deemed to have (i) consented to the jurisdiction of the Court to enter any order, which shall be binding in all respects, in any way related to, among other things, (a) these Procedures or (b) the construction or enforcement of any agreement or any other document relating to a Transaction, including the Debtors' Chapter 11 Plan, the confirmation order related thereto, and the Investment Agreement, (ii) waived any right to a jury trial in connection with any disputes relating to these Procedures, or the construction or enforcement of any agreement or any other document relating to a Transaction, and (iii) consented to the entry of a final order or judgment in any way related to these Procedures, or the construction or enforcement of any agreement or any other document relating to a Transaction if it is determined that the Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.

11. Amendments and Reservation of Rights. The Debtors and their advisors reserve the right, subject to the exercise of their reasonable business judgment, in consultation with the Consultation Parties, to amend, modify, or supplement any non-material or procedural provisions in these Procedures as they see fit to ensure a successful Exit Financing Solicitation Process; *provided, however*, that Court's approval prior to implementing any material amendment, modification, or supplement to these Procedures. The Debtors further reserve the right to (i) negotiate with one or more prospective investors at any time

(including by granting exclusivity), (ii) enter into a definitive agreement for any Transaction, (iii) reject any or all proposals at any time prior to entry of an order confirming the Debtors' chapter 11 plan that are (a) inadequate or insufficient, or (b) not in conformity with the requirements of these Procedures or the requirements of the Bankruptcy Code, (iv) waive terms and conditions set forth herein with respect to all Potential Investors and Investors, as applicable, or (v) terminate the Exit Financing Solicitation Process, in each case without prior notice and without assigning a specific reason. For the avoidance of doubt, nothing herein shall obligate the Debtors to consummate or pursue any transaction with a Qualified Plan Sponsor.

Exhibit B

Successful Plan Sponsor Proposal Notice

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. ___

SUCCESSFUL PLAN SPONSOR PROPOSAL NOTICE

On December 9 and 12, 2025, and on January 1 and 15, 2026, Apple Tree Life Sciences, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), each commenced a voluntary case under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the "Court").

On [●], 2026, the Court entered the *Order for Approval of (I) Exit Financing Solicitation Procedures, (II) Payment of Upfront Due Diligence and Stalking Horse Protections, and (III) Form and Manner of Notice Related Thereto* [Docket No. [●]] (the "Exit Financing Solicitation Procedures Order"), which, among other things, approved the exit financing solicitation procedures attached thereto as Exhibit A (the "Exit Financing Solicitation Procedures").

I. Successful Third-Party Bid Notice

In accordance with the Exit Financing Solicitation Procedures, pursuant to this notice (the "Successful Plan Sponsor Proposal Notice"), the Debtors hereby designate [●] as the Successful Plan Sponsor. The Debtors have entered into definitive documentation with respect to the Successful Plan Sponsor Proposal, which documentation is annexed hereto as **Exhibit A**. Pursuant to such definitive documentation, the Successful Plan Sponsor has agreed to be the plan sponsor with respect to a proposed transaction that finances the Debtors' emergence from chapter 11.

[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.

II. Additional Information

Copies of the Exit Financing Solicitation Procedures Order, the Exit Financing Solicitation Procedures, and any other documents referenced herein may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent, Kurtzman Carson Consultants, LLC dba Verita Global, located at https:www.veritaglobal.net/AppleTree.

Dated: [●], 2026
Wilmington, Delaware

Respectfully submitted,

/s/ [*Draft*]
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Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

Successful Plan Sponsor Proposal's Definitive Documentation