

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

In re:

MOLECULAR TEMPLATES, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 25-10739 (BLS)

(Jointly Administered)

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POSTPETITION  
FINANCING AND (B) UTILIZE CASH COLLATERAL, (II) GRANTING ADEQUATE  
PROTECTION TO THE PREPETITION LENDER, (III) MODIFYING THE  
AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING,  
AND (V) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) moved this Court on an emergency basis for entry of interim and final orders, (a) authorizing the Debtors to incur priming senior secured post-petition financing on a superpriority basis; (b) authorizing the Debtors to use cash collateral; (c) granting adequate protection, (d) modifying the automatic stay; (e) scheduling a final hearing to consider approval of the Motion on a final basis (the “Motion”); and (f) granting related relief.<sup>2</sup> The Court set an initial hearing on the Motion for April 22, 2025 at 9:30 a.m. prevailing Eastern Time (the “Interim Hearing”), at which counsel for the parties appeared and presented evidence and oral argument, and following which the Court entered the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to the Prepetition Lender, (III)*

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the Debtors’ federal tax identification numbers, are: Molecular Templates, Inc. (9596) and Molecular Templates OpCo, Inc. (6035). The Debtors’ mailing address is: 124 Washington Street, Ste. 101, Foxboro, MA 02035. All Court filings can be accessed at: <https://www.veritaglobal.net/MolecularTemplates>.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or DIP Financing Term Sheet dated April 20, 2025, by and between the Debtors and the DIP Secured Parties (the “DIP Term Sheet”) (attached as Exhibit 1 to the Interim DIP Order) or the form of DIP Credit Agreement attached hereto as Exhibit 1, as applicable.



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*Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [D.I. 50], as amended [D.I. 56] (the “Interim Order”) and set the final hearing on the Motion for May 21, 2025 at 2:00 p.m. prevailing Eastern Time (the “Final Hearing”). The Motion was presented to the Court as a “first day” motion and complies with the requirements of Bankruptcy Rule 4001(d). Notice of the Motion and the Final Hearing is proper and sufficient and the relief granted in this Final Order has been granted in accordance with Bankruptcy Code §§ 102(1), 105, 361, 362, 363, 364, 503, and 507, Bankruptcy Rules 2002, 4001, 6004, and 9014, and Local Rules 2002-1, 4001-1(b), and 9013-1. The Court having considered the relief requested in the Motion, the (i) *Declaration of Craig Jalbert in Support of Debtors’ Chapter 11 Petitions and First Day Motions* (the “Jalbert Declaration”), and (ii) the *Amended Declaration of Brian Ayers in Support of the Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to the Prepetition Lender, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [D.I. 29-1] (the “Ayers Declaration,” and collectively with the First Day Declaration the “Supporting Declarations”), the DIP Budget (defined below), offers of proof, evidence, and the statements of counsel at the Final Hearing, and it appearing to the Court that granting the relief sought in the Motion on the terms and conditions contained herein is necessary and essential to enable the Debtors to preserve the value of their businesses and assets, and that such relief is fair and reasonable and that entry of this Final Order is in the best interests of the Debtors and their respective estates and creditors, and due deliberation and good cause having been shown to grant the relief sought in the Motion on a final basis,

**IT IS HEREBY FOUND AND DETERMINED THAT:**<sup>3</sup>

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<sup>3</sup> Pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure, findings of fact shall be construed as

A. Petition Date. On April 20, 2025 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”) commencing these chapter 11 cases (the “Chapter 11 Cases”).

B. Debtors in Possession. Each Debtor has continued with the management and operation of its business and properties as a debtor in possession pursuant to Bankruptcy Code sections 1107 and 1108. No trustee or examiner has been appointed in these Chapter 11 Cases.

C. Jurisdiction and Venue. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter constitutes a core proceeding within the meaning of 28 U.S.C. § 157(b). The Court has the authority to enter a final order in this matter. Venue is proper in this jurisdiction pursuant to 28 U.S.C. §§ 1408 and 1409.

D. Committee. As of the date hereof, no official committee of unsecured creditors has been appointed in the Chapter 11 Cases pursuant to Bankruptcy Code section 1102 (any such committee, the “Committee”).

E. Adequate Protection. Pursuant to Bankruptcy Code sections 105, 361, 362, and 363(e), the Prepetition Lender is entitled to adequate protection of its interest in the Prepetition Collateral (as defined herein), including any cash collateral, to the extent of any diminution in value of its interest in the Prepetition Collateral, resulting from, among other things, the Carve Out (as defined herein), the use of cash collateral, the use, sale, or lease of any of the Prepetition Collateral, the imposition of the automatic stay pursuant to Bankruptcy Code section 362(a), and for any other reason for which adequate protection may be granted under the Bankruptcy Code (“Diminution in Value”). Based on the Motion, the Supporting Declarations, and the record

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conclusions of law and conclusions of law shall be construed as findings of fact when appropriate.

presented to the Court at the Final Hearing, the terms of the proposed adequate protection arrangements and the use of the Prepetition Collateral, including any cash collateral, are fair and reasonable and reflect the Debtors' reasonable business judgment.

F. DIP Facility. The DIP Lender will provide to the Debtors a senior secured superpriority debtor-in-possession term loan credit facility (the "DIP Facility") consisting of (x) new money loan commitments in the aggregate maximum principal amount of up to \$3,000,000 (the "New Money DIP Loan Commitments" and the loans made thereunder, the "New Money DIP Loans"), plus (y) loans representing a "roll up" of a portion of the outstanding Prepetition Loan Obligations<sup>4</sup> equal to \$9,000,000; *provided, however*, \$6,000,000 of the Prepetition Loan Obligations shall be "rolled up" upon the entry of the Interim Order and \$3,000,000 shall be "rolled up" upon the entry of the Final Order (the "Roll Up Loans" and together with the New Money DIP Loans, the "DIP Loans" and the obligations thereunder, the "DIP Obligations"). The New Money DIP Loan Commitment will be made in 3 draws over the term of the DIP Facility, with the initial maximum aggregate amount of up to \$500,000 made available to the Debtors following entry of the Interim Order, a second draw of \$1,500,000 (the "Final Order Advance") to be made available upon and after entry of this final debtor-in-possession financing order (the "Final Order," and together with the Interim Order, the "DIP Orders"), and a third, discretionary draw of up to \$1,000,000 to be made upon satisfaction of the

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<sup>4</sup> "Prepetition Loan Obligations" means, as of the Petition Date, the indebtedness of the Debtors to the DIP Lender (in such capacity, the "Prepetition Lender") and the other DIP Secured Parties (in such capacities, together with the Prepetition Lender, the "Prepetition Secured Parties") under (i) that certain Loan and Security Agreement, dated February 20, 2025, (the "Prepetition Bridge Loan"); and (ii) that certain Amended and Restated Secured Contingent Value Right Agreement, dated February 20, 2025, (the "Amended CVR Agreement"), which amount as of the Petition Date is the sum of (i) a principal amount of \$1,366,231.92 under the Prepetition Bridge Loan, (ii) a principal amount of \$24,300,515.15 under the Amended CVR Agreement, and (iii) all other amounts accrued but unpaid in connection with the Prepetition Loan Obligations, including, but not limited to, accrued and unpaid interest, unreimbursed costs, fees, expenses, and indemnities owed thereunder.

conditions precedent herein (the “Discretionary Draw”). Notwithstanding anything set forth in this Final Order or in: (i) the DIP Term Sheet or (ii) the DIP Credit Agreement (together with the other Loan Documents (as defined in the DIP Credit Agreement), the “DIP Loan Documents”) to the contrary, if the conditions precedent to any draw are satisfied or waived, then the DIP Lender shall be obligated to make the DIP Loans contemplated under the DIP Budget and the DIP Loan Documents.

G. Best Available Financing. The Debtors are unable to procure financing in the form of unsecured credit allowable as an administrative expense under sections 364(a), 364(b), or 503(b)(1) of the Bankruptcy Code or in exchange solely for the grant of a super-priority administrative expense, or liens on property of the estates not subject to a lien pursuant to sections 364(c)(1), 364(c)(2), or 364(c)(3) of the Bankruptcy Code. The Debtors assert in the Motion and the Supporting Declarations that the post-petition financing required by the Debtors is not available on terms more favorable, taken as a whole, than the financing offered by K2 HealthVentures LLC and/or one of its subsidiaries, along with its successors and assigns (the “DIP Lender”) pursuant to the DIP Loan Documents. In light of the foregoing, the Debtors have reasonably and properly concluded, in the exercise of their business judgment, that the DIP Facility represents the best financing available to the Debtors at this time, and is in the best interests of the Debtors, their estates, and all of their stakeholders.

H. Good Faith of Prepetition Lender. The terms of the use of the Prepetition Collateral pursuant to this Order have been the subject of negotiations conducted in good faith and at arm’s length among the Debtors and the Prepetition Secured Parties and, pursuant to sections 105, 361, and 363 of the Bankruptcy Code, the Prepetition Secured Parties are hereby found to be an entity that has acted in “good faith” in connection with the negotiation and entry of this Order, and are

entitled to the protections provided under section 363(m) of the Bankruptcy Code.

I. Good Faith of DIP Lender. The terms of the DIP Facility have been the subject of negotiations conducted in good faith and at arm's length among the Debtors and the DIP Secured Parties<sup>5</sup> and, pursuant to sections 105 and 364 of the Bankruptcy Code, the DIP Secured Parties are hereby found to be entities that have acted in "good faith" in connection with the negotiation of the DIP Loan Documents and the entry of this Order, and are entitled to the protections provided under section 364(e) of the Bankruptcy Code.

J. Roll Up of Prepetition Loan Obligations. The conversion of the Prepetition Loan Obligations into DIP Obligations is an exercise of the Debtors' business judgment consistent with their fiduciary duties. The DIP Lender would not have been willing to provide the DIP Facility or extend credit to the Debtors thereunder without the "roll up" of the Prepetition Loan Obligations. The Roll-Up Loans benefitted the Debtors and their estates because they enabled the Debtors to obtain urgently needed financing critical to administering these Chapter 11 Cases and funding their operations.

K. Notice. In accordance with Bankruptcy Rules 2002, 4001(b) and (c), and 9014, and Local Rules 2002-1, 4001-1, and 9013-1, notice of the Final Hearing and the relief requested in the Motion has been provided by the Debtors. Under the circumstances, the notice given by the Debtors of the Motion, the relief requested therein, and the Final Hearing complies with Bankruptcy Rules 2002, 4001(b) and (c), and 9014 and Local Rules 2002-1, 4001-1, and 9013.

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<sup>5</sup> "DIP Secured Parties" means (i) Ankura Trust Company, LLC, as collateral trustee for the DIP Secured Parties (the "Collateral Trustee"), (ii) K2 HealthVentures LLC or one of its subsidiaries, in its capacity as administrative agent to the DIP Lender (the "Administrative Agent" and together with the Collateral Trustee, the "DIP Agents"), (iii) DIP Lender, and (iv) any of their respective successors and assigns.

L. Use of Proceeds of DIP Facility and Cash Collateral. The Debtors have prepared and delivered to the DIP Lender the agreed budget (the “DIP Budget”), a copy of which is attached hereto Exhibit 2. The DIP Budget reflects the Debtors’ anticipated cash receipts and disbursements for the thirteen-week period following the Petition Date (the DIP Budget and each subsequent budget approved by the DIP Lender in accordance with the DIP Loan Documents, an “Approved Budget”). The Debtors believe that the DIP Budget is reasonable under the facts and circumstances of these Chapter 11 Cases. The DIP Lender is relying upon the Debtors’ agreement to comply with the terms set forth in the DIP Loan Documents, the DIP Budget (subject to Permitted Variances), and this Final Order in determining to enter into the postpetition financing arrangements provided for herein and to consent to the Debtors’ use of cash collateral.

M. Good Cause. The Debtors have a critical need to obtain credit pursuant to the DIP Facility and to use the Prepetition Collateral (including cash collateral) in order to sustain the Debtors’ business affairs, administer the Chapter 11 Cases, and successfully consummate a chapter 11 plan, in each such case in accordance with the terms of this Final Order, including in accordance with the DIP Budget. The Debtors’ access to sufficient working capital and liquidity, including through access to the DIP Facility and the use of cash collateral and other Prepetition Collateral, is necessary to preserve and maintain the value of the Debtors’ estates. Without the credit available under the DIP Facility and use of cash collateral, the Debtors would likely not have sufficient liquidity to continue to operate their businesses. Entry of this Final Order will preserve the assets of each Debtor’s estate and their value and is in the best interests of the Debtors, their creditors, and their estates. The relief requested in the Motion is necessary, essential, and appropriate, is in the best interests of and will benefit the Debtors, their creditors, and their estates, and, good cause exists for granting the relief requested in the Motion, as set forth herein.

N. Debtors' Stipulations. Subject to the provisions and limitations contained in paragraph 25 hereof (including the Challenge Period, as defined herein), the Debtors admit, stipulate, and agree that:

1. *Prepetition Loan Obligations.* Pursuant to the Prepetition Bridge Loan and the Amended CVR Agreement, the Prepetition Lender provided prepetition financial accommodations to the Debtors;

2. *Validity of Prepetition Loan Obligations.* The Prepetition Loan Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtors, as applicable, enforceable in accordance with their respective terms and no portion of the Prepetition Loan Obligations or any payment made to the Prepetition Secured Parties or applied to or paid on account of the obligations owing under the Prepetition Loan Obligations prior to the Petition Date is subject to any contest, attack, rejection, recovery, reduction, defense, counterclaim, offset, subordination, recharacterization, avoidance or other claim (as such term is used in the Bankruptcy Code), cause of action (including any claims or avoidance actions under Chapter 5 of the Bankruptcy Code), chases in action or other challenge of any nature under the Bankruptcy Code or applicable non-bankruptcy law;

3. *Validity, Perfection and Priority of Prepetition Liens.* As of the Petition Date, pursuant to and in connection with the Prepetition Loan Obligations, the Debtors granted to the Prepetition Secured Parties, for the benefit of themselves and their affiliates, a senior, first priority, security interest in and continuing lien on substantially all of their assets and property, including a valid, binding, properly perfected, enforceable, first priority security interest in and continuing lien on the collateral thereunder and all proceeds, products, accessions, rents, and profits thereof, in each case whether then owned or existing or thereafter acquired or arising



(collectively, the “Prepetition Collateral”) (the “Prepetition Liens”), which Prepetition Liens are not subject to avoidance, recharacterization, subordination (whether equitable, contractual, or otherwise), recovery, attack, disgorgement, effect, rejection, reduction, disallowance, impairment, counterclaim, offset, crossclaim, defense or Claim under the Bankruptcy Code or applicable non-bankruptcy law, subject and subordinate only to certain other liens permitted by the Prepetition Loan Obligations, if any, solely to the extent any such permitted liens were valid, binding, enforceable, properly perfected, non-avoidable and senior in priority to the Prepetition Liens as of the Petition Date (the “Prepetition Permitted Senior Liens”);

4. *Prepetition Permitted Senior Liens; Continuation of Prepetition Liens.*

Nothing herein shall constitute a finding or ruling by this Court that any alleged Prepetition Permitted Senior Lien is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing herein shall prejudice the rights of any party-in-interest, including, but not limited to, the Debtors, the DIP Agents, or the DIP Lenders to challenge the validity, priority, enforceability, seniority, avoidability, perfection, or extent of any alleged Prepetition Permitted Senior Lien and/or security interests. Unless otherwise required by applicable law, the right of a seller of goods to reclaim goods under section 546(c) of the Bankruptcy Code is not a Prepetition Permitted Senior Lien, as used herein, and is expressly subject to the Prepetition Liens and the DIP Liens. The Prepetition Liens and the DIP Liens are continuing liens and the DIP Collateral is and will continue to be encumbered by such liens;

5. *Release.* Effective as of the date of entry of this Final Order, each of the

Debtors and (subject to the Challenge Period in paragraph 25) the Debtors’ estates, on their own behalf and on behalf of themselves and their respective past, present and future predecessors, successors, heirs, subsidiaries, and assigns, hereby absolutely, unconditionally and irrevocably

releases and forever discharges and acquits the DIP Secured Parties, and each of their respective representatives (collectively, the “Released Parties”), from any and all obligations and liabilities to the Debtors (and their successors and assigns) and from any and all claims (as defined in section 101(5) of the Bankruptcy Code), counterclaims, demands, defenses, offsets, debts, accounts, contracts, liabilities, actions and causes of action arising prior to the Petition Date of any kind, nature or description, whether matured or unmatured, known or unknown, asserted or unasserted, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, liquidated or unliquidated, pending or threatened, arising in law or equity, upon contract or tort or under any state or federal law or otherwise, in each case arising out of or related to (as applicable) the DIP Loan Documents, the DIP Facility, the obligations owing and the financial obligations made thereunder, and the negotiation thereof and of the transactions and agreements reflected thereby, in each case that the Debtors at any time had, now have or may have, or that their predecessors, successors or assigns at any time had or hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of this Final Order; *provided* that any Released Party’s obligations to comply with the DIP Loan Documents, on or after the Petition Date shall not be released by the foregoing; and

6. *Findings Regarding Corporate Authority.* Each of the parties to the DIP Loans has all requisite power and authority to execute and deliver the DIP Loan Documents and any other documents to which it is a party and to perform its obligations thereunder.

**THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Motion Granted. The relief sought in the Motion is granted on a final basis as set forth herein.

2. The Debtors are hereby authorized to enter into and perform under the DIP Facility with the DIP Secured Parties on the terms reflected in the DIP Loan Documents attached hereto as Exhibit 1 (as amended, supplemented, or otherwise modified from time to time in accordance with the terms and conditions set forth herein), which is hereby approved and incorporated herein in its entirety, and to perform all obligations under the DIP Loan Documents, which upon being entered into shall constitute valid, binding, and non-avoidable obligations of the Debtors that are enforceable against the Debtors in accordance with the terms of the DIP Loan Documents and this Final Order.

3. In furtherance of the foregoing and without further order of this Court, the Debtors are authorized and directed to (a) perform all acts to negotiate, make, enter into, and perform under the DIP Loan Documents; (b) negotiate the DIP Credit Agreement which will be filed in connection with this Final Order; and (c) perform all acts to make, execute and deliver all instruments and documents, including, without limitation, the execution and delivery of, and performance under, one or more amendments, waivers, consents or other modifications to and under the DIP Loan Documents, in each of (a) through (c), in such form as the Debtors and the DIP Secured Parties may agree, *provided* that such DIP Credit Agreement is consistent in all material respects with the DIP Term Sheet, and *provided further* that no further approval of the Court shall be required for the Debtors to pay any fees and other expenses (including any attorneys', accountants', appraisers', and financial advisors' fees), amounts, charges, costs, indemnities, and other obligations paid in connection therewith that do not shorten the maturity of the extensions of credit under the DIP Loan Documents or increase the aggregate commitments or the rate of interest payable thereunder.

4. The Debtors may draw the Final Order Advance and Discretionary Draw under the DIP Facility subject to the terms and conditions of the DIP Loan Documents.

5. Authorization of DIP Facility.

- a. The Debtors are hereby authorized to use the DIP Loans (i) in accordance with, and for the purposes permitted by, the DIP Loan Documents, this Final Order, and the DIP Budget (subject to Permitted Variances), and (ii) to pay all interest, costs, fees, and other amounts and obligations accrued or accruing under the DIP Loan Documents, all pursuant to the terms and conditions of this Final Order and the DIP Loan Documents. The DIP Budget is hereby approved in all respects. The Debtors shall use the proceeds of the DIP Facility solely in a manner consistent with the DIP Budget (subject to Permitted Variances and other exclusions set forth in the DIP Loan Documents) and the terms and conditions of the DIP Loan Documents and this Final Order.
- b. The Debtors are hereby authorized to enter into, execute, deliver, and perform all obligations under the DIP Loan Documents. No obligation, payment, transfer, or grant of security hereunder or under the DIP Loan Documents shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable state, federal, or common law (including, without limitation, under chapter 5 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or be subject to any defense, reduction, setoff, counterclaim,

recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise), cross-claims, or any other challenge under the Bankruptcy Code or any applicable law, rule, or regulation by any person or entity.

6. Approval; Evidence of Borrowing Arrangements. All terms, conditions, and covenants set forth in the DIP Loan Documents are approved. All such terms, conditions, and covenants shall be sufficient and conclusive evidence of (i) the borrowing arrangements by and among the Debtors and the DIP Lender, and (ii) each Debtor's assumption and adoption of, and agreement to comply with, all the terms, conditions, and covenants of the DIP Loan Documents for all purposes, including, without limitation, to the extent applicable, the payment of all DIP Obligations arising thereunder, including, without limitation, all principal, interest, fees, and other expenses, including, without limitation, all of the DIP Secured Parties' closing, arranger, and administrative fees, professional fees, attorney's fees and legal expenses. Upon effectiveness thereof, the DIP Loan Documents shall evidence the DIP Obligations, which DIP Loan Documents and DIP Obligations shall be valid, binding, and enforceable against the Debtors, their estates, and any successors thereto, including, without limitation, any trustee appointed in any of these Chapter 11 Cases or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of these Chapter 11 Cases (collectively, the "Successor Cases"), and their creditors and other parties-in-interest, in each case, in accordance with the terms of this Final Order and the DIP Loan Documents.

7. Payment of DIP Fees and Expenses. In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized and directed to pay all fees and expenses in connection with or that may be reasonably required, necessary, or desirable for the Debtors'

performance of the DIP Obligations, including, without limitation the non-refundable payment to the DIP Secured Parties of all fees, including amendment fees, servicing fees, audit fees, upfront fees, closing fees, exit fees, closing date fees, prepayment fees or agency fees, and professional fees which fees shall be irrevocable whether or not the transactions contemplated hereby are consummated, and upon payment thereof, shall not be subject to any contest, attack, rejection, recoupment, reduction, defense, counterclaim, offset, subordination, recharacterization, avoidance or other claim, cause of action or other challenge of any nature under the Bankruptcy Code, applicable non-bankruptcy law or otherwise and any amounts due (or that may become due) in respect of the indemnification and expense reimbursement obligations, in each case referred to in and payable pursuant to the DIP Loan Documents and the costs and expenses as may be due from time to time, including, without limitation, fees and expenses of the professionals retained by, or on behalf of, any of the DIP Secured Parties in each case, as provided for in and payable pursuant to the DIP Loan Documents, without the need to file retention motions or fee applications.

8. Conversion of Prepetition Loan Obligations. Upon the entry of the Interim Order and the satisfaction or waiver of all other closing conditions in the DIP Term Sheet, without any further action by the Debtors or any other party, the Debtors were authorized, directed, and deemed to immediately borrow the Interim Advance. Upon entry of the Interim Order, all obligations under or in connection with the Prepetition Loan Obligations became subject to the DIP Term Sheet and constituted DIP Obligations.

9. Indemnification. The Debtors are authorized to indemnify and hold harmless the DIP Secured Parties, and each of their affiliates, and each such person's representatives, agents, attorneys, officers, directors, and employees, in accordance with, and subject to, the DIP Loan Documents, which indemnification is hereby authorized and approved.

10. The DIP Liens.

- a. To secure performance and payment when due (whether at the stated maturity, by acceleration or otherwise) of any and all DIP Obligations of the Debtors to the DIP Secured Parties of whatever kind, nature, or description, whether absolute or contingent, now existing or hereafter arising and wherever located, the DIP Secured Parties shall have and are hereby granted, effective as of the Petition Date, continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected security interests in and liens (collectively, the “DIP Liens”) in and upon all DIP Collateral (as defined in the DIP Loan Documents). The DIP Liens on the DIP Collateral securing the DIP Obligations shall be first and senior in priority to all other interests and liens of every kind, nature, and description, whether created consensually, by an order of the Court or otherwise, including, without limitation, liens or security interests granted in favor of third parties in conjunction with sections 363, 364, or any other provisions of the Bankruptcy Code or any other section of the Bankruptcy Code or other applicable law; *provided, however*, that (A) the DIP Liens shall be subject to the Carve Out, and (B) the DIP Liens shall be subject to any valid, perfected, and non-avoidable Permitted Lien in existence as of the Petition Date or subject to valid and non-avoidable Permitted Lien in existence at the time of such commencement that are perfected subsequent to such commencement as permitted by section 546(b) of the Bankruptcy Code.

b. Post-Petition Lien Perfection. This Final Order shall be sufficient and conclusive evidence of the priority, automatic perfection, and validity of the DIP Liens, the Adequate Protection Liens, and any other security interests granted herein, effective as of the Petition Date, without any further act and without regard to any other federal, state, or local requirements or law requiring notice, filing, registration, recording, control, or possession of the DIP Collateral, or other act to validate or perfect such security interest or lien, including, without limitation, control agreements with any financial institution(s) party to a control agreement or other depository account consisting of DIP Collateral, or requirement to register liens on any certificates of title (a “Perfection Act”). Notwithstanding the foregoing, if the DIP Lender shall, in its sole discretion, elect for any reason to file, record, or otherwise effectuate any Perfection Act, then the DIP Secured Parties are authorized to perform such act, and the Debtors are authorized and directed to perform such act to the extent necessary or required by the DIP Loan Documents, which act or acts shall be deemed to have been accomplished as of the date and time of entry of the Interim Order notwithstanding the date and time actually accomplished, and, in such event, the subject filing or recording office is authorized to accept, file, or record any document in regard to such act in accordance with applicable law. The DIP Secured Parties may choose to file, record, or present a certified copy of this Final Order in the same manner as a Perfection Act, which shall be tantamount to a Perfection Act, and, in such event, the



subject filing or recording office is authorized to accept, file, or record such certified copy of this Final Order in accordance with applicable law. Should any DIP Secured Parties so choose and attempt to file, record, or perform a Perfection Act, no defect or failure in connection with such attempt shall in any way limit, waive, or alter the validity, enforceability, attachment, priority, or perfection of the post-petition liens and security interests granted herein by virtue of the entry of this Final Order.

- c. To the extent that any applicable non-bankruptcy law otherwise would restrict the granting, scope, enforceability, attachment, or automatic perfection of any liens and security interests granted and created by this Final Order (including the DIP Liens and the Adequate Protection Liens (as defined below)) or otherwise would impose filing or registration requirements with respect to such liens and security interests, such law is hereby preempted to the maximum extent permitted by the Bankruptcy Code, applicable federal or foreign law, and the judicial power and authority of this Court; *provided, however*, that nothing herein shall excuse the Debtors from payment of any local fees, if any, required in connection with such liens. By virtue of the terms of this Final Order, to the extent that DIP Lender has filed Uniform Commercial Code financing statements, mortgages, deeds of trust, or other security or perfection documents under the names of any of the Debtors, such filings shall be deemed to properly perfect its liens and security interests granted and confirmed by this Final Order without further action by the DIP Lender.

- d. Subject to the Carve Out, the DIP Liens, the DIP Superpriority Claims (defined below), and the Adequate Protection Liens (i) shall not be made subject to or *pari passu* with (A) any lien, security interest, or claim heretofore or hereinafter granted in any of these Chapter 11 Cases or any Successor Cases and shall be valid and enforceable against the Debtors, their estates, any trustee, or any other estate representative appointed or elected in these Chapter 11 Cases or any Successor Cases and/or upon the dismissal of any of these Chapter 11 Cases or any Successor Cases; (B) any lien that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise; and (C) any intercompany or affiliate lien or claim; and (ii) shall not be subject to Bankruptcy Code sections 510, 549, 550, or 551.

11. Superpriority Administrative Expenses. Subject to the Carve Out, all DIP Obligations now existing or hereafter arising pursuant to this Final Order, the DIP Loan Documents, or otherwise, the DIP Secured Parties are granted an allowed superpriority administrative expense claim pursuant to Bankruptcy Code section 364(c)(1), having priority in right of payment over any and all other obligations, liabilities, and indebtedness of the Debtors, whether now in existence or hereafter incurred by the Debtors, and over any and all administrative expenses or priority claims of the kind specified in, or ordered pursuant to, *inter alia*, sections 105, 326, 328, 330, 331, 364(c)(1), 503(b), 507(a), 507(b), 546(c), 1113, or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, which allowed superpriority administrative claim shall be payable from and have recourse to all prepetition and post-petition property of the Debtors and

all proceeds thereof (including Avoidance Actions (as defined below) and proceeds thereof) (collectively, the “DIP Superpriority Claims”).

12. Prepetition Lender’s Entitlement to Adequate Protection. Pursuant to Bankruptcy Code sections 361, 362, 363(c)(2), and 363(e), the Prepetition Secured Parties are entitled to adequate protection of their interests in the Prepetition Collateral, in an amount equal to the aggregate Diminution in the Value of, the Prepetition Secured Parties’ interests in the Prepetition Collateral (including cash collateral) from and after the Petition Date, if any, for any reason provided for under the Bankruptcy Code, including, without limitation, any diminution resulting from the sale, lease, or use by the Debtors of the Prepetition Collateral, or the imposition of the automatic stay pursuant to Bankruptcy Code section 362 (collectively, the “Prepetition Lender’s Diminution in Value”).

13. Adequate Protection Claims and Liens. The Prepetition Secured Parties are hereby granted the following (the “Adequate Protection Claims”), to the extent of Prepetition Secured Parties’ Diminution in Value; *provided* that the collateral set forth in this paragraph 13 shall not include assets or property (other than assets or property that constitute Prepetition Collateral) upon which, and solely to the extent that, the grant of an Adequate Protection Lien as contemplated in this Final Order is not allowed by applicable non-bankruptcy law, but shall include the proceeds thereof:

- a. Adequate Protection Superpriority Claims and Liens. Pursuant to Bankruptcy Code sections 361(2) and 363(c)(2), valid, binding, continuing, enforceable, fully-perfected non-voidable liens on, and security interests in, all tangible and intangible assets, including without limitation, all prepetition and post-petition property of the Debtors’ estates, and all

products and proceeds thereof, whether now existing or hereafter acquired, that constitute DIP Collateral, including, without limitation, proceeds of the claims and causes of action of the Debtors (but not on the actual claims and causes of action) arising under Bankruptcy Code sections 544, 545, 547, 548, 549, and 550 and any other avoidance or similar actions under the Bankruptcy Code or similar state law (collectively, “Avoidance Actions” and, such liens, the “Adequate Protection Liens”); *provided that*, the Adequate Protection Liens shall be subject to and solely subordinate to the Carve Out, the DIP Liens, and any valid, perfected, and non-avoidable Permitted Lien (as defined in the Amended CVR Agreement). As further adequate protection, and to the extent provided by Bankruptcy Code sections 503(b) and 507(b), the Debtors are authorized to grant, and hereby are deemed to have granted effective as of the Petition Date, to the Prepetition Secured Parties (A) allowed superpriority administrative expense claims in each of the Chapter 11 Cases ahead of and senior to any and all other administrative expense claims in the Chapter 11 Cases solely to the extent of the Prepetition Secured Parties’ Diminution in Value (the “Adequate Protection Superpriority Claims”), junior only to the Carve Out, and any valid, perfected, and non-avoidable Permitted Lien and the DIP Liens, (B) replacement liens on all Prepetition Collateral, junior only to the liens of the DIP Secured Parties, but subject to any prior Permitted Liens, and (C) commencing on the Petition Date, postpetition interest shall accrue on the Prepetition Loan Obligations (as defined in the DIP Loan

Documents) on a monthly basis (collectively, the “Adequate Protection”); *provided that*, the Adequate Protection Superpriority Claims may be collected out of any proceeds of the Avoidance Actions. Subject to the Carve Out, the DIP Liens, and any valid, perfected, and non-avoidable permitted lien as defined in the Amended CVR Agreement (the “Permitted Lien”), the Adequate Protection Superpriority Claims shall not be junior or *pari passu* to any claims and shall have priority over all administrative expense claims and other claims against each of the Debtors, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expense claims of the kinds specified in or ordered pursuant to Bankruptcy Code sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1113, and 1114.

14. Reporting. The Debtors shall timely provide the DIP Lender with all financial reporting pursuant to the DIP Loan Documents.

15. Carve Out. The DIP Liens, the Adequate Protection, Adequate Protection Liens, and the Adequate Protection Superpriority Claims, shall be subject to the payment, without duplication, of the following fees and expenses from any proceeds resulting from liquidation of assets of the Debtors’ estates (the amounts set forth in the clauses (i)-(iv) defined herein as the “Carve Out”): (i) all unpaid fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to \$50,000 incurred by a trustee under sections 726(b) of the Bankruptcy Code (without regard to the notice

set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, but subject to final allowance by the Court, all unpaid fees and expenses (the “Allowed Professional Fees”) incurred by persons or firms retained by the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code (the “Debtor Professionals”) and any Committee (the “Committee Professionals” and, together with the Debtor Professionals, the “Estate Professionals”) at any time before the delivery by any DIP Secured Party of a Carve Out Trigger Notice (defined below) (the amounts set forth in this clause (c) being the “Pre Carve Out Trigger Notice Cap”); (iv) Allowed Professional Fees of Estate Professionals in an aggregate amount not to exceed \$150,000 less the amount of any retainer held by such Estate Professional and not previously returned or applied to fees and expenses, incurred on or after the first business day following delivery by any DIP Secured Party of the Carve Out Trigger Notice to the extent allowed at any time, whether by interim order, procedural order, or otherwise, but subject to final allowance by the Court, (the amount set forth in this clause (d) being the “Post Carve Out Trigger Notice Cap” and the Pre Carve-Out Trigger Notice Cap together with the Post Carve-Out Trigger Notice Cap and the amounts set forth in clauses (a) and (b), the “Carve-Out Cap”) (the foregoing clauses (a) through (d), collectively, the “Carve Out”). “Carve Out Trigger Notice” means a written notice stating that the Post Carve Out Trigger Notice Cap has been invoked, delivered by hard copy and email by any DIP Secured Party or their counsel to lead bankruptcy counsel for the Debtors, the U.S. Trustee, the DIP Secured Parties, and counsel to the Committee, if any, which notice may be delivered following the occurrence and during the continued existence of an Event of Default.

16. Any payment or reimbursement made on or after the day on which a Carve Out Trigger Notice is delivered by any DIP Secured Parties (the “Termination Date”) in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

Any funding of the Carve Out shall be added to, and made a part of, the DIP Obligations secured by the DIP Collateral and shall be otherwise entitled to the protections granted under the Interim Order, this Final Order, the DIP Loan Documents, the Bankruptcy Code, and applicable law.

17. Carve Out Reserve. On the Termination Date, the Carve Out Trigger Notice shall (i) be deemed a draw request and notice of borrowing by the Debtors for the DIP Loan under the DIP Credit Agreement, in an amount equal to the then unpaid amounts of the Allowed Professional Fees (any such amounts actually advanced shall constitute DIP Loans) and (ii) also constitute a demand to the Debtors to utilize all cash on hand, as of such date and any available cash thereafter held by any Debtor, to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees. The Debtors shall deposit and hold such amounts in a segregated account in trust to pay such then-unpaid Allowed Professional Fees (the “Pre-Carve Out Reserve”), prior to any and all other claims. On the Termination Date, the Carve Out Trigger Notice shall also (i) be deemed a request by the Debtors for DIP Loans under the DIP Credit Agreement, in an amount equal to the Post-Carve Out Trigger Notice Cap (any such amounts actually advanced shall constitute DIP Loans) and (ii) constitute a demand to the Debtors to utilize all cash on hand, as of such date and any available cash thereafter held by any Debtor, after funding the Pre-Carve Out Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such amounts in a segregated account in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the “Post-Carve Out Reserve” and, together with the Pre-Carve Out Reserve, the “Carve Out Reserves”) prior to any and all other claims. On the first business day after the Carve Out Trigger Notice, notwithstanding anything in the DIP Loan Documents to the contrary, including with respect to the existence of an Event of Default (as defined in the DIP Credit Agreement), the failure of the Debtors to satisfy

any or all of the conditions precedent for the DIP Loan under the DIP Facility, any termination of the DIP Obligations following an Event of Default, or the occurrence of the Maturity Date (as defined in the DIP Credit Agreement), the DIP Lender shall make available such DIP Loans under the DIP Credit Agreement. All funds in the Pre-Carve Out Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the “Pre-Carve Out Amounts”), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Reserve has not been reduced to zero, to pay the DIP Secured Parties, unless the DIP Obligations have been indefeasibly paid in full, in cash, and all DIP Obligations have been terminated, in which case any such excess shall be paid to the Prepetition Secured Parties in accordance with its rights and priorities as of the Petition Date. All funds in the Post-Carve Out Reserve shall be used first to pay the Post-Carve Out Trigger Notice Cap amounts, and then, to the extent the Post-Carve Out Reserve has not be reduced to zero, to pay the DIP Secured Parties, unless the DIP Obligations have been indefeasibly paid in full, in cash, and all DIP Obligations have been terminated, in which case any such excess shall be paid to the Prepetition Secured Parties in accordance with its rights and priorities as of the Petition Date.

18. Notwithstanding anything to the contrary in the DIP Loan Documents, the Interim Order, or this Final Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in this paragraph, then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in this paragraph, prior to making any payments to the DIP Secured Parties or the Prepetition Secured Parties. Notwithstanding anything to the contrary in the DIP Loan Documents, the Interim Order, or this



Final Order, following the Carve Out Trigger Notice, the DIP Secured Parties shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the DIP Secured Parties for application in accordance with the DIP Loan Documents. Further, notwithstanding anything to the contrary in this Final Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute DIP Loans (as defined in the DIP Loan Documents) or increase or reduce the DIP Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (iii) in no way shall the DIP Budget, Carve Out, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. Notwithstanding anything to the contrary in the Interim Order, this Final Order, the DIP Facility, or with respect to any Prepetition Obligations, the Carve Out shall be senior to all other liens and claims securing the DIP Facility, the Adequate Protection, the Adequate Protection Liens, and the Adequate Protection Superpriority Claims and any and all other forms of adequate protection, liens, or claims securing the DIP Obligations or the Prepetition Obligations. Notwithstanding anything to the contrary contained herein, in no event shall the DIP Lender be obligated to fund DIP Facility Loans pursuant to this Order in excess of the remaining available commitments to be borrowed under the DIP Credit Agreement.

19. The DIP Lender reserves its rights to object to the allowance of any fees and expenses, including without limitation any fees and expenses of any Estate Professional. The payment of any fees or expenses of any Estate Professional pursuant to the Carve Out shall not, and shall not be deemed to, (a) reduce any Debtor's obligations owed to any of the DIP Secured

Parties, or (b) modify, alter or otherwise affect any of the liens and security interests of such parties in the DIP Collateral or Prepetition Collateral (or their respective claims against any Debtor).

20. Nothing in this Final Order or otherwise shall be construed to obligate the DIP Secured Parties in any way, to pay compensation to, or to reimburse expenses of, any professionals or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

21. Default; Waivers; Rights and Remedies; Relief from Stay.

- a. Events of Default. The occurrence of (i) any “Event of Default” as that term is defined in the DIP Loan Documents; (ii) any failure to meet or satisfy any Milestones (as defined in the DIP Loan Documents) in accordance with the DIP Loan Documents; (iii) the Maturity Date (as defined in the DIP Loan Documents); or (iv) any material violation, breach, or default by any Debtor with respect to any of its obligations under the Interim Order or this Final Order, shall constitute an “Event of Default” hereunder unless waived in writing by the DIP Lender (in its sole and absolute discretion) and in accordance with the DIP Loan Documents.
- b. Debtors’ Waivers. Prior to the payment in full of all DIP Obligations, any of the following actions by the Debtors shall also constitute an Event of Default: (i) the filing of a motion to obtain post-petition loans or other financial accommodations pursuant to section 364(c) or 364(d) of the Bankruptcy Code that does not provide for the repayment in full of the DIP Obligations, other than as provided in the Interim Order, this Final Order, or as may be otherwise permitted pursuant to the DIP Loan Documents or by agreement; (ii) any request to challenge the application of any payments

authorized by this Final Order pursuant to section 506(b) of the Bankruptcy Code; (iii) except by agreement, the filing of a motion seeking approval of any sale or restructuring transaction other than the restructuring transactions contemplated by the Restructuring Term Sheet, dated April 20, 2025, by and between the Debtors and K2 HealthVentures LLC; (iv) to propose or support any challenge by any party in interest to seek to limit or prevent any DIP Secured Parties from exercising its credit bid rights in connection with the sale of any assets of the Debtors; or (v) to seek relief under the Bankruptcy Code, including, without limitation, under section 105 of the Bankruptcy Code, to the extent any such relief would restrict or impair (A) the rights and remedies of the DIP Secured Parties against the Debtors as provided in this Final Order or the DIP Loan Documents or (B) the exercise of such rights or remedies by the DIP Secured Parties against the Debtors in accordance with the DIP Loan Documents or this Final Order.

- c. It shall also be an Event of Default under the DIP Facility if, prior to the payment in full of the DIP Obligations, the Debtors propose or support any sale of all or substantially all of the Debtors' assets, or an order is entered approving such sale, that is not conditioned upon the payment of the DIP Obligations (other than indemnities then due and payable) in full in cash and the payment of the Debtors' obligations with respect to the Adequate Protection hereunder, in full in cash, within a commercially reasonable period of time, and in any event no later than the effective date of such sale, without the written consent of the DIP Lender.

d. Rights and Remedies Upon an Event of Default. During the period covered by this Final Order, after five (5) business days following the delivery of a written notice (a “Default Notice”) (which may be by email) to counsel to the Debtors, counsel to the Committee, if any, and the U.S. Trustee by the DIP Lender of the occurrence of and during the continuance of an Event of Default (the “DIP Remedies Notice Period”), (a) the DIP Secured Parties shall be entitled to take any act or exercise any right or remedy as provided in this Final Order or the DIP Loan Documents, including, without limitation, (i) terminate the commitment of the DIP Lender to make DIP Loans and its consent to use of proceeds of DIP Facility and Cash Collateral; (ii) declare that the unpaid amount of the DIP Obligations, all interest accrued and unpaid thereon, and all other amounts owing or payable under the DIP Loan Documents and the DIP Orders to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Debtors; (iii) foreclose upon the DIP Collateral; or (iv) take any other action or exercise any other right or remedy as permitted by the DIP Loan Documents, the DIP Orders, or applicable law; (b) except as stated in this paragraph below, the Debtors’ right to use Cash Collateral immediately ceases; and (c) upon notice and hearing, which hearing can be on an emergency basis, the DIP Lender can request a Court order permitting immediate relief from the automatic stay with respect to the DIP Collateral and Prepetition Collateral, and the DIP Secured Parties shall be entitled to exercise all rights and remedies available

under the DIP Loan Documents, Prepetition Loan Obligations and this Final Order (as applicable) and applicable non-bankruptcy law, and, upon further Court order, the Debtors shall surrender the DIP Collateral and Prepetition Collateral and otherwise cooperate with the DIP Lender in the exercise of their rights and remedies. Upon the delivery of a Default Notice, the Debtors will consent to a hearing on an expedited basis to consider whether, (a) an Event of Default has occurred, and (b) any other appropriate relief (including, without limitation, the Debtors' non-consensual use of cash collateral). The Committee, if any, shall have the right to appear and be heard at any such hearing. During the DIP Remedies Notice Period, the Debtors shall be entitled to continue to use the Cash Collateral, solely to make payroll and pay expenses necessary to the survival of the Debtors' business, in accordance with the terms of the DIP Loan Documents, the DIP Budget and this Final Order. Notwithstanding anything to the contrary herein, upon an Event of Default, the delivery of a Default Notice, the expiration of the DIP Remedies Notice Period, or the occurrence of the Termination Date, all of the rights, remedies, benefits, and protections provided to the DIP Secured Parties under this Final Order shall survive.

- e. At all times during the Chapter 11 Cases, and whether or not an Event of Default has occurred, the Debtors irrevocably waive any right that they may have to seek further authority, (a) to use cash collateral of the DIP Secured Parties under section 363 of the Bankruptcy Code, other than as provided in this Final Order or as may be otherwise expressly permitted pursuant to the

DIP Loan Documents or other agreement with or consent of the DIP Lender, as applicable; (b) to obtain any post-petition loan or other financial accommodation pursuant to section 364(c) or 364(d) of the Bankruptcy Code that does not provide for the indefeasible repayment in full of all the DIP Obligations in cash at the time any such post-petition loan or financial accommodation is provided, extended or otherwise made available to Debtors; (c) to challenge, contest or otherwise seek to impair or object to the validity, extent, enforceability or priority of the DIP Secured Parties' post-petition liens and claims; (d) to challenge the application of any payments authorized by this Final Order as pursuant to section 506(b) of the Bankruptcy Code, or to assert that the value of the Prepetition Collateral is less than the Prepetition Loan Obligations; (e) to propose, support or have a plan of reorganization or liquidation that does not provide for the indefeasible payment in cash in full and satisfaction of all the DIP Obligations (other than unmatured indemnity obligations for which claims (i) have not been asserted and (ii) are not reasonably expected to be asserted at any time in the future) on the effective date of such plan in accordance with the terms and conditions set forth in the DIP Loan Documents; (f) to surcharge the DIP Collateral or the Prepetition Collateral pursuant to 506(c) of the Bankruptcy Code; or (g) to seek relief under the Bankruptcy Code, including without limitation, under section 105 of the Bankruptcy Code, to the extent any such relief would in any way restrict or impair the rights and remedies of the DIP Secured Parties as provided in this Final Order and the

DIP Loan Documents or the DIP Secured Parties exercise of such rights or remedies; *provided* that the DIP Lender may otherwise consent in writing, but no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Secured Parties; *provided further* that nothing herein shall prohibit the Debtors from obtaining post-petition loans or other financial accommodations pursuant to section 364(c) or 364(d) of the Bankruptcy Code if the proceeds of such financing are used to indefeasibly pay all DIP Obligations which are to be satisfied in full in accordance with the terms of the DIP Loan Documents.

22. Until all DIP Obligations shall have been indefeasibly paid and satisfied in full in accordance with the terms of the DIP Loan Documents, upon and after the declaration of the occurrence of an Event of Default, and subject to the expiration of the DIP Remedies Notice Period, in connection with a liquidation of any of the DIP Collateral or the DIP Secured Parties' exercise of remedies in respect of the DIP Collateral, the DIP Secured Parties (or any of their employees, agents, consultants, contractors or other professionals) shall have the right, at the sole cost and expense of the Debtors, to (i) enter upon, occupy and use any real or personal property, fixtures, equipment, leasehold interests or warehouse arrangements owned or leased by Debtors and (ii) use any and all trademarks, trade names, copyrights, licenses, patents or any other similar assets of Debtors, which are owned by or subject to a lien of any third party and which are used by Debtors in their businesses. The DIP Lender will be responsible for the payment of any applicable fees, rentals, royalties or other amounts due such lessor, licensor, or owner of such property for the period of time that any DIP Secured Party actually uses the equipment or the intellectual property (but in no event for any accrued and unpaid fees, rentals or other amounts due

for any period prior to the date that such DIP Secured Party actually occupies or uses such assets or properties or for any fees, rentals or other amounts that may become due following the end of such DIP Secured Party's occupation or use). Notwithstanding anything to the contrary herein, nothing in this Final Order shall affect, impair or otherwise prejudice any rights that the Debtors' landlords may have or have the effect of encumbering, pledging or collateralizing the leasehold interests of the Debtors with respect to premises owned by such landlord to the extent otherwise prohibited under the terms of the applicable lease with such landlord.

23. Binding Effect. The terms of this Final Order shall be valid and binding upon the Debtors, all creditors of the Debtors, and all other parties in interest from and after the entry of this Final Order by this Court.

24. Reversal, Stay, Modification, or Vacatur. In the event the provisions of Final Order are reversed, stayed, modified, or vacated by court order following notice and any further hearing, such reversals, modifications, stays, or vacatur shall not affect the rights and priorities of the DIP Secured Parties or Prepetition Secured Parties granted pursuant to this Final Order. Notwithstanding any such reversal, stay, modification, or vacatur by court order, any indebtedness, obligation, or liability incurred by the Debtors pursuant to this Final Order arising prior to the DIP Secured Parties' receipt of notice of the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the original provisions of this Final Order, and the DIP Secured Parties and Prepetition Secured Parties shall continue to be entitled to all of the rights (including, without limitation, relating to the termination of this Final Order), remedies, privileges, and benefits, including any payments authorized herein and the security interests and liens granted herein, with respect to all such indebtedness, obligation, or liability, and the validity of any payments made or obligations owed or credit extended or lien or security interest granted pursuant



to this Final Order is and shall remain subject to the protection afforded under the Bankruptcy Code. To the extent this Court has, by entry of this Final Order, modified any of the provisions of the Interim Order or the DIP Loan Documents, such modifications shall not affect the rights or priorities of the DIP Lender or its interests in the DIP Collateral authorized by or otherwise set forth in the Interim Order with respect to the DIP Collateral or any portion of the DIP Obligations arising or incurred by the Debtor prior to such modification, and the Interim Order shall otherwise remain in full force and effect to such extent.

25. Reservation of Certain Third-Party Rights and Bar of Challenge and Claims.

- a. Subject to the Challenge Period (defined below), the stipulations, admissions, agreements, waivers, and releases contained in this Final Order, including without limitation the Debtors' Stipulations, shall be binding upon the Debtors and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (defined below) as of the Petition Date. The stipulations, admissions, agreements, waivers, and releases contained in this Final Order, including without limitation the Debtors' Stipulations, shall be binding upon the Debtors' estates and any of their respective successors, including without limitation, any chapter 7 or chapter 11 trustee, responsible person, examiner with expanded powers, or other estate representative and all other parties-in-interest and all of their successors-in-interest and assigns and all other parties-in-interest and all of their successors-in-interest and assigns, including any Committee and any other person acting on behalf of the Debtors' estates, unless and solely to the extent that a party-in-interest with requisite standing (subject in all respects to any agreement or

applicable law which may limit or affect such entity's right or ability to do so) granted by order of the Court (or other court of competent jurisdiction), (i) has timely and properly filed an adversary proceeding or contested matter under the Bankruptcy Rules seeking to avoid, object to, or otherwise challenge the findings or Debtors' Stipulations regarding the validity, enforceability, extent, priority, or perfection of the mortgages, security interests, and liens of the Prepetition Lender (any such claim, a "Challenge") before (A) as to the Committee only, seventy-five (75) calendar days after entry of the Interim Order, and (B) as for all other parties in interest, seventy-five (75) calendar days after entry of the Interim Order (in each case, a "Challenge Period" and, the date of expiration of each Challenge Period, a "Challenge Period Termination Date"); *provided, however*, that if, prior to the end of the Challenge Period, (x) the cases convert to chapter 7 or (y) a chapter 11 trustee is appointed, then, in each such case, the Challenge Period shall be extended by the later of (I) seventy-five (75) calendar days after entry of the Interim Order or (II) the date that is thirty (30) calendar days after its appointment. For the avoidance of doubt, any chapter 7 trustee appointed or elected in these Cases shall, until the expiration of the period provided herein for asserting Challenges, and thereafter for the duration of any adversary proceeding or contested matter commenced pursuant to this paragraph (whether commenced by such trustee or commenced by any other party in interest on behalf of the Debtors' estates), be deemed to be a party other than the Debtors and shall

not, for purposes of such adversary proceeding or contested matter, be bound by the acknowledgments, admissions, confirmations and stipulations of the Debtors in this Final Order.

- b. Upon the expiration of the Challenge Period Termination Date without the filing of a Challenge (or if any such Challenge is filed and overruled): (i) any and all such Challenges by any party (including, without limitation, the Committee, any chapter 11 trustee, and/or any examiner or other estate representative appointed or elected in these Cases, and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any Successor Cases) shall be deemed to be forever barred; (ii) the Prepetition Loan Obligations shall constitute allowed claims, not subject to counterclaim, setoff, recoupment, reduction, subordination, recharacterization, defense, or avoidance for all purposes in the Chapter 11 Cases and any Successor Cases; (iii) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, and perfected secured claims, not subject to recharacterization, subordination, or avoidance; and (iv) all of the Debtors' stipulations and admissions contained in this Final Order, including without limitation the Debtors' Stipulations, and all other waivers, releases, affirmations, and other stipulations as to the priority, extent, and validity as to the Prepetition Lender's claims, liens, and interests contained in this Final Order shall be in full force and effect and forever binding upon the Debtors, the Debtors' estates, and all creditors, interest holders, and other parties in interest in

these Chapter 11 Cases and any Successor Cases.

- c. If any Challenge is timely and properly filed under the Bankruptcy Rules, the stipulations and admissions contained in this Final Order, including without limitation the Debtors' Stipulations, shall nonetheless remain binding and preclusive on any Committee and any other person or entity except to the extent that such stipulations and admissions were expressly challenged in such timely and properly filed Challenge prior to the Challenge Period Termination Date. Nothing in this Final Order vests or confers on any person (as defined in the Bankruptcy Code), including, without limitation, any Committee appointed in the Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, and a separate order of the Court conferring such standing on any Committee or other party-in-interest shall be a prerequisite for the prosecution of a Challenge by such Committee or such other party-in-interest.

26. Limitation on Use of DIP Proceeds and Cash Collateral. Notwithstanding anything to the contrary set forth in this Final Order, none of the DIP Obligations, the DIP Collateral, Prepetition Collateral, the Prepetition Loan Obligations including Cash Collateral, or the Carve Out or proceeds of any of the foregoing may be used: (a) to investigate (including by way of examinations or discovery proceedings), initiate, assert, prosecute, join, commence, support, or finance the initiation or prosecution of any claim, counterclaim, action, suit, arbitration, proceeding, application, motion, objection, defense, adversary proceeding, or other litigation of any type (i) against the DIP Secured Parties or Prepetition Secured Parties (in their capacities as

such), and each of their affiliates, officers, directors, limited partners, investors, employees, agents, representatives, attorneys, consultants, financial advisors, affiliates, assigns, or successors, with respect to any transaction, occurrence, omission, action, or other matter (including formal discovery proceedings in anticipation thereof), including, without limitation, any so-called “lender liability” claims and causes of action, or seeking relief that would impair the rights and remedies of the DIP Secured Parties or Prepetition Secured Parties under the DIP Loan Documents, the DIP Facility, DIP Obligations or Prepetition Loan Obligations, as applicable, or this Final Order, including, without limitation, for the payment of any services rendered by the professionals retained by the Debtors or any Committee appointed in these Chapter 11 Cases in connection with the assertion of or joinder in any claim, counterclaim, action, suit, arbitration, proceeding, application, motion, objection, defense, adversary proceeding, or other contested matter, the purpose of which is to seek, or the result of which would be to obtain, any order, judgment, determination, declaration, or similar relief that would impair the ability of any of the DIP Secured Parties or Prepetition Secured Parties to recover on its collateral, or seeking affirmative relief against any of the DIP Secured Parties or Prepetition Secured Parties related to the DIP Facility; (ii) invalidating, setting aside, avoiding, or subordinating, in whole or in part, the liens or claims of the DIP Secured Parties or Prepetition Secured Parties; or (iii) for monetary, injunctive, or other affirmative relief against the DIP Secured Parties or Prepetition Secured Parties; (b) for objecting to or challenging in any way the legality, validity, priority, perfection, or enforceability of the claims, liens, or interests held by or on behalf of the DIP Secured Parties or Prepetition Secured Parties; (c) for asserting, commencing, or prosecuting any claims or causes of action whatsoever, including, without limitation, any Avoidance Actions related to or in connection with the DIP Facility; or (d) for prosecuting an objection to, contesting in any manner, or raising any defenses

to, the validity, extent, amount, perfection, priority, or enforceability of any of the DIP Liens or Prepetition Liens or any other rights or interests of any of the DIP Secured Parties or Prepetition Secured Parties; *provided* that no more than \$25,000 of the cash collateral may be used solely by any Committee appointed in these Chapter 11 Cases, if any, solely to investigate, within the Challenge Period, the claims, causes of action, adversary proceedings, or other litigation against the Prepetition Secured Parties solely concerning the legality, validity, priority, perfection, enforceability, or extent of the claims, liens, or interests held by or on behalf of the Prepetition Secured Parties.

27. Enforceability; Waiver of Any Applicable Stay. This Final Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rule 6004(h), 6006(d), 7062, or 9014 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

28. Proofs of Claim. Notwithstanding anything to the contrary contained in any prior or subsequent order of the Court, including, without limitation, any order establishing a deadline for the filing of proofs of claim or requests for payment of administrative expenses under Bankruptcy Code section 503(b), the DIP Secured Parties or Prepetition Secured Parties shall not be required to file any proofs of claim or request for payment of administrative expenses with respect to any of the DIP Obligations, or Prepetition Loan Obligations; and the failure to file any such proof of claim or request for payment of administrative expenses shall not affect the validity, priority, or enforceability of the DIP Loan Documents, the DIP Facility, the Prepetition Loan Obligations, or of any other indebtedness, liabilities, or obligations arising at any time thereunder

or under this Final Order or prejudice or otherwise adversely affect the DIP Secured Parties or Prepetition Secured Parties' rights, remedies, powers, or privileges under the DIP Loan Documents, the DIP Facility, the Prepetition Loan Obligations or applicable law. The provisions set forth in this paragraph are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party-in-interest or their respective successors-in-interest.

29. Section 506(c) Waiver. No costs or expenses of administration which have been or may be incurred in these Chapter 11 Cases or any future or successor cases therefrom at any time shall be charged against or recovered from any of the DIP Secured Parties or Prepetition Secured Parties, or the DIP Collateral (including Cash Collateral) or the Prepetition Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or any similar principles of law without the prior express written consent of the DIP Lender or Prepetition Lender, as applicable, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by the DIP Secured Parties or Prepetition Secured Parties (including, without limitation, consent to the Carve Out or the approval of any budget hereunder), and nothing in the DIP Loan Documents or this Final Order shall be deemed to be a consent by any DIP Secured Party or Prepetition Secured Party to any charge, lien, assessment, or claims against the DIP Collateral (including Cash Collateral) or Prepetition Collateral under section 506(c) of the Bankruptcy Code or otherwise. In no event shall the "equities of the case" exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties under the Prepetition Loan Obligations with respect to proceeds, products, offspring, or profits of any Prepetition Collateral.

30. Section 552(b) of the Bankruptcy Code. The DIP Secured Parties shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the

case” exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties under the Prepetition Loan Obligations with respect to proceeds, products, offspring, or profits of any Prepetition Collateral.

31. No Marshaling. The DIP Secured Parties and the Prepetition Secured Parties shall not be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition Collateral, as applicable, and all proceeds shall be received and applied in accordance with the DIP Loan Documents and the documents relating to the Prepetition Loan Obligations, as applicable.

32. Notwithstanding anything to the contrary in any other order of this Court, the financial institutions where the Debtors’ bank accounts are located, (a) are authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be honored or dishonored, consistent with any order of this Court and governing law; and (b) have no duty to independently inquire as to whether such payments are authorized by an order of this Court.

33. The financial institution where the Debtors’ bank accounts are located shall implement reasonable handling procedures in coordination with the Debtors designed to effectuate the terms of this Final Order. No financial institution that implements such handling procedures and then honors a prepetition check or other item drawn on any bank account that is the subject of this Final Order either, (a) in good faith belief that the Court has authorized such prepetition check or item to be honored; or (b) as a result of an innocent mistake made despite implementation of such handling procedures, shall be deemed to be liable to the Debtors or their estates or otherwise in violation of this Final Order.

34. The provisions of this Final Order and any actions taken pursuant hereto shall



survive the entry of any order confirming a plan, converting the Chapter 11 Cases, or dismissing the Chapter 11 Cases or any successor case, and the terms and provisions of this Final Order shall continue in full force notwithstanding any such order. In the event of a conflict between this Final Order and any order confirming a chapter 11 plan, the order confirming the chapter 11 plan shall control.

35. Subject to any Challenge rights set forth herein, each of the Debtors on one hand, and each of the DIP Secured Parties or Prepetition Secured Parties, on the other hand, each on behalf of itself and its successors and assigns (collectively, the “Releasors”), hereby forever releases, discharges and acquits the other, and its current and former directors, managers, officers, committee members, members of any governing body, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys (including any other attorneys or professionals retained by any current or former director or manager in his or her capacity as director or manager of an entity), accountants, investment bankers, consultants, representatives, and other professionals and advisors and any such person’s or entity’s respective heirs, executors, estates, and nominees other representatives in their respective capacities as such (collectively, the “Releasees”) of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, of every kind, nature and description, including, without limitation, any so-called “lender liability” claims or defenses, that Releasors had, have, or hereafter can or may have against Releasees, or any of them, as of the date hereof, in respect of events that occurred on or prior to

the date hereof with respect to the Debtors (as applicable) the DIP Secured Parties or Prepetition Secured Parties, the Prepetition Loan Obligations, any documentation of the Prepetition Loan Obligations and any other obligations or other financial accommodations made by any Releasee to any Debtor, the negotiation thereof, and the transactions and agreements reflected thereby; *provided that* the releases set forth in this section shall not release (i) any claims against the Releasees or liabilities that a court of competent jurisdiction determines in a final non-appealable judgment results from the fraud, gross negligence or willful misconduct of such Releasees or (ii) the Prepetition Obligations or the DIP Obligations. In addition, notwithstanding anything to the contrary set forth herein, upon the repayment of all DIP Obligations owed to the DIP Secured Parties by the Debtors and termination of the rights and obligations arising under the DIP Loan Documents and DIP Facility (which payment and termination shall be on terms and conditions acceptable to the DIP Secured Parties), the Releasees shall be released from any and all obligations, liabilities, actions, duties, responsibilities and causes of action arising or occurring, on or prior to the date of such repayment and termination, in connection with or related to the Debtors, the DIP Secured Parties, DIP Loan Documents, the DIP Facility, the Interim Order or this Final Order (including without limitation any obligation or responsibility whether direct or indirect, absolute or contingent, due or not due, primary or secondary, liquidated or unliquidated to pay or otherwise fund the Carve Out).

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

Dated: May 23rd, 2025  
Wilmington, Delaware

  
BRENDAN L. SHANNON  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**DIP Credit Agreement**

## LOAN AND SECURITY AGREEMENT

### SENIOR SECURED, SUPER PRIORITY DEBTOR-IN-POSSESSION FINANCING

This LOAN AND SECURITY AGREEMENT (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, this “**Agreement**”) dated as of [\_\_\_\_], 2025 (the “**Closing Date**”) is entered into among **MOLECULAR TEMPLATES OPCO, INC.**, a Delaware corporation (“**Opco**”), **MOLECULAR TEMPLATES, INC.**, a Delaware corporation (“**Parent**”, and in its capacity as borrower representative, “**Borrower Representative**”, and together with Opco, in their respective capacities as borrowers hereunder, collectively, “**Borrowers**”, and each, a “**Borrower**”), the lenders from time to time party hereto (collectively, “**Lenders**”, and each, a “**Lender**”), **K2 HEALTHVENTURES LLC** (“**K2**”, and in its capacity as administrative agent for the Lenders together with its successors, “**Administrative Agent**”), and **ANKURA TRUST COMPANY, LLC** (“**Ankura**”, and in its capacity as collateral trustee for Secured Parties together with its successors, “**Collateral Trustee**”).

### RECITALS

**WHEREAS**, on April 20, 2025 (the “**Petition Date**”), Borrowers commenced voluntary bankruptcy proceedings, under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”), in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) under the lead case filed by Borrower Representative substantially concurrently herewith (Case No. 25-10739 (BLS)) (each, a “**Chapter 11 Case**” and collectively, the “**Chapter 11 Cases**”);

**WHEREAS**, Borrowers have requested the Lenders to provide Borrowers with a multi-draw senior secured super-priority priming term loan debtor-in-possession credit facility (the “**DIP Facility**”), consisting of

- (i) \$3,000,000 of “new money” term loans to be made available to Borrowers pursuant to the terms, and subject to the conditions set forth, in this Agreement and the DIP Orders, and
- (ii) an amount of “roll-up” term loans in an aggregate amount equal to \$9,000,000 comprising a portion of the aggregate outstanding Prepetition Obligations as of the Closing Date, which will be deemed “rolled up” as term loans hereunder on a dollar-for-dollar basis pursuant to the terms, and subject to the conditions set forth, in this Agreement, the DIP Term Sheet and the DIP Orders.

**WHEREAS**, each Borrower has agreed to grant to Collateral Trustee, for the benefit of the Secured Parties, a security interest in all of its assets as Collateral, and each Borrower has further agreed that Secured Parties shall have Superpriority Claims in the Chapter 11 Cases for the repayment of the Obligations pursuant to the DIP Orders, subject to the approval of the Bankruptcy Court; and

**WHEREAS**, Lenders are willing to make term loans to the Borrower, subject to the terms and conditions set forth in this Agreement, the DIP Term Sheet and the DIP Orders.

### AGREEMENT

Borrowers, Administrative Agent, Collateral Trustee and Lenders hereby agree as follows:

#### **1. ACCOUNTING AND OTHER TERMS**

Accounting terms not defined in this Agreement shall be construed in accordance with GAAP, and calculations and determinations shall be made following GAAP, consistently applied. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth on Exhibit A. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. As used in the Loan Documents, the word “shall” is mandatory, the word “may” is permissive, the word “or” is not exclusive, the words “includes” and “including” are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a “Section,” “subsection,” “Exhibit,” “Annex,” or “Schedule” shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement. For purposes of the Loan Documents, whenever a representation or warranty is made to a Person’s knowledge or awareness, knowledge or

awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer of such Person. For purposes of calculations made pursuant to the terms of this Agreement or otherwise for purposes of compliance herewith, GAAP will be deemed to treat operating leases and capital lease obligations in a manner consistent with the treatment thereof under GAAP as in effect on December 31, 2018, notwithstanding any modifications or interpretive changes thereto that have occurred. Any documents or agreements referred to herein or in any other Loan Documents shall mean any such documents or agreements as amended, restated, amended and restated and/or otherwise supplemented or modified from time to time.

## 2. LOAN AND TERMS OF PAYMENT

**2.1 Promise to Pay.** Each Borrower hereby unconditionally promises to pay each Lender, ratably, the outstanding principal amount of all Loans, accrued and unpaid interest, fees and charges thereon and to pay all Obligations as and when due in accordance with this Agreement.

### 2.2 Availability and Repayment of the Loans.

(a) Availability.

(i) Roll-Up Loans.

(1) The Lender's commitment to make Loans to the Borrower was approved pursuant to the Interim DIP Order, and prior to the date hereof, the Lender has made and has been deemed to make certain term loans to the Borrowers under such Interim DIP Order and the DIP Term Sheet in an aggregate principal amount of \$6,500,000. For all purposes of this Agreement, the Funding Date for the Initial Roll-Up Loan shall be April 28, 2025. Subject to the terms and conditions of the Interim DIP Order, and the terms and conditions of this Agreement, effective as of the Funding Date of the Initial Roll-Up Loan, without any further action by any Person, (x) an aggregate amount of Prepetition Obligations equal to \$6,000,000 (the "**Initial Roll-Up Amount**"), shall be automatically deemed (on a cashless dollar-for-dollar basis) to constitute a Loan under this Agreement in a principal amount equal to the Initial Roll-Up Amount (the "**Initial Roll-Up Loan**"), which Initial Roll-Up Loan shall be due and payable in accordance with the terms and conditions set forth in this Agreement as if originally funded under the Loan Documents on April 28, 2025, and (y), the Initial Roll-Up Amount shall be deemed to automatically reduce the aggregate outstanding amount of Prepetition Obligations as follows: (1) first, to the satisfaction in full of the outstanding Bridge Loan Obligations, and (2) second, to reduce the outstanding CVR Obligations.

(2) Subject to the terms and conditions of the Interim DIP Order and the Final DIP Order, as applicable, the DIP Term Sheet and the terms and conditions of this Agreement, effective as of the date of the Final DIP Order, and without any further action by any Person, (x) an aggregate amount of Prepetition Obligations equal to \$3,000,000 (the "**Final Roll-Up Amount**"), shall be automatically deemed (on a cashless dollar-for-dollar basis) to constitute a Loan under this Agreement in a principal amount equal to the Final Roll-Up Amount (the "**Final Roll-Up Loan**", and together with the Initial Roll-Up Loan, collectively, the "**Roll-Up Loans**", and each, a "**Roll-Up Loan**"), which Final Roll-Up Loan shall be due and payable in accordance with the terms and conditions set forth in this Agreement as if originally funded hereunder, and (y), the Final Roll-Up Amount shall be deemed to automatically reduce the aggregate outstanding amount of Prepetition Obligations by further reducing the outstanding CVR Obligations.

(ii) New Money DIP Loans. The Lender's commitment to make Loans to the Borrower was approved pursuant to the Interim DIP Order, and prior to the date hereof, the Lender has made certain term loans to the Borrowers under such Interim DIP Order and the DIP Term Sheet in an aggregate principal amount of \$500,000 (the "**Initial New Money DIP Loan**"). For the avoidance of doubt, the Lender's Commitment hereunder is without duplication of, and has been reduced by the amount of the Initial New Money DIP Loan funded pursuant to the Lender's commitments under the Interim DIP Order and the DIP Term Sheet. For all purposes of this Agreement, the Funding Date for the Initial New Money DIP Loan shall be April [x], 2025. Subject to the terms of the DIP Orders, the DIP Term Sheet and the terms and conditions of this Agreement, Lenders agree, severally, but not jointly, to make the following additional loans to Borrowers (collectively, with the Initial New Money DIP Loan the "**New Money DIP Loans**"):

(1) A second advance in a principal amount of \$1,500,000, to be made following entry of the Final DIP Order (the "**Second New Money DIP Loan**"); and

(2) An advance in a principal amount of no less than **[\$600,000]**; provided, that if a greater amount is provided for in the DIP Budget as agreed to by the Lender, the Lender shall fund an additional principal amount up to **[\$400,000]**<sup>1</sup> (the “Discretionary Loan” and together with the Initial New Money DIP Loan and the Second New Money DIP Loan, the “New Money DIP Loans”).

Lenders shall fund the Loans hereunder ratably in accordance with their respective Commitments. No Lender shall be obligated to fund amounts in excess of its respective Commitment. Amounts borrowed, or deemed borrowed, hereunder that are paid, repaid and/or prepaid may not be re-borrowed.

(b) Repayment. Subject to the Chapter 11 Plan, any and all unpaid Obligations, including principal and accrued and unpaid interest in respect of the Loans, and any other fees and other sums due hereunder, if any, shall be due and payable in full on the Maturity Date. The Loans may be prepaid in accordance with Sections 2.2(c) or (d).

(c) Optional Prepayment. Borrowers shall have the option to prepay the Loans in whole or in part, provided that Borrower Representative shall have provided written notice to Administrative Agent of its election to prepay the Loans at least ten (10) days prior to such prepayment, and pay, on the date of such prepayment, to Lenders, ratably, an amount equal to the sum of:

- (i) all outstanding principal plus accrued and unpaid interest thereon, plus
- (ii) all fees due in accordance with Section 2.4, plus
- (iii) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

(d) Mandatory Prepayment Upon an Acceleration. If the Loans are accelerated in accordance with the terms hereof following the occurrence and during the continuation of an Event of Default, Borrowers shall immediately pay to Lenders, an amount equal to the sum of:

- (i) all outstanding principal plus accrued and unpaid interest thereon, plus
- (ii) all fees due in accordance with Section 2.4, plus
- (iii) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

## **2.3 Payment of Interest.**

(a) Interest Rate. Subject to Section 2.3(b), the outstanding principal amount of the Loans shall accrue interest from and after its Funding Date, at a fixed rate of 13.5% per annum. Interest shall accrue and be capitalized monthly on each Payment Date and added to the principal amount outstanding on such date. All references to principal shall include any amounts added to principal on account of capitalized interest, and amounts capitalized in accordance with Section 2.4.

(b) Default Rate. Immediately upon the occurrence and during the continuation of an Event of Default, Obligations shall bear interest at a rate per annum which is five percentage points (5.0%) above the rate that is otherwise applicable thereto (the “**Default Rate**”). Fees and expenses which are required to be paid by Borrowers pursuant to the Loan Documents (including, without limitation, Secured Party Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies pursuant to the Loan Documents. Each Borrower agrees that interest at the Default Rate is a reasonable calculation of Lenders’ lost profits in view of the difficulties and impracticality of determining actual damages resulting from an Event of Default.

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<sup>1</sup> NTD: Dollar amounts to be revised based on revised Budget.

(c) Payment; Interest Computation. Interest is capitalized monthly in arrears on the Payment Date of the following month and added to the principal amount outstanding on such date and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 3:00 p.m. Eastern Time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Loan shall be included and the date of payment shall be excluded.

(d) Maximum Interest. Notwithstanding any provision in this Agreement or any other Loan Document, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (the "**Maximum Rate**"). If a court of competent jurisdiction shall finally determine that a Borrower has actually paid to or for the benefit of Lenders an amount of interest in excess of the amount that would have been payable if all of the Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Borrowers shall be applied as follows: first, to the payment of principal outstanding in respect of the Loans; second, after all principal is repaid, to the payment of accrued interest, third, to the payment of Secured Party Expenses and any other Obligations; and fourth, after all Obligations are repaid, the excess (if any) shall be refunded to Borrowers or paid to whomsoever may be legally entitled thereto, provided that amounts payable to Lenders, shall be paid ratably.

**2.4 Fees and Charges.** Borrowers shall pay to Administrative Agent, for the ratable benefit of Secured Parties:

(a) Facility Fee. A facility fee equal to 1.0% of the funded principal amount of the Loans (the "**Facility Fee**"), which shall be added to the principal balance on the applicable Funding Date for such Loan, and due and payable on the Maturity Date.

(b) Exit Fee. An exit fee equal to 4.0% of the original principal amount of funded Loans (the "**Exit Fee**"), which shall be due and payable on or after the Maturity Date or such earlier date as the Loans are prepaid in accordance with Section 2.2(c) or (d). For the avoidance of doubt, the exit fee shall only be paid on or after the Maturity Date and shall be based upon the aggregate principal amount of funded Loans hereunder, and shall be paid in cash or otherwise satisfied through a debt-for-equity conversion through the Chapter 11 Plan.

(c) Expenses. All Secured Party Expenses incurred through and after the Closing Date, in cash on no less than a monthly basis solely to the extent that funds for payment thereof are set forth in the DIP Budget; provided that the Administrative Agent has provided its prior written consent with regard to the DIP Budget, including the approved budget for the Secured Parties' counsel.

The Facility Fee, is fully-earned as of the Closing Date, and in no event shall any Borrower be entitled to any credit, rebate, refund, reduction, proration or repayment of any fees or charges earned by each Lender pursuant notwithstanding any termination of the Loan Agreement. All fees, charges and Secured Party Expenses due under this Agreement shall, unless otherwise set forth in this Agreement or agreed by the parties, be capitalized and added to the principal of the Loans on the due date therefore.

**2.5 Payments; Application of Payments; Automatic Payment Authorization; Withholding.**

(a) All payments to be made by Borrowers under any Loan Document, including payments of principal and interest and all fees, charges, expenses, indemnities and reimbursements, shall be made in accordance with the terms of this Agreement, and if expressly required to be paid in cash, in immediately available funds in Dollars, without setoff, recoupment or counterclaim, before 3:00 p.m. Eastern Time on the date when due. Payments of principal and/or interest received after 3:00 p.m. Eastern Time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) No Borrower shall have a right to specify the order or the loan accounts to which a Lender shall allocate or apply any payments made by a Borrower to or for the benefit of such Lender or otherwise received by such Lender under this Agreement when any such allocation or application is not expressly specified elsewhere in this Agreement.

### **3. CONDITIONS OF LOANS**

**3.1 Conditions Precedent to the Loans.** Each Lender's obligation to make the Loans is subject to the condition precedent that the following conditions shall be satisfied, or, as applicable, Administrative Agent shall have received the following documents, in form and substance satisfactory to Administrative Agent:

- (a) this Agreement, duly executed by the parties thereto;
- (b) the Final DIP Order shall have been entered by the Bankruptcy Court and the DIP Budget shall have been approved by the Bankruptcy Court; and
- (c) the fees and other amounts due in accordance with Section 2.4(a) shall be satisfied (by such amounts being capitalized and added to the principal amount of the Obligations; and
- (d) the Borrower Representative shall have submitted a request for a Loan that complies with the terms of Section 3.4; and
- (e) no Default or Event of Default shall have occurred and be continuing or result from the making of the Loan.

**3.2 Conditions Precedent to all Loans.** Each Lender's obligations to make Loans is subject to the following conditions precedent having been satisfied:

- (a) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date such Loan is requested and on the Funding Date of each Loan; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall instead be true, accurate and complete in all material respects as of such date; and
- (b) no Default or Event of Default shall have occurred and be continuing or result from the making of the Loan; and

**3.3** [Reserved].

**3.4 Procedures for Borrowing.** To request a New Money DIP Loan, Borrower Representative shall deliver a written request to Administrative Agent (which may be delivered by email) specifying: (1) the principal amount of the requested DIP Loan, (2) the date of the requested Loan, which shall be no less than three (3) business days (or such earlier date agreed to by the Administrative Agent in its sole discretion) following the date of such request, and certifying as to the satisfaction of the applicable conditions precedent to the funding of such Loan, together with the proposed uses for the proceeds of such Loan.

### **4. CREATION OF SECURITY INTEREST**

**4.1 Grant of Security Interest.** Subject to the terms and conditions of the DIP Orders and the Carve Out, each Borrower hereby grants to Collateral Trustee, for the ratable benefit of the Secured Parties, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Trustee the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Subject to the Carve Out and the DIP Orders, each Borrower grants to the Collateral Trustee, for the benefit of the Secured Parties the following:

- (a) pursuant to section 364(c)(1) of the Bankruptcy Code, a superpriority administrative expense claim status with priority over all administrative expenses of the kind that are specified in Bankruptcy Code §§ 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), 726, 1114 or any other provisions of the Bankruptcy Code;
- (b) pursuant to section 364(c)(2) of the Bankruptcy Code, subject to the Carve-Out, a valid, binding, continuing, enforceable and fully and automatically perfected first priority senior security interest in and lien



upon all Collateral that as of the Petition Date is unencumbered and not subject to valid, perfected, and non-avoidable liens;

(c) pursuant to section 364(c)(3) of the Bankruptcy Code, a perfected junior lien, subject to the Carve-Out, on all Collateral that is subject to valid, perfected, and nonavoidable Permitted Liens (as defined in the Restated CVR Agreement) in existence as of the Petition Date or subject to valid and non-avoidable Permitted Lien (as defined in the Restated CVR Agreement) in existence at the time of such commencement that are perfected subsequent to such commencement as permitted by section 546(b) of the Bankruptcy Code; and

(d) pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable and fully and automatically perfected first priority priming security interest in and lien upon all Collateral, which security interest and lien shall be subject to the Carve-Out and any valid, perfected, and non-avoidable Permitted Lien (as defined in the Restated CVR Agreement) (collectively, the liens described in clauses (a) through (d) above, the “**DIP Liens**”).

If this Agreement is terminated, Collateral Trustee’s Lien in the Collateral shall continue until the Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist and any other obligations which, by their terms, are to survive the termination of this Agreement) are satisfied in full or released in accordance with applicable law.

**4.2 Priority of Security Interest.** Each Borrower represents, warrants, and covenants as follows:

(a) Subject to the approval of the Bankruptcy Court, such Borrower has full right and power to grant to Collateral Trustee a perfected, security interest and Lien in the Collateral, in accordance with the priority required in accordance with Section 4.1, pursuant to this Agreement and the other Loan Documents.

(b) Subject to the approval of the Bankruptcy Court, upon (i) the execution and delivery of this Agreement, and (ii) upon the entry of the Interim DIP Order or the Final DIP Order, as applicable, Collateral Trustee will have a good, valid and perfected Lien and security interest in the Collateral granted by the applicable Borrower, in accordance with priority required in accordance with Section 4.1.

**4.3 Superpriority Claims; Subordination in favor of Liens Granted to Collateral Trustee.** Subject to the terms and conditions of the DIP Orders and the Carve-Out, each Borrower warrants and covenants that, except as otherwise expressly provided in this paragraph, the Obligations

(a) shall, in accordance with section 364(c)(1) of the Bankruptcy Code, constitute allowed senior administrative expense claims against each Borrower and their estates (the “**Superpriority Claims**”) with priority in payment over any and all administrative expenses at any time existing or arising, of any kind or nature whatsoever, including, without limitation, the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including, but not limited to, Sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 and 1114 of the Bankruptcy Code or otherwise, including those resulting from the conversion of any of the Chapter 11 Cases pursuant to Section 1112 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment; provided, however, that the Superpriority Claims shall be subject to and subordinate to only the Carve-Out and Permitted Prior Liens; and

(b) shall be secured by valid, enforceable, non-avoidable and perfected liens on and security interests in favor of Collateral Trustee for the benefit of the Secured Parties in the Collateral, in accordance with Section 4.1.

In the event any of the Collateral is transferred to any Borrower, such transfer shall be subject in all respects to the Liens in favor of Collateral Trustee for the benefit of the Secured Parties in accordance with this Agreement. The Superpriority Claims referred to in this Section 4.3 shall have the priority afforded to such Superpriority Claims in the DIP Orders. No perfection steps shall be required so long as the Interim DIP Order or the Final DIP Order, as applicable, remains in full force and effect. Pursuant to Section 1141(d)(4) of the Bankruptcy Code, each Borrower hereby waives any discharge of the Obligations with respect to any plan of reorganization that shall not provide for the payment in full in cash or other satisfaction of the Obligations under this Agreement.

**5. REPRESENTATIONS AND WARRANTIES**

Each Borrower represents and warrants as follows:

**5.1 Due Organization, Authorization; Power and Authority.**

(a) Each Borrower and each of its Subsidiaries are duly existing and in good standing as a Registered Organization in their respective jurisdictions of formation and are qualified and licensed to do business and are in good standing in any other jurisdiction in which the conduct of their respective business or ownership of property require that they be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Each Borrower's exact legal name is that indicated on the signature page hereof.

(b) Subject to entry of the DIP Orders, the execution, delivery and performance by each Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with such Borrower's Operating Documents or other organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable material order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which such Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which such Borrower is bound.

**5.2 Collateral.** Subject to entry of the DIP Orders, each Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens.

**5.3 Litigation and Proceedings.** Except as disclosed in writing to Administrative Agent, there are no actions, suits, litigations or proceedings, at law or in equity, pending, or, to the knowledge of any Responsible Officer, threatened in writing, by or against any Borrower or any of its Subsidiaries, officers or directors involving more than, individually or in the aggregate for all related proceedings, \$250,000 or in which any adverse decision has had or could reasonably be expected to have any Material Adverse Effect.

**5.4 Financial Information.** All financial information provided to Administrative Agent in connection with the Loan is true and accurate in all material respects, and all budgets and projections are prepared in good faith.

**5.5 Compliance with Laws.**

(a) No Borrower or Subsidiary of a Borrower is an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940 as amended.

(b) No Borrower or Subsidiary of a Borrower is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin security" as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as "**Margin Stock**"). None of the proceeds of the Loans or other extensions of credit under this Agreement have been (or will be) used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any Margin Stock or for any other purpose which might cause any of the Loans or other extensions of credit under this Agreement to be considered a "purpose credit" within the meaning of Regulation T, U or X of the Federal Reserve Board.

(c) No Borrower has taken or permitted to be taken any action which might cause any Loan Document to which it is a party to violate any regulation of the Federal Reserve Board. Neither the making of the Loans hereunder nor Borrowers' use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. No Borrower, nor any of its Subsidiaries, nor any Affiliate of any Borrower or of any Subsidiary, nor any present holder of Equity Interests of any of the foregoing (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons

List of the Office of Foreign Assets Control of the United States Department of Treasury (“OFAC”) or in Section 1 of the Anti-Terrorism Order or similar sanctions laws of any other Governmental Authority including of any other applicable jurisdiction, (ii) is a citizen or resident of any country that is subject to embargo or trade sanctions enforced by OFAC, (iii) is, or will become, a Person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of the Anti-Terrorism Order, or (iv) engages in any dealings or transactions, or is otherwise associated, with any such Person.

(d) Each Borrower and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act. No part of the proceeds from the Loans made hereunder has been (or will be) used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(e) No Reportable Event or Prohibited Transaction, as defined in ERISA has occurred or is reasonably expected to occur, and no Borrower has failed to meet the minimum funding requirements of ERISA. No Borrower has violated any applicable environmental laws in any material respect, maintains any properties or assets which have been designated in any manner pursuant to any environmental protection statute as a hazardous materials disposal site, or has received any notice, summons, citation or directive from the Environmental Protection Agency or any other similar Governmental Authority.

**5.6 Full Disclosure.** No written representation, warranty or other statement of a Borrower or any of its Subsidiaries in any certificate or written statement by or on behalf of a Borrower or any of its Subsidiaries in connection with this Agreement, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not materially misleading in light of the circumstances under which they were made (it being recognized that the projections and forecasts provided by any Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

## **6. AFFIRMATIVE COVENANTS**

Each Borrower shall, and shall cause each other Borrower to, do all of the following:

**6.1 Government Compliance.** Maintain its and all its Subsidiaries’ legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect; comply, and cause each Subsidiary to comply, with all laws, ordinances and regulations to which it is subject except where a failure to do so could not reasonably be expected to have a Material Adverse Effect; obtain all of the material Governmental Approvals required in connection with such Borrower’s business (in each case, the failure of which to obtain, could reasonably be expected to have a Material Adverse Effect) and for the performance by each Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest in accordance therewith, and comply with all terms and conditions with respect to such Governmental Approvals.

**6.2 Reporting.** Provide Administrative Agent with the following:

(a) Variance Report. Weekly, on the first Business Day of each week, a variance report (the “**Variance Report**”) setting forth the following, each on a single, line item basis: (A) a comparison of the actual and budgeted line item disbursements and receipts of Borrowers during the preceding week (the “**Testing Period**”); and (B) any variance (whether positive or negative, expressed as a percentage) between the disbursements made during such Testing Period against the disbursements for the such Testing Period as set forth in the DIP Budget, with a detailed explanation provided of any variance in excess of 5%.

(b) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against any Borrower or any of its Subsidiaries that could result in damages or costs to any Borrower on any of its Subsidiaries, individually or in the aggregate for all related proceedings, of \$50,000 or more, or of any Borrower or any of its Subsidiaries taking or threatening legal action against any third person with respect to a claim of \$50,000 or more, and with respect to any pending action or threatened action, a prompt report of any material development with respect thereto.

(c) Other Information. From time to time, upon Administrative Agent's request, any other information related to the financial or business condition of any Borrower as requested by Administrative Agent.

**6.3 [Reserved]**

**6.4 [Reserved]**

**6.5 [Reserved]**

**6.6 [Reserved]**

**6.7 [Reserved]**

**6.8 Litigation Cooperation.** From the Closing Date and continuing through the Termination Date, make available to any Secured Party on reasonable terms and reasonable advanced notice, as applicable, each Borrower and its officers, employees and agents and each Borrower's books and records, to the extent that such Secured Party may deem them reasonably necessary to prosecute or defend any lawsuit or proceeding to which such Secured Party is a party to the extent such lawsuit or proceeding arises out of a Claim asserted by a third party against a Secured Party in connection with the transactions contemplated by the Loan Documents or the Collateral. Any obligations hereunder shall be without expense to such Secured Party; provided, however, any costs and expenses incurred by Borrowers hereunder shall constitute Secured Party Expenses and shall be treated in accordance with the terms set forth in Section 2.4 of this Agreement.

**6.9 Access to Collateral; Books and Records.** Allow Administrative Agent, Collateral Trustee, or its respective agents, to inspect the Collateral and audit and copy such Borrower's Books in accordance with Section 6.12. Such inspections or audits shall be conducted once during the term of this Agreement, unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Administrative Agent shall determine is necessary. The foregoing inspections and audits shall be at Borrowers' expense, to be paid by adding such amount to the principal of the Obligations.

**6.10 DIP Budget; Use of Proceeds**

(a) The proceeds of the New Money DIP Loans and Cash Collateral shall be used exclusively for:

- (i) post-petition working capital purposes of Borrowers;
- (ii) the administration of the Chapter 11 Cases, including the funding of a Chapter 11 Plan and related matters, including the claims reconciliation process and the wind-down of Borrowers;
- (iii) interest, fees, and Secured Party Expenses under the Loan Documents;

or

- (iv) as otherwise agreed by Administrative Agent in the DIP Budget;

in each case, solely in accordance with the approved DIP Budget and the Interim DIP Order or Final DIP Order, as applicable, subject to any variances approved by Administrative Agent or Permitted Variances.

(b) No proceeds from the Loans, Collateral (including Cash Collateral), or any portion of the Carve-Out, may be used directly or indirectly, including without limitation through reimbursement of professional fees of any non-Debtor party, in connection with (i) the investigation, threatened initiation, or prosecution of any claims, causes of action, adversary proceedings or other litigation against any of the Secured Parties, or any action purporting to do the foregoing in respect of the Obligations or the Prepetition Obligations; or (ii) challenging the amount, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset with respect to the Obligations or Prepetition Obligations.

(c) [Notwithstanding the foregoing, an aggregate amount of proceeds of the Loans, Collateral or Cash Collateral in an amount not to exceed \$25,000 may be used by the Creditors' Committee to investigate the validity, perfection, priority, extent, or enforceability of the liens securing the Prepetition Obligations provided any such investigation must take place within the Challenge Period.]

(d) Borrowers shall not allow the operating disbursements for any Testing Period to exceed the amount set forth in the DIP Budget on a cumulative basis during the relevant Testing Period by more than 10.0% (the "**Permitted Operating Disbursements Variance**"); provided, that, for any applicable Testing Period, the actual fees and expenses of the Borrowers' advisors shall not vary from the amount set forth for such expenses in the DIP Budget by more than 10.0% (the "**Permitted Professional Fees Variance**" and together with the Permitted Operating Disbursements Variance, the "**Permitted Variances**"); provided further that for purposes of testing the Permitted Professional Fees Variance, any budgeted expenses of Borrowers' advisors unused during any Testing Period shall be carried forward into the following Testing Period. Notwithstanding anything herein, any variance testing in connection with the DIP Budget shall not apply to the Secured Party Expenses.

(e) Variances (other than Permitted Variances), if any, from the DIP Budget, and any proposed changes to the DIP Budget, shall be subject to the written consent of Administrative Agent in its sole and absolute discretion. Borrowers shall be deemed in compliance with the DIP Budget unless, as for any Testing Period, the operating disbursements or disbursements for professional fees vary from the DIP Budget by more than the applicable Permitted Variance during the Testing Period.

#### **6.11 Restructuring Milestones.**

(a) Borrowers shall be subject to the following deadlines in the Chapter 11 Cases, each of which may be extended only with the prior written consent of Administrative Agent, which consent may be withheld in the Administrative Agent's sole discretion:

(i) The Bankruptcy Court shall have entered the Final DIP Order by the date that is no later than thirty (30) days following the Petition Date;

(ii) The Bankruptcy Court shall have entered an order approving the Solicitation Motion by the date that is no later than thirty-one (31) days following the Petition Date; and

(iii) The Bankruptcy Court shall have entered an order confirming the Chapter 11 Plan by no later than seventy-two (72) days following the Petition Date.

(b) Each of the Solicitation Motion, the Chapter 11 Plan and the Final DIP Order shall be in form and substance reasonably acceptable to the Administrative Agent.

(c) The Final DIP Order shall contain customary stipulations, admissions, agreements, and releases relating to the Prepetition Obligations, which stipulations, admissions, agreements, and releases shall be binding on Borrowers in all circumstances. Borrowers' stipulations, admissions, agreements, and releases shall additionally be binding upon entry of the Interim DIP Order upon all other parties in interest, including, without limitation, any statutory or non-statutory committees appointed in the Chapter 11 Cases and any other person or entity acting or seeking to act on behalf of Borrowers' estates, including any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for any of the Borrowers in their capacity as debtors, in all circumstances and for all purposes unless a party in interest with standing or the requisite authority (other than Borrowers, as to which any right to challenge the stipulations, admissions, and releases discussed herein is irrevocably waived and relinquished upon entry of the Interim DIP Order) has, under the appropriate Federal Rules of Bankruptcy Procedure, timely and properly filed an adversary proceeding or contested matter by no later than the earlier of (x) as to the Creditors' Committee only, seventy-five (75) calendar days after the appointment of the Creditors' Committee, (y) if the Chapter 11 Cases are converted to chapter 7 and a chapter 7 trustee is appointed or elected prior to the end of the Challenge Period, then the Challenge Period for any such chapter 7 trustee shall be extended (solely as to such chapter 7 trustee) to the date that is the later of (1) seventy-five (75) calendar days after entry of the Interim DIP Order, or (2) the date that is thirty (30) calendar days after its appointment, and (z) as for all other parties in interest, seventy-five (75) calendar days after entry of the Interim DIP Order (such applicable period, the "**Challenge Period**", and such filing, a "**Challenge**"); provided, however, that nothing contained in this Agreement, any other Loan Document, the DIP Orders or related documents shall be deemed to confer standing on any Creditors' Committee or any other party in interest.

(d) The Final DIP Order shall contain language providing that the liens granted in connection with the Obligations shall be subject to the priorities and entitled to the superpriority administrative expenses claims described in Section 4.2.

(e) The Final DIP Order shall provide, as adequate protection for the use of the collateral securing the Prepetition Obligations and the priming of the liens and security interests granted to the Prepetition Secured Parties with respect to the Prepetition Obligations, customary adequate protection replacement liens and superpriority claims for any diminution in value of the Prepetition Secured Parties' interest in the Prepetition Collateral, including:

(i) superpriority administrative expense claim status;

(ii) replacement liens on all Prepetition Collateral, junior only to the DIP Liens, but subject to any prior Permitted Liens; and

(iii) commencing on the Petition Date, postpetition interest shall accrue in kind on the Bridge Loan Obligations and the CVR Obligations on a monthly basis (collectively, the adequate protection replacement liens and Superpriority claims described in clauses (i) through (iii), the “**Adequate Protection**”).

For the avoidance of doubt, the grant of Adequate Protection shall be of no force and effect to the extent that a portion of the Prepetition Obligations are indefeasibly satisfied in full by Initial Roll-Up Loans and Final Roll-Up Loans or the Liens in favor of the Prepetition Secured Parties securing the Prepetition Obligations are invalidated for any reason, including without limitation by a Challenge.

(f) The Borrowers shall not seek, consent or suffer to exist any modification, stay, vacation or amendment to the DIP Orders.

(g) The Borrowers shall not propose and/or support any Chapter 11 Plan other than in accordance with this Agreement and as approved by Administrative Agent.

**6.12 Management Rights.** Any representative of Administrative Agent shall have the right to meet with management and officers of Borrowers to discuss books of account and records of Borrowers upon reasonable prior written notice to Borrower Representative and during normal business hours. In addition, Administrative Agent shall be entitled at reasonable intervals, upon reasonable prior written notice, to consult and advise with the management and officers of Borrowers concerning significant business issues affecting Borrowers. The parties intend that the foregoing rights granted to Administrative Agent shall constitute “management rights” within the meaning of 29 C.F.R. Section 2510.3-101(d)(3)(ii), but that any advice, recommendations or participation by Administrative Agent with respect to any business issues shall not be deemed to give Administrative Agent, nor be deemed an exercise by Administrative Agent of, control over Borrowers' management or policies, and Borrowers shall have no obligation to act upon or follow any such advice or recommendation.

**6.13 Further Assurances.** Subject to the terms hereof and the other Loan Documents, execute any further instruments and take further action as Administrative Agent or Collateral Trustee reasonably request to perfect or continue Collateral Trustee's Lien in the Collateral or to effect the purposes of this Agreement.

## **7. NEGATIVE COVENANTS**

No Borrower shall, or shall cause or permit any of its Subsidiaries to, do any of the following, without Administrative Agent's prior written consent, in its sole discretion:

**7.1 Dispositions.** Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, “**Transfer**”) all or any part of its business or property, except for Permitted Transfers.

**7.2 Changes in Business, Management, Ownership, or Business Locations.** (a) Engage in any business other than the businesses currently engaged in by such Person, as applicable, or reasonably related thereto; (b) cease doing business, or liquidate or dissolve; (c) permit or suffer a Change in Control; or (d) without at least ten (10) days prior written notice to Administrative Agent (i) change its jurisdiction of organization, (ii) change its

organizational structure or type, (iii) change its legal name, or (iv) change its organizational number (if any) assigned by its jurisdiction of organization.

**7.3 Mergers or Acquisitions.** Merge or consolidate with any other Person (except if concurrently with, and as a condition to the effectiveness of, the closing of such merger or consolidation, the Obligations shall be repaid in full, in cash), or acquire all or substantially all of the capital stock or property of another Person or business line of another Person (including, without limitation, by the formation of any Subsidiary).

**7.4 Indebtedness.** Create, incur, assume, or be liable for any Indebtedness, other than Permitted Indebtedness.

**7.5 Encumbrance.** Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, except for Permitted Liens, or otherwise permit any Collateral not to be subject to the first priority security interest granted herein, except in connection with Permitted Liens.

**7.6 Maintenance of Collateral Accounts.** Maintain any Collateral Account unless an Account Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Collateral Trustee's Lien in such Collateral Account is in effect prior to the transfer of any balance or assets to such Collateral Account.

**7.7 Distributions; Investments.** (a) Pay any cash dividends or make any cash distribution or cash payment or redeem, retire or purchase for cash any Equity Interests; or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary), other than Permitted Investments.

**7.8 Transactions with Affiliates.** Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of a Borrower, except for (a) transactions on fair and reasonable terms that are no less favorable to such Person than would be obtained in an arm's length transaction with a non-affiliated Person, (b) transactions among Borrowers, (c) transactions with other Affiliates in existence on the Closing Date and disclosed in writing to Administrative Agent; and (d) transactions otherwise contemplated to be entered into among a Borrower or Subsidiary and an Affiliate and permitted under this Agreement, or transactions with an Affiliate in accordance with the permitted disbursements described on Schedule 1, provided that such transaction is identified as an Affiliate transaction therein.

**7.9 Subordinated Debt.** (a) Make or permit any payment on any Subordinated Debt, except as permitted pursuant to the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, as applicable, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to the Obligations, in each case, except to the extent permitted by the terms of the applicable subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, as applicable.

**7.10 Compliance.** Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Loan for that purpose; take any action or fail to take any action (or suffer any other Person to do so), to the extent the same would cause the representations set forth in Section 5.5(c) to be untrue; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Effect; withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any material liability of a Borrower or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

## **8. EVENTS OF DEFAULT**

Any one of the following shall constitute an event of default (an “**Event of Default**”) under this Agreement:

**8.1 Payment Default.** Any Borrower fails to pay any Obligations after such Obligations are due and payable, provided, that, if any amount is capitalized and added to the outstanding principal hereof, such Obligations shall be deemed paid for all purposes of this Agreement, including this Section 8.1.

### **8.2 Covenant Default.**

(a) A Borrower fails or neglects to perform any obligation in Sections 6.2(b), 6.10 or 6.11 or violates any covenant in Section 7; or

(b) A Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days (or in case of a failure to comply with Section 6.2 (other than Section 6.2(b), within two (2) Business Days) after the occurrence thereof.

### **8.3 [Reserved]**

### **8.4 Attachment; Levy; Restraint on Business.**

(a) (i) The service of process seeking to attach, by trustee or similar process, any material funds of a Borrower or of any of its Subsidiaries, or (ii) a notice of Lien or levy is filed against the material assets of any Borrower or any of its Subsidiaries by any Governmental Authority, and the same under clauses (i) and (ii) hereof are not, within thirty (30) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Loans shall be made during any thirty (30) day cure period; or

(b) (i) Any material portion of the assets of a Borrower or any of its Subsidiaries is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents a Borrower or any of its Subsidiaries from conducting all or any material part of its business, and, in case such court order applies to other businesses in the same geographic location, in the same or similar line of business or otherwise to similarly situated businesses generally, such court order is not vacated or modified to avoid such restriction on the operation of the business within thirty (30) days following the entry thereof.

### **8.5 Chapter 11 Cases; Trustee; Cash Collateral; Etc.**

(a) Any of the Chapter 11 Cases of Borrowers shall be dismissed or converted to a case under Chapter 7 of the Bankruptcy Code without the consent of Administrative Agent, or an order shall be entered denying confirmation of the Chapter 11 Plan.

(b) A trustee under Chapter 11 of the Bankruptcy Code or an examiner with enlarged powers (beyond those powers set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code shall be appointed in any of the Chapter 11 Cases.

(c) An order of the Bankruptcy Court shall be entered denying or terminating use of Cash Collateral by Borrowers.

(d) Any Borrower shall fail to comply with the applicable DIP Order in any material respect, and such failure has not been remedied or waived within three (3) days after such Borrower receiving a written notice from Administrative Agent of such failure.

**8.6 Other Agreements.** There is, under any agreement to which a Borrower or any of its Subsidiaries is a party with a third party or parties, (a) any acceleration event occurs pursuant to the Restated CVR Agreement; or (b) any breach or default by a Borrower or a Subsidiary of such Borrower, the result of which could reasonably be expected to have a Material Adverse Effect.



**8.7 Judgments; Penalties.** (a) One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least \$250,000 shall be rendered against a Borrower or any of its Subsidiaries by any Governmental Authority, or (b) one or more fines, penalties or final judgments, orders or decrees for the payment of money which could reasonably be expected to result in a Material Adverse Effect, and, in each case, the same are not, within twenty (20) days after the entry, assessment or issuance thereof, vacated, or after execution thereof, stayed or bonded pending appeal, (provided that no Loans will be made prior to the vacation, stay, or bonding of such fine, penalty, judgment, order or decree).

**8.8 Misrepresentations.** Any Borrower or any Person acting for such Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Administrative Agent, Collateral Trustee or any Lender or to induce Administrative Agent, Collateral Trustee or any Lender to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made.

**8.9 Subordinated Debt.** Any Subordination Agreement governing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any party thereto (other than a Secured Party) shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further obligation thereunder, or the Obligations shall for any reason not have the priority contemplated by this Agreement.

**8.10 Restructuring; Priorities.** (a) Mr. Craig Jalbert is terminated, resigns or for any other reason ceases to serve as the sole director and chief executive officer of Parent, in each case, unless a successor acceptable to Administrative Agent is appointed or elected, as applicable, promptly thereafter; (b) the occurrence of any event or circumstances that impairs or interferes with the ability of the chief executive officer of Parent or the Board to comply with the terms of this Agreement, including to cause Borrowers to achieve the milestones described in Section 6.11, or that result in material delay in achieving the same, and (c) the Obligations or the Prepetition Obligations shall not have the priority contemplated by this Agreement or the DIP Orders, or the entry of any order in the Chapter 11 Cases avoiding or requiring repayment of any portion of the payments made on account of the Obligations or the Prepetition Obligations.

## **9. COLLATERAL TRUSTEE'S RIGHTS AND REMEDIES**

**9.1 Acceleration.** [Notwithstanding the provisions of Section 362 of the Bankruptcy Code, but subject to the applicable provisions of the DIP Orders], if an Event of Default occurs and continues without cure for at least three (3) Business Days following notice from Administrative Agent of the Event of Default to Borrower Representative, Administrative Agent, is entitled, without notice or demand, to declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Administrative Agent), and to stop advancing money or extending credit for any Borrower's benefit under this Agreement.

**9.2 Remedies.** [Notwithstanding the provisions of Section 362 of the Bankruptcy Code, but subject to the applicable provisions of the DIP Orders,] if an Event of Default occurs and is continuing without cure for at least three (3) Business Days following notice of the Event of Default by Administrative Agent to Borrower Representative, Collateral Trustee is entitled, solely at the direction of Administrative Agent, subject to the terms of the Collateral Trust Agreement, without notice or demand, to do any or all of the following, to the extent not prohibited by applicable law:

(a) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Administrative Agent may determine is advisable, and notify any Person owing a Borrower money of Collateral Trustee's security interest in such funds;

(b) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral;

(c) ratably apply to the Obligations any amount held by Collateral Trustee owing to or for the credit or the account of a Borrower;

- (d) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral;
- (e) deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Account Control Agreement or similar agreements providing control of any Collateral;
- (f) demand and receive possession of any Borrower's Books; and
- (g) exercise all rights and remedies available to Collateral Trustee under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof or in accordance with applicable law).

Borrowers shall assemble the Collateral if Collateral Trustee requests and make it available as Collateral Trustee designates. Collateral Trustee may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Each Borrower grants Collateral Trustee a license, solely exercisable upon the occurrence and during the continuation of an Event of Default to enter and occupy any of its premises, without charge, to exercise any of Collateral Trustee's rights or remedies. Collateral Trustee is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, a Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Collateral Trustee's exercise of its rights under this Section, a Borrower's rights under all licenses and all franchise agreements inure to Collateral Trustee's benefit. If, after the acceleration of the Obligations, a Borrower receives proceeds of Collateral, such Borrower shall deliver such proceeds to Collateral Trustee, for the ratable benefit of the Secured Parties, to be applied to the Obligations.

**9.3 Power of Attorney.** Subject to the provisions of the Bankruptcy Code, each Borrower hereby irrevocably appoints Collateral Trustee (and any of Collateral Trustee's partners, managers, officers, agents or employees) as its lawful attorney-in-fact, with full power of substitution, exercisable upon the occurrence and during the continuation of an Event of Default, to: (a) send requests for verification of Accounts or notify Account Debtors of Collateral Trustee's security interest and Liens in the Collateral; (b) endorse such Borrower's name on any checks or other forms of payment or security; (c) sign such Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors schedules and assignments of Accounts, verifications of Accounts, and notices to Account Debtors; (d) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Administrative Agent or Collateral Trustee determine reasonable; (e) make, settle, and adjust all claims under such Borrower's insurance policies; (f) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (g) transfer the Collateral into the name of Collateral Trustee or a third party as the Code permits; and (h) dispose of the Collateral. Subject to the Bankruptcy Code, each Borrower further hereby appoints Collateral Trustee (and any of Collateral Trustee's partners, managers, officers, agents or employees) as its lawful attorney-in-fact, with full power of substitution, regardless of whether or not an Event of Default has occurred or is continuing to: (i) sign such Borrower's name on any documents and other Security Instruments necessary to perfect or continue the perfection of, or maintain the priority of, Collateral Trustee's security interest in the Collateral, (ii) take all such actions which such Borrower is required, but fails to do under the covenants and provisions of the Loan Documents; (iii) take any and all such actions as Collateral Trustee may reasonably determine to be necessary or advisable for the purpose of maintaining, preserving or protecting the Collateral or any of the rights, remedies, powers or privileges of Collateral Trustee under this Agreement or the other Loan Documents. Collateral Trustee's foregoing appointment as each Borrower's attorney in fact, and all of Collateral Trustee's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist and any other obligations which, by their terms, are to survive the termination of this Agreement) have been fully repaid, in cash, and otherwise fully performed and all commitments to make Loans hereunder have been terminated.

#### **9.4 [Reserved]**

**9.5 Application of Payments and Proceeds Upon Default.** If an Event of Default has occurred and is continuing, Collateral Trustee shall have the right to apply in any order any funds in its possession, whether payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations, for the ratable benefit of the Secured Parties. Collateral Trustee shall pay any surplus to Borrowers by

credit to the Deposit Account designated by Borrowers or as directed by a court of competent jurisdiction. Borrowers shall remain liable to Collateral Trustee and Lenders for any deficiency. If Collateral Trustee, as directed by Administrative Agent in Administrative Agent's good faith business judgment, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Collateral Trustee may, at the direction of Administrative Agent, either reduce the Obligations by the principal amount of the purchase price or defer the reduction of the Obligations until the actual receipt by Collateral Trustee of cash or immediately available funds therefor.

**9.6 Collateral Trustee's Liability for Collateral.** So long as Collateral Trustee accords treatment to the Collateral in its possession substantially equal to the treatment which it accords to its own property, Collateral Trustee shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrowers bear all risk of loss, damage or destruction of the Collateral.

**9.7 No Waiver; Remedies Cumulative.** Any failure by Administrative Agent, Collateral Trustee or any Lender, at any time or times, to require strict performance by each Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Administrative Agent, Collateral Trustee or any Lender thereafter to demand strict performance and compliance herewith or therewith. Secured Parties' rights and remedies under this Agreement and the other Loan Documents are cumulative. Secured Parties have all rights and remedies provided under the Code, by law, or in equity. Any Secured Party's exercise of one right or remedy is not an election and shall not preclude any Secured Party from exercising any other remedy under this Agreement or other remedy available at law or in equity, and any waiver of any Event of Default is not a continuing waiver. Any delay in exercising any remedy is not a waiver, election, or acquiescence.

**9.8 Demand Waiver; No Marshaling; Etc.** Each Borrower waives presentment, demand, notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension, or renewal of accounts, documents, instruments or chattel paper. Upon entry of the Final DIP Order, the Secured Parties and the Prepetition Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral or the Prepetition Collateral, as applicable, and all proceeds shall be received and applied in accordance with the Loan Documents and the terms of the Prepetition Obligations. Except to the extent of the Carve-Out, no costs or expenses of administration of the Chapter 11 Cases or any future or successor cases therefrom shall be charged against or recovered from the Collateral (including Cash Collateral) or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principles of law, without the prior written consent of the Collateral Trustee acting at the direction of the Administrative Agent, and no consent shall be implied from any other action, inaction, or acquiescence by any Secured Party and nothing in this Agreement, the other Loan Documents or the DIP Orders shall be deemed to be a consent by any Secured Party to any charge, lien, assessment, or claims against the Collateral (including Cash Collateral) under section 506(c) of the Bankruptcy Code or otherwise. In no event shall the "equities of the case" exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties with respect to the Prepetition Obligations and proceeds, products, offspring, or profits of any Prepetition Collateral. The Final DIP Order shall approve the waiver of all claims against the Collateral (including Cash Collateral) under section 506(c) of the Bankruptcy Code and similar rights under section 552(b) of the Bankruptcy Code.

**9.1 Shares.** Each Borrower recognizes that Collateral Trustee may be unable to effect a public sale of any or all the Shares, by reason of certain prohibitions contained in federal securities laws and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Borrower acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Collateral Trustee shall be under no obligation to delay a sale of any of the Shares for the period of time necessary to permit the issuer thereof to register such securities for public sale under federal securities laws or under applicable state securities laws, even if such issuer would agree to do so.

## **10. NOTICES**

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon confirmation of receipt, when sent by

electronic mail transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, or email address indicated below. Administrative Agent, Collateral Trustee, Lenders and Borrowers may change their respective mailing or electronic mail addresses by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrowers:	MOLECULAR TEMPLATES OPCO, INC. 9301 Amberglen Blvd, Suite 100 Austin, TX 78729 Attention: Craig Jalbert Email: adam.cutler@mtm.com
With a copy, not constituting notice, to:	MORRIS, NICHOLS, ARSHT & TUNNELL, LLP 1201 North Market Street, 16 <sup>th</sup> Floor Wilmington, DE 19801 Attention: Tarik J. Haskins Eric Schwartz thaskins@morrisnichols.com ericschwartz@morrisnichols.com
If to Collateral Trustee:	ANKURA TRUST COMPANY, LLC 140 Sherman Street, Fourth Floor Fairfield, CT 06824 Attention: Beth Micena Email: beth.micena@ankura.com
With a copy, not constituting notice, to:	ROPES & GRAY LLP 10250 Constellation Boulevard Los Angeles, CA 90067 Attention: Jennifer Harris Email: Jennifer.Harris@ropesgray.com
If to Administrative Agent or Lenders:	K2 HEALTHVENTURES LLC 855 Boylston Street, 10th Floor Boston, MA 02116 Email: finance@k2hv.com; parag@k2hv.com; bbang@k2hv.com; derek@k2hv.com
With a copy to (but not constituting notice, and excluding Loan Requests and regular reporting):	<b>SIDLEY AUSTIN LLP</b> 1001 Page Mill Rd, Building 1 Palo Alto, CA 94304 Attention: Cynthia Bai Email: cbai@sidley.com

# **11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER**

Except as otherwise expressly provided in any of the Loan Documents and except as governed by the Bankruptcy Code, this Agreement and the other Loan Documents shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of law. Each party hereto hereby submits to the jurisdiction of the Bankruptcy Court, and if the Bankruptcy Court does not have or abstains from jurisdiction, the State and Federal courts in New York County, City of New York, New York; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Collateral Trustee from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Administrative Agent, Collateral Trustee or any Lender. Each party hereto expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each party hereto waives any objection that it may have based upon lack of personal jurisdiction,

improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each party hereto waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to such party at the address set forth in, or subsequently provided by such party in accordance with, Section 10 and that service so made shall be deemed completed upon the earlier to occur of such party's actual receipt thereof or three (3) Business Days after deposit in the U.S. mails, proper postage prepaid. Each party hereto hereby expressly waives any claim to assert that the laws of any other jurisdiction govern this Agreement.

**TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT OR ANYWHERE ELSE, EACH party hereto AGREES THAT IT SHALL NOT SEEK FROM ANY OTHER PARTY UNDER ANY THEORY OF LIABILITY (INCLUDING ANY THEORY IN TORTS), ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES. EACH PARTY hereto HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.**

This Section 11 shall survive the termination of this Agreement.

## **12. GENERAL PROVISIONS**

**12.1 Termination Prior to Maturity Date; Survival; Release of Collateral.** All covenants, representations and warranties and grants of security interests made in this Agreement continue in full force until the Termination Date. So long as Borrowers have satisfied the Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist and any other obligations which, by their terms, are to survive the termination of this Agreement), this Agreement and any remaining commitments to extend credit may be terminated prior to the Maturity Date by Borrowers, by written notice of termination to Lenders. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination. Promptly after the Termination Date, Lenders shall direct Collateral Trustee to deliver evidence of the release of Collateral. Any such release shall be without recourse to or representation or warranty by Collateral Trustee of any kind.

### **12.2 Successors and Assigns.**

(a) Successors and Assigns Generally. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No Borrower may assign this Agreement or any rights or obligations under it without Lenders' prior written consent (which may be granted or withheld in each Lender's discretion).

(b) Assignment by Lenders. Each Lender has the right, without the consent of the Borrowers, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, such Lender's obligations, rights, and benefits under this Agreement and the other Loan Documents. Each such Lender shall notify the Administrative Agent of such assignment and deliver to the Administrative Agent a copy of any assignment and assumption agreement entered into in connection thereto. Notwithstanding anything herein to the contrary, any pledge or assignment of all or a portion of the rights, or a security interest in such rights, of K2 HealthVentures LLC as a Lender made to an Affiliate of K2 HealthVentures LLC, shall only be made to K2 HealthVentures Equity Trust LLC.

(c) Register: Participant Register. Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its offices in the United States a register for the recordation of the names and addresses of the Lenders, and any commitments to extend future Loans of, and principal amounts (and stated interest) of the Loans owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers, any Lender and the Collateral Trustee at any reasonable time and from time to time upon reasonable prior notice. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest)

of each participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

**12.3 Indemnification.** Each Borrower agrees to indemnify, defend and hold Administrative Agent, Collateral Trustee and each Lender and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Lender (each, an "Indemnified Person") harmless against: all obligations, demands, claims, and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort) (collectively, "Claims") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents except for Claims and/or losses to the extent directly caused by such Indemnified Person's gross negligence or willful misconduct as determined by a final non-appealable judgement of a court of competent jurisdiction. With respect to all such Claims, the litigation therefor or preparation for such litigation, each of the Secured Parties shall be entitled to select its own counsel and, in addition to the foregoing indemnity, Borrowers agree to pay promptly the reasonable and documented out-of-pocket fees and expenses of such counsel (but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees and expenses of one primary counsel for each of the Secured Parties and also appropriate local counsel (including Delaware bankruptcy counsel) in applicable local jurisdictions for each of the Secured Parties. Notwithstanding the foregoing, no Secured Party or Borrower shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, any loss of profits, business or anticipated savings) in connection with the transactions contemplated hereby. This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

**12.4 Borrower Liability.** If any Person is joined to this Agreement as a Borrower, the following provisions shall apply: Each Borrower hereunder shall be jointly and severally obligated to repay all Loans made hereunder, regardless of which Borrower actually receives said Loan, as if each Borrower hereunder directly received all Loans. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, and (b) any right to require Collateral Trustee to: (i) proceed against any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Collateral Trustee may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting any Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Collateral Trustee under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by such Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by a Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section shall be null and void. If any payment is made to a Borrower in contravention of this Section, such Borrower shall hold such payment in trust for Lenders and such payment shall be promptly delivered to Administrative Agent, for the ratable benefit of the Secured Parties, for application to the Obligations, whether matured or unmatured.

**12.5 Time of Essence.** Time is of the essence for the performance of all Obligations in this Agreement.

**12.6 Severability of Provisions.** Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

**12.7 Correction of Loan Documents.** Administrative Agent may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

**12.8 Amendments in Writing; Waiver; Integration.** No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be effective

except, pursuant to an agreement in writing by the parties thereto, and in case of this Agreement, pursuant to an agreement in writing entered into by Borrowers, Administrative Agent, the Required Lenders and Collateral Trustee, provided that Collateral Trustee's approval shall not be required for any amendment or supplement that has the effect solely of (i) adding or maintaining Collateral, securing additional Obligations that are otherwise permitted by the terms of this Agreement to be secured by the Collateral or preserving, perfecting or establishing the priority of the Liens thereon or the rights of Collateral Trustee therein; (ii) curing any ambiguity, defect or inconsistency; (iii) providing for the assumption of a Borrower's Obligations under any Loan Document in the case of a merger or consolidation or sale of all or substantially all of the assets of a Borrower; (iv) making any change that would provide any additional rights or benefits to the Administrative Agent, any Lender or Collateral Trustee or that does not adversely affect the legal rights under this Agreement or any other Loan Document of Collateral Trustee; or (v) to the extent the Collateral Trust Agreement does not require Collateral Trustee's approval to such amendment or modification. It is agreed that any change to the final sentence of Section 12.2(b) (and any change to this Agreement that would modify the consent required pursuant to this sentence) shall require the consent of the Collateral Trustee. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations among the parties about the subject matter of the Loan Documents merge into the Loan Documents. Notwithstanding anything set forth herein to the contrary, in the event of any conflict between this Agreement, on the one hand, and the terms of the DIP Orders, on the other, the terms of the DIP Orders shall govern.

**12.9 Counterparts; Electronic Execution of Documents.** This Agreement and any other Loan Documents, except to the extent otherwise required pursuant to the terms thereof, may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. Delivery of an executed counterpart of a signature page of any Loan Document by electronic means including by email delivery of a ".pdf" format data file shall be effective as delivery of an original executed counterpart of such Loan Document.

**12.10 Confidentiality; Publicity.**

(a) In handling any confidential information of any Borrower or its Subsidiaries, Administrative Agent, Collateral Trustee and each Lender agree to exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to its Subsidiaries or Affiliates; (b) to prospective transferees or purchasers of any interest in the Loans so long as such parties are bound by confidentiality terms consistent in all material respects with the terms hereof; (c) as required by law, regulation, subpoena, or other order and in connection with reporting obligations applicable to Administrative Agent, Collateral Trustee or such Lender, including pursuant to the Exchange Act, (d) to Administrative Agent, Collateral Trustee or such Lender's regulators or as otherwise required in connection with any examination or audit; (e) as Administrative Agent, Collateral Trustee or such Lender considers reasonably appropriate in connection with the exercise of remedies with respect to the Obligations; and (f) to third-party service providers of Administrative Agent, Collateral Trustee or such Lender so long as such service providers are bound by confidentiality terms not more permissive than the terms hereof. Confidential information does not include information that is either: (i) in the public domain or in Administrative Agent, Collateral Trustee or any Lender's possession when disclosed to Administrative Agent, Collateral Trustee or such Lender, as applicable, or becomes part of the public domain (other than as a result of its disclosure by Administrative Agent, Collateral Trustee or such Lender in violation of this Agreement) after disclosure to Administrative Agent, Collateral Trustee or such Lender, as applicable; or (ii) disclosed to Administrative Agent, Collateral Trustee or such Lender by a third party, if Administrative Agent, Collateral Trustee or such Lender, as applicable, does not know that the third party is prohibited from disclosing the information. The provisions of this paragraph shall survive the termination of this Agreement.

(b) No party hereto shall publicize or use another party's name or logo, or hyperlink to such other parties' website, describe the relationship of the parties or the transaction contemplated by this Agreement, in

written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the “**Publicity Materials**”) without prior written notice to the party that is the subject of the proposed Publicity Materials, together with a draft (or, if Publicity Materials are not proposed to be delivered in written form, an outline of the content to be included) so as to provide such subject party a reasonable opportunity to review prior to publication, and each party agrees, in connection with any Publicity Materials proposed by such party to reasonably consider requested changes or corrections requested by the party that is the subject of such Publicity Materials in good faith, and upon request, to provide the final form prior to publication or other dissemination.

**12.11 Borrower Representative.** Each of the Borrowers hereby appoints Borrower Representative to act as its exclusive agent for all purposes under the Loan Documents (including, without limitation, with respect to all matters related to the borrowing and repayment of any Loan). Each of the Borrowers acknowledges and agrees that (a) Borrower Representative may execute such documents on behalf of any Borrower as Borrower Representative deems appropriate in its sole discretion and each Borrower shall be bound by and obligated by all of the terms of any such document executed by Borrower Representative on its behalf, (b) any notice or other communication delivered hereunder to Borrower Representative shall be deemed to have been delivered to each Borrower and (c) Administrative Agent, Collateral Trustee and any Lender shall accept (and shall be permitted to rely on) any document or agreement executed by Borrower Representative on behalf of Borrowers (or any of them). Each Borrower must act through the Borrower Representative for all purposes under this Agreement and the other Loan Documents. Notwithstanding anything contained herein to the contrary, to the extent any provision in this Agreement requires any Borrower to interact in any manner with Administrative Agent, Collateral Trustee or any Lender, such Borrower shall do so through Borrower Representative.

**12.12 Captions.** The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

**12.13 Construction of Agreement.** The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

**12.14 Relationship.** The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. Except to the extent set forth herein, the parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm’s-length contract.

**12.15 Third Parties.** Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

**12.16 Appointment of Collateral Trustee.** Each Lender hereby appoints Collateral Trustee to act on behalf of Secured Parties as collateral trustee under this Agreement and the other Loan Documents, and to hold and enforce any and all Liens on Collateral granted by any of the Borrowers to secure any of the Obligations, all in accordance with the terms of the Collateral Trust Agreement. The provisions of this Section 12.16 are solely for the benefit of Collateral Trustee and Lenders and no Borrower nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. Collateral Trustee shall not have any duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents, together with such powers as are reasonably related thereto. The duties of Collateral Trustee shall be mechanical and administrative in nature and Collateral Trustee shall not have, or be deemed to have, by reason of this Agreement any other Loan Document or otherwise a fiduciary relationship in respect of any other Secured Party. The Collateral Trustee may resign or be removed or replaced, and a successor Collateral Trustee may be appointed in accordance with the terms and subject to the conditions of the Collateral Trust Agreement.

(b) Each Lender hereby agrees that upon receipt of instruction from the Administrative Agent, Collateral Trustee shall be entitled to take or refrain from taking such action, and shall be entitled to take all such actions set forth in the Collateral Trust Agreement.

(c) Neither Collateral Trustee nor any of its Affiliates nor any of their respective directors, officers, agents, employees, or advisors shall be liable for any action taken or omitted to be taken by it or them under



or in connection with this Agreement or the other Loan Documents, except for damages solely caused by its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment. Without limitation of the generality of the foregoing, Collateral Trustee: (i) may consult with legal counsel, accountants and other experts and consultants selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, experts or consultants; (ii) makes no warranty or representation to any other Secured Party and shall not be responsible to any other Secured Party for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Borrower or to inspect the Collateral (including the books and records of any Borrower); (iv) shall not be responsible to any other Secured Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by email, telecopy, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties. **Appointment of Administrative Agent.**

(a) Each Lender hereby appoints Administrative Agent to act on behalf of Lenders as administrative agent under this Agreement and the other Loan Documents. The provisions of this Section 12.17 are solely for the benefit of Administrative Agent and Lenders and no Borrower nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, Administrative Agent does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Borrower or any other Person. Administrative Agent shall not have any duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents, together with such powers as are reasonably related thereto. The duties of Administrative Agent shall be mechanical and administrative in nature and Administrative Agent shall not have, or be deemed to have, by reason of this Agreement, any other Loan Document or otherwise a fiduciary relationship in respect of any Lender.

(b) If Administrative Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Loan Document, then Administrative Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Required Lenders, and Administrative Agent shall incur no liability to any Person by reason of so refraining. Administrative Agent shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document for any reason. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent's acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of Lenders.

(c) Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective and their respective related parties. The exculpatory provisions of this Section 12.17 shall apply to any such sub-agent and to the related parties of such Administrative Agent and any such sub-agent. No Administrative Agent shall be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that such Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

(d) Neither Administrative Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for damages solely caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limitation of the generality of the foregoing, Administrative Agent: (i) may consult with legal counsel, independent chartered accountants and other experts and consultants selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, experts or consultants; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Borrower or to inspect the Collateral (including the books and records) of any Borrower; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or

any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by email, telecopy, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

(e) With respect to any commitments to extend future Loans hereunder, Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any other Lender and may exercise the same as though it were not Administrative Agent; and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated, include Administrative Agent in its individual capacity (to the extent it holds any Obligations owing to Lenders or commitments to extend Loans hereunder). Administrative Agent and each of its Affiliates may lend money to, invest in, and generally engage in any kind of business with, any Borrower, any of their Affiliates and any Person who may do business with or own securities of any Borrower or any such Affiliate, all as if Administrative Agent was not Administrative Agent and without any duty to account therefor to Lenders. Administrative Agent and its Affiliates may accept fees and other consideration from any Borrower for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

(f) Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender, made its own credit and financial analysis of the Borrowers and its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Each Lender acknowledges the potential conflict of interest of each other Lender as a result of Lenders holding disproportionate interests in the Loans, and expressly consents to, and waives any claim based upon, such conflict of interest.

(g) Each Lender agrees to indemnify Administrative Agent (to the extent not reimbursed by Borrowers and without limiting the obligations of Borrowers hereunder), ratably according to its respective Pro Rata Share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Administrative Agent in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by Administrative Agent in connection therewith; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from Administrative Agent’s gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the foregoing, each Lender agrees to reimburse Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable and documented counsel fees) incurred by Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and each other Loan Document, to the extent that Administrative Agent is not reimbursed for such expenses by the Borrowers.

(h) Administrative Agent may resign at any time by giving not less than thirty (30) days’ prior written notice thereof to Lenders, Collateral Trustee and Borrower Representative. Upon any such resignation, Lenders shall have the right to appoint a successor Administrative Agent that may be the Collateral Trustee. If no successor Administrative Agent shall have been so appointed by Lenders and shall have accepted such appointment within thirty (30) days after Administrative Agent’s giving notice of resignation, then Administrative Agent may, on behalf of Lenders, appoint a successor Administrative Agent, which shall be a Lender or Collateral Trustee, if a Lender or Collateral Trustee is willing to accept such appointment, or otherwise shall be a commercial bank or financial institution or a subsidiary of a commercial bank or financial institution if such commercial bank or financial institution has combined capital of at least \$300,000,000. If no successor Administrative Agent has been appointed pursuant to the foregoing, by the 30th day after the date such notice of resignation was given by the resigning Administrative Agent, such resignation shall become effective and Lenders shall thereafter perform all the duties of Administrative Agent hereunder until such time, if any, as Lenders appoint a successor Administrative Agent as provided above. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent. Upon the earlier of the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent or the effective date of the resigning Administrative Agent’s resignation, the resigning Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents, except that any indemnity, expense reimbursement or other rights in favor of such resigning Administrative Agent shall continue. After any resigning Administrative Agent’s resignation

hereunder, the provisions of this Section 12.17 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents. Notwithstanding the foregoing, as long as K2 HealthVentures LLC is a Lender pursuant to this Agreement, K2 HealthVentures LLC shall not resign as Administrative Agent unless a successor Administrative Agent is appointed concurrently with such resignation, which successor Administrative Agent shall have the wherewithal to perform, and shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent under this Agreement and the other Loan Documents.

(i) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuation of any Event of Default, with the prior written consent of Administrative Agent, each Lender and each holder of any Obligation is hereby authorized at any time or from time to time, without notice to any Borrower or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all balances held by it at any of its offices for the account of any Borrower or any Subsidiary of a Borrower (regardless of whether such balances are then due to such Borrower or such Subsidiary) and any other properties or assets any time held or owing by that Lender or that holder to or for the credit or for the account of any Borrower or any Subsidiary of a Borrower against and on account of any of the Obligations which are not paid when due. Any Lender or holder of any Obligation exercising a right to set off or otherwise receiving any payment on account of the Obligations in excess of its Pro Rata Share thereof in accordance with the terms of this Agreement relating to the priority of the repayment of the Obligations shall purchase for cash (and the other Lenders or holders shall sell) such participations in each such other Lender's or holder's Pro Rata Share of the Obligations as would be necessary to cause such Lender to share the amount so set off or otherwise received with each other Lender or holder in accordance with their respective Pro Rata Shares and in accordance with the terms of this Agreement relating to the priority of the repayment of the Obligations. Each Borrower agrees, to the fullest extent permitted by law, that (i) any Lender or holder may exercise its right to set off with respect to amounts in excess of its Pro Rata Share of the Obligations and may sell participations in such amount so set off to other Lenders and holders and (ii) any Lender or holders so purchasing a participation in the Loans made or other Obligations held by other Lenders or holders may exercise all rights of set-off, bankers' Lien, counterclaim or similar rights with respect to such participation as fully as if such Lender or holder were a direct holder of the Loans and the other Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the set-off amount or payment otherwise received is thereafter recovered from Lender that has exercised the right of set-off, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest.

(j) Nothing in this Agreement or the other Loan Documents shall be deemed to require Administrative Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its commitments to make Loans hereunder or to prejudice any rights that Borrowers may have against any Lender as a result of any default by such Lender hereunder. To the extent that Administrative Agent advances funds to Borrowers on behalf of any Lender and is not reimbursed therefor on the same Business Day as such advance is made, Administrative Agent shall be entitled to retain for its account all interest accrued on such advance until reimbursed by the applicable Lender.

(k) If Administrative Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Administrative Agent from Borrowers and such related payment is not received thereby, then Administrative Agent will be entitled to recover such amount from such Lender on demand without set-off, counterclaim or deduction of any kind.

(l) If Administrative Agent determines at any time that any amount received thereby under this Agreement shall be returned to Borrowers or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Administrative Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Administrative Agent on demand any portion of such amount that Administrative Agent has distributed to such Lender, together with interest at such rate, if any, as Administrative Agent is required to pay to Borrowers or such other Person, without set-off, counterclaim or deduction of any kind.

(m) Administrative Agent will use reasonable efforts to provide Lenders with any written notice of Event of Default received by Administrative Agent from, or delivered by Administrative Agent to, any Borrower; provided, however, that Administrative Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable solely to Administrative Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(n) Anything in this Agreement or any other Loan Document to the contrary notwithstanding, each Lender hereby agrees with each other Lender and with Administrative Agent that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or any other Loan Document (including exercising any rights of set-off) without first obtaining the prior written consent of the Required Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the other Loan Documents shall be taken in concert and at the direction or with the consent of Administrative Agent at the request of Required Lenders.

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[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Closing Date.

BORROWERS:

MOLECULAR TEMPLATES OPCO, INC.

By \_\_\_\_\_

Name: Craig Jalbert

Title: Chief Executive Officer

MOLECULAR TEMPLATES, INC.

By \_\_\_\_\_

Name: Craig Jalbert

Title: Chief Executive Officer

[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

COLLATERAL TRUSTEE:

ANKURA TRUST COMPANY, LLC

By \_\_\_\_\_

Name: Beth Micena

Title: Managing Director

[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

ADMINISTRATIVE AGENT:

K2 HEALTHVENTURES LLC

By \_\_\_\_\_

Name: Parag Shah

Title: Chief Executive Officer

LENDER:

K2 HEALTHVENTURES LLC

By \_\_\_\_\_

Name: Parag Shah

Title: Chief Executive Officer

**EXHIBIT A**

**DEFINITIONS**

As used in this Agreement, the following capitalized terms have the following meanings:

**“Account”** means any “account” as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to a Borrower.

**“Account Control Agreement”** means any control agreement entered into among the depository institution at which a Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which a Borrower maintains a Securities Account or a Commodity Account, one or more Borrowers, and Collateral Trustee pursuant to which Collateral Trustee, for the ratable benefit of Secured Parties, obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

**“Account Debtor”** means any “account debtor” as defined in the Code with such additions to such term as may hereafter be made.

**“Adequate Protection”** has the meaning set forth in Section 6.11.

**“Administrative Agent”** has the meaning set forth in the preamble.

**“Affiliate”** means, with respect to any Person, each other Person that owns or controls, directly or indirectly, more than 10% of the Equity Interests of the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person’s senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person’s managers and members.

**“Agreement”** has the meaning set forth in the preamble.

**“Ankura”** has the meaning set forth in the preamble.

**“Anti-Terrorism Order”** means Executive Order No. 13,224 as of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49,079 (2001), as amended.

**“Bankruptcy Code”** has the meaning set forth in the recitals hereto.

**“Bankruptcy Court”** has the meaning set forth in the recitals hereto.

**“Board”** means, with respect to any Person, the board of directors, board of managers, managers or other similar bodies or authorities performing similar governing functions for such Person.

**“Books”** are all of each applicable Borrower’s books and records including ledgers, federal and state tax returns, records regarding such Borrower’s assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

**“Borrower”** and **“Borrowers”** has the meaning set forth in the preamble.

**“Borrower Representative”** has the meaning set forth in the preamble.

**“Bridge Loan Agreement”** means that certain Loan and Security Agreement, dated as of February 20, 2025, by and among Opco and Parent, in their capacity as borrowers thereunder, K2, as the sole lender and administrative agent thereunder, and Ankura, as collateral trustee for the secured parties thereunder.

**“Bridge Loan Obligations”** means the “Obligations” as defined in the Bridge Loan Agreement.



**“Business Day”** means any day that is not a Saturday, Sunday or a day on which commercial banks in the State of New York are required or permitted to be closed.

**“Carve-Out”** has the meaning set forth in the DIP Orders.

**“Cash Collateral”** shall mean all cash and cash equivalents of Borrowers, whenever or wherever acquired, and the proceeds of all collateral pledged to the Collateral Trustee for the benefit of the Secured Parties constituting cash collateral, as contemplated by section 363 of the Bankruptcy Code.

**“Cash Equivalents”** means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; (c) certificates of deposit issued by any bank with assets of at least \$500,000,000 maturing no more than one year from the date of investment therein; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

**“Challenge”** has the meaning set forth in Section 6.11.

**“Challenge Period”** has the meaning set forth in Section 6.11.

**“Change in Control”** means any of the following (or any combination of the following) whether arising from any single transaction event or series of related transactions or events that, individually or in the aggregate, result in: (a) the holders of Parent’s Equity Interests who were holders of Equity Interest as of the Closing Date, ceasing to own at least fifty-one percent (51%) of the Voting Stock of Parent; (b) any “person” or “group” (within the meaning of Section 13(d) and 14(d)(2) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of a sufficient number of Equity Interests of Parent ordinarily entitled to vote in the election of directors, empowering such “person” or “group” to elect a majority of the members of the Board of Parent, who did not have such power before such transaction; (c) the Transfer of all or substantially all assets of Borrowers; or (d) Parent ceasing to own and control, free and clear of any Liens (other than Permitted Liens), directly or indirectly, all of the Equity Interests in Borrower Representative or failing to have the power to direct or cause the direction of the management and policies of Borrower Representative.

**“Chapter 11 Case”** has the meaning set forth in the recitals hereto.

**“Chapter 11 Plan”** means any plan of reorganization or liquidation (as the case may be) in any or all of the Chapter 11 Cases.

**“Chapter 11 Plan Effective Date”** means, with respect to any Chapter 11 Plan, the date of “substantial consummation” (as such term is defined in Section 1101 of the Bankruptcy Code) of any Chapter 11 Plan; provided, that, for purposes of this Agreement, “substantial consummation” shall in any event be deemed to occur no later than the effective date of such Chapter 11 Plan.

**“Claims”** has the meaning set forth in Section 12.3.

**“Closing Date”** has the meaning set forth in the preamble.

**“Code”** means the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Collateral Trustee’s Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term **“Code”** shall mean the Uniform Commercial Code as enacted and in effect in such

other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

**“Collateral”** means any and all properties, rights and assets of each Borrower described on Exhibit B.

**“Collateral Account”** means any Deposit Account, Securities Account, or Commodity Account of a Borrower, in each case, other than any Excluded Account.

**“Collateral Trust Agreement”** means that certain Collateral Trust Agreement, dated as of May 21, 2020, between Collateral Trustee and Administrative Agent, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

**“Collateral Trustee”** has the meaning set forth in the preamble.

**“Commitment”** means with respect to each Lender, the aggregate principal amount of Loans committed to be made by such Lender, as set forth on Schedule 1 hereto.

**“Commodity Account”** means any “commodity account” as defined in the Code with such additions to such term as may hereafter be made.

**“Contingent Obligation”** means, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

**“Copyrights”** means any and all copyright rights, copyright applications, copyright registrations and like protections of a Person in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

**“Creditors’ Committee”** means the Official Committee of Unsecured Creditors, if any.

**“CVR Obligations”** means the “Secured Obligations” as defined in that certain Amended and Restated Secured Contingent Value Right Agreement, dated as of February 20, 2025, by and among Opco and Parent, in their capacities as obligors thereunder, K2, as holder thereunder, and Ankura as collateral trustee for the secured parties thereunder.

**“Default”** means any circumstance, event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

**“Default Rate”** has the meaning set forth in Section 2.3(b).

**“Deposit Account”** means any “deposit account” as defined in the Code with such additions to such term as may hereafter be made, and includes any checking account, savings account or certificate of deposit.

**“DIP Budget”** means the budget attached hereto as Exhibit A.

**“DIP Facility”** has the meaning set forth in the recitals above.

**“DIP Lender”** has the meaning set forth in the preamble hereto.

**“DIP Liens”** has the meaning set forth in Section 4.1.

**“DIP Loans”** means collectively the Roll-Up Loans and the New Money DIP Loans.

**“DIP Orders”** mean, collectively, the Interim DIP Order and the Final DIP Order and separately, the Interim DIP Order or the Final DIP Order, as the context requires.

**“DIP Term Sheet”** means that certain Debtor-in-Possession Finance Term Sheet attached to the Interim DIP Order as Exhibit 1.

**“Discretionary Loan”** has the meaning set forth in Section 2.2 [ ]

**“Dollars,” “dollars”** or use of the sign “\$” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “\$” sign to denote its currency or may be readily converted into lawful money of the United States.

**“Equipment”** means all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

**“Equity Interests”** means, with respect to any Person, any of the shares of capital stock of (or other ownership, membership or profit interests in) such Person, any of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership, membership or profit interests in) such Person, any of the securities convertible into or exchangeable for shares of capital stock of (or other ownership, membership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and any of the other ownership, membership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, and its regulations.

**“Event of Default”** has the meaning set forth in Section 8.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Excluded Accounts”** means Collateral Accounts used exclusively to maintain cash collateral or similar deposits subject to a Permitted Lien, and, in each case, provided that such Collateral Account is identified as such to Administrative Agent in writing.

**“Exit Fee”** has the meaning set forth in Section 2.4(b).

**“Facility Fee”** has the meaning set forth in Section 2.4(a).

**“Federal Reserve Board”** means the Board of Governors of the Federal Reserve System, or any successor thereto.

**“Final DIP Order”** means an order of the Bankruptcy Court in the Chapter 11 Cases, which order (a) shall be in form and substance, and on terms and conditions, satisfactory to the Administrative Agent, (b) shall, subject to the foregoing, authorize and approve, on a final basis, among other things, this Agreement and the transactions related thereto (including the making of the New Money DIP Loans, the Roll-Up Loans, and the incurrence of the Obligations), Borrowers’ use of Cash Collateral, and the grant of Adequate Protection, (c) shall be in full force and effect, and (d) (i) shall not have been reversed, vacated, or stayed and (ii) shall not have been amended, supplemented or otherwise modified since entry thereof by the Bankruptcy Court without the written consent of the Administrative Agent.

**“Second New Money DIP Loan”** has the meaning set forth in Section 2.2.a)(ii).

**“Final Roll-Up Amount”** has the meaning set forth in Section 2.2(a)(i).

**“Final Roll-Up Loan”** has the meaning set forth in Section 2.2(a)(i).

**“Funding Date”** means any date on which a Loan is made to or for the account of a Borrower which shall be a Business Day.

**“GAAP”** means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, provided, however, that if there occurs after the Closing Date any change in GAAP that affects in any respect the calculation of any covenant or threshold in this Agreement, Lenders and Borrower Representative shall negotiate in good faith amendments to the provisions of this Agreement that relate to the calculation of such covenant or threshold with the intent of having the respective positions of Lender and Borrowers after such change in GAAP conform as nearly as possible to their respective positions as of the Closing Date, and, until any such amendments have been agreed upon, such covenants and thresholds shall be calculated as if no such change in GAAP has occurred.

**“General Intangibles”** means all “general intangibles” as defined in the Code in effect on the Closing Date with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

**“Governmental Approval”** means any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority, including for the testing, manufacturing, marketing and sales of its products.

**“Governmental Authority”** means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

**“Indebtedness”** means, without duplication, (a) indebtedness for borrowed money or the deferred price of property or services (other than accounts payable in the Ordinary Course of Business not more than sixty (60) days past due), (b) any reimbursement and other obligations for surety bonds and letters of credit, (c) obligations evidenced by notes, bonds, debentures or similar instruments, (d) capital lease obligations, and (e) Contingent Obligations, provided that “Indebtedness” shall not include (x) accrued expenses, deferred rent, deferred taxes, deferred compensation or customary obligations under employment agreements, (y) obligations with respect to operating leases which have been reclassified as capital leases due to changes in GAAP or (z) Contingent Obligations with respect to operating leases or leases of real property in the Ordinary Course of Businesses.

**“Indemnified Person”** has the meaning set forth in Section 12.3.

**“Initial New Money DIP Loan”** has the meaning set forth in Section 2.2.a)(ii).

**“Initial Roll-Up Amount”** has the meaning set forth in Section 2.2(a)(i).

**“Initial Roll-Up Loan”** has the meaning set forth in Section 2.2(a)(i).

**“Insolvency Proceeding”** means any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

**“Intellectual Property”** means, with respect to any Borrower (or, as applicable, any of its Subsidiaries), all of such Borrower’s or Subsidiary’s right, title, and interest in and to the following:

- (a) its Copyrights, Trademarks and Patents;
- (b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;
- (c) any and all source code;
- (d) any and all design rights which may be available to such Person;
- (e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and
- (f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

**“Interim DIP Order”** means that Interim DIP Order entered by the Bankruptcy Court authorizing and approving the Borrower’s entry into this Agreement and the other Loan Documents, on terms and conditions satisfactory to the Secured Parties.

**“Inventory”** means all “inventory” as defined in the Code in effect on the Closing Date with such additions to such term as may hereafter be made.

**“Investment”** means any beneficial ownership interest in any Person (including stock, partnership interest or other securities or Equity Interests), and any loan, advance or capital contribution to any Person, or the acquisition of all or substantially all of the assets or properties of another Person.

**“Lender”** has the meaning set forth in the preamble.

**“Lien”** means a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

**“Loan Documents”** means, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the DIP Orders, the DIP Term Sheet, the Collateral Trust Agreement, the Account Control Agreements, any Subordination Agreement, any note, or notes or guaranties executed by a Borrower, and any other present or future agreement by a Borrower with or for the benefit of any Secured Party in connection with this Agreement, all as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

**“Loans”** means, collectively, the Roll-Up Loans, the New Money DIP Loans (including any Discretionary Loan), and any other loan from time to time made under this Agreement, and **“Loan”** means any of the foregoing.

**“Margin Stock”** has the meaning set forth in Section 5.5(b).

**“Material Adverse Effect”** means (a) a material impairment in the perfection or priority of the Lien in the Collateral pursuant to the Loan Documents to which the Borrowers are a party or in the value of the Collateral; or (b) a material adverse effect upon: (i) the business, operations, properties, assets or financial condition of the Borrowers

as a whole; or (ii) the ability to enforce any rights or remedies with respect to any Obligations, in each case, as reasonably determined by Administrative Agent.

“**Maturity Date**” means the earlier to occur of (i) June 30, 2025<sup>2</sup> (as such date may be extended with the written consent of Administrative Agent, in its sole and absolute discretion), or (ii) the Chapter 11 Plan Effective Date.

“**Maximum Rate**” has the meaning set forth in Section 2.3(d) hereof.

“**New Money DIP Loans**” has the meaning set forth in Section 2.2(a)(ii).

“**Obligations**” means all of Borrowers’ and each other Borrower’s obligations to pay the Loans when due, including principal, interest, fees, Secured Party Expenses, and any other amounts due to be paid by a Borrower, and each Borrower’s obligation to perform its duties under the Loan Documents, and any other debts, liabilities and other amounts any Borrower owes to any Secured Party at any time, whether under the Loan Documents or otherwise, including, without limitation, interest or Secured Party Expenses accruing after Insolvency Proceedings begin (whether or not allowed), and any debts, liabilities, or obligations of any Borrower owing to or assigned to any Secured Party, which shall be treated as secured or administrative expenses in the Insolvency Proceedings to the extent permitted by applicable law.

“**OFAC**” has the meaning set forth in Section 5.5(c).

“**Operating Documents**” means, for any Person, such Person’s formation documents, as certified by the Secretary of State (or equivalent agency) of such Person’s jurisdiction of formation, organization or incorporation and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement or operating agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments, restatements and modifications thereto.

“**Ordinary Course of Business**” means, in respect of any transaction involving any Person, the ordinary course of such Person’s business as conducted by any such Person in accordance with (a) the usual and customary customs and practices in the kind of business in which such Person is engaged, and (b) the past practice and operations of such Person, and in each case, undertaken by such Person in good faith and not for purposes of evading any covenant or restriction in any Loan Document.

“**Patents**” means all patents, patent applications and like protections of a Person including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same and all rights therein provided by international treaties or conventions.

“**Payment Date**” means the first calendar day of each month.

“**Permitted Indebtedness**” means:

- (a) each Borrower’s Indebtedness under this Agreement and the other Loan Documents;
- (b) Indebtedness existing on the Closing Date and disclosed to Administrative Agent, including without limitation the obligations pursuant to the Restated CVR Agreement;
- (c) Indebtedness incurred as a result of endorsing negotiable instruments received in the Ordinary Course of Business;
- (d) Indebtedness among Borrowers and Indebtedness constituting a Permitted Investment;

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<sup>2</sup> 70 days would be June 29, a Sunday

(e) workers' compensation claims, payment obligations in connection with health, disability or other types of social security benefits, unemployment or other insurance obligations, reclamation and statutory obligations, bid, appeal, surety or similar bonds, in each case incurred in the Ordinary Course of Business;

(f) Indebtedness under hedging and swap obligations or agreements so long as the purpose of any such agreement is a bona fide hedging and not for speculative purposes;

(g) Indebtedness in respect of netting services, overdraft protections and other like services;

(h) Indebtedness in connection with the financing of insurance premiums, in the Ordinary Course of Business, in respect of premiums payable on insurance policies;

(i) Indebtedness not otherwise permitted pursuant to this defined term, in an aggregate amount outstanding not to exceed \$50,000; and

(j) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness described above, provided that the principal amount thereof is not increased (other than as a result of accrued or capitalized interest or fees) or the terms thereof are not modified to impose more burdensome terms upon a Borrower or any of its Subsidiaries, as the case may be.

**"Permitted Investments"** means:

(a) Investments (including, without limitation, Subsidiaries) existing on the Closing Date and disclosed in writing to Administrative Agent;

(b) Investments consisting of cash or Cash Equivalents;

(c) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers, suppliers or clients and in settlement of delinquent obligations of, and other disputes with, customers, suppliers or clients;

(d) Investments consisting of Deposit Accounts;

(e) Investments consisting of accounts receivable or notes receivable arising from the sales of goods or services; and

(f) Investments consisting of pre-paid expenses, negotiable instruments held for collection or deposit, security deposits with utilities, landlords and other like Persons, and deposits in connection with workers' compensation and similar deposits, in each case made in the Ordinary Course of Business.

**"Permitted Liens"** means:

(a) Liens arising under this Agreement and the other Loan Documents, including any renewals, extensions and refinancings of the underlying obligations with respect thereto;

(b) Liens existing on the Closing Date and disclosed to Administrative Agent;

(c) Liens pursuant to the Restated CVR Agreement;

(d) Liens for taxes, fees, assessments or other government charges or levies, either (i) not yet delinquent or (ii) being contested in good faith and for which such Borrower or Subsidiary maintains adequate reserves on its books;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the Ordinary Course of Business (other than Liens imposed by ERISA);

(f) Liens in favor of other financial institutions arising in connection with a Collateral Account held at such institutions by a Borrower, subject to compliance with Section 6.6;

(g) servitudes, easements, rights of way, restrictions and other similar encumbrances on real property imposed by applicable laws and encumbrances consisting of zoning or building restrictions, easements, licenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of any of the Borrowers;

(h) licenses of Intellectual Property which constitute a Permitted Transfer; and

(i) Liens arising from licenses described in clause (b) of the defined term "Permitted Transfers", and Liens arising pursuant to the terms of any collaboration agreement or related documents existing as of the Closing Date on Intellectual Property or other assets developed pursuant thereto, or on a Borrower or Subsidiary's rights pursuant thereto; and

(j) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described herein, but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase (other than in connection with the capitalization of interest, fees or expenses).

**"Permitted Prior Liens"** means valid, enforceable, and non-avoidable Liens on the Collateral that are in existence on the Petition Date and (A) are either perfected as of the Petition Date or perfected on or after the Petition Date solely to the extent permitted by section 546(b) of the Bankruptcy Code, (B) are not subject to avoidance, disallowance, or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (C) are senior in priority to the Liens in favor of Collateral Trustee for the benefit of the Secured Parties under applicable law and after giving effect to any lien release, subordination or inter-creditor agreements.

**"Permitted Transfers"** means

(a) sales of Inventory by a Borrower or any of its Subsidiaries in the Ordinary Course of Business;

(b) (i) non-exclusive licenses and similar arrangements for the use of Intellectual Property of a Borrower or any of its Subsidiaries in the Ordinary Course of Business, and (ii) exclusive licenses existing as of the Closing Date and disclosed in writing to Administrative Agent or as approved by Administrative Agent in writing;

(c) dispositions of worn-out, obsolete or surplus Equipment in the Ordinary Course of Business that is, in the reasonable judgment of such Borrower or Subsidiary, no longer economically practicable to maintain or useful;

(d) Transfers of receivables in the Ordinary Course of Businesses in connection with the compromise, settlement or collection thereof;

(e) Transfers consisting of the granting of Permitted Liens and the making of Permitted Investments;

(f) the use or transfer of money or Cash Equivalents for the payment of expenses in the Ordinary Course of Business and in a manner that is not prohibited by the Loan Documents;



- (g) Transfers of Accounts in connection with the compromise, settlement or collection thereof;
- (h) Transfers resulting from casualty events, subject to Section 6.5;
- (i) payments of amounts due under the Restated CVR Agreement;
- (j) Transfers of Collateral described on Schedule 2 attached hereto; and
- (k) Transfers not otherwise permitted hereunder so long as the fair market value of any such Transfers does not exceed \$10,000 in the aggregate during the term, or as otherwise approved by Administrative Agent, subject to compliance with the Restated CVR Agreement.

**“Person”** means any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

**“Petition Date”** has the meaning set forth in the recitals above.

**“Prepetition Collateral”** means the “Collateral” as defined in the Bridge Loan Agreement or the Restated CVR Agreement, respectively, as the context may require.

**“Prepetition Obligations”** means, collectively, as of the Petition Date, (i) the Bridge Loan Obligations and (ii) the CVR Obligations.

**“Prepetition Secured Parties”** means the “Secured Parties” as defined in the Bridge Loan Agreement or the Restated CVR Agreement, respectively, as the context may require.

**“Pro Rata Share”** means, with respect to any Lender and as of any date of determination, the percentage obtained by dividing (i) the outstanding balance of the Loans held by all Lenders, divided by the outstanding balance of Loans held by such Lender. “Ratable” and related terms shall mean, determined by reference to such Lender’s Pro Rata Share.

**“Registered Organization”** means any “registered organization” as defined in the Code with such additions to such term as may hereafter be made.

**“Required Lenders”** means, as of any date of determination, Lenders holding more than 50% of the sum of aggregate principal amount of all Loans outstanding and the aggregate amount of all unfunded commitments to make Loans, at such date of determination.

**“Requirement of Law”** means as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**“Responsible Officer”** means with respect to any Person, any of the Chief Executive Officer, President or Chief Financial Officer of such Person. Unless the context otherwise requires, each reference to a Responsible Officer herein shall be a reference to a Responsible Officer of Parent.

**“Restated CVR Agreement”** means that certain Amended and Restated Secured Contingent Value Right Agreement, dated as of the date hereof, by and among Borrowers, K2 HealthVentures LLC, as Holder, and Ankura Trust Company, LLC, as Collateral Trustee.

**“Roll-Up Loans”** has the meaning set forth in the recitals above.

**“Second New Money DIP Loan”** has the meaning set forth in Section 2.2.a)(ii).

**“Secured Party”** means (i) Collateral Trustee, (ii) Administrative Agent, (iii) Lenders and (iv) any of their respective successors and assigns.

**“Secured Party Expenses”** means all reasonable and documented professional fees and out-of-pocket expenses incurred by the Secured Parties (limited, in the case of counsel, to one primary counsel for each Secured Party plus appropriate local counsel (including Delaware bankruptcy counsel) in applicable local jurisdictions for each of the Secured Parties), including expenses incurred in connection with preparing, amending, negotiating, administering, and defending the validity and enforceability of the Prepetition Obligations, the Loans, any documentation relating to the foregoing (including the Loan Documents), or any of the liens or adequate protection securing the same, including all reasonable and documented costs, expenses, and other amounts required to be paid by any Secured Party in accordance with the Collateral Trust Agreement.

**“Securities Account”** means any “securities account” as defined in the Code with such additions to such term as may hereafter be made.

**“Security Instrument”** means any security agreement, assignment, pledge agreement, financing or other similar statement or notice, continuation statement, other agreement or instrument, or any amendment or supplement to any thereof, creating, governing or providing for, evidencing or perfecting any security interest or Lien.

**“Shares”** means all of the issued and outstanding Equity Interests owned or held of record by a Borrower or other Borrower in each of its Subsidiaries.

**“Solicitation Motion”** means the motion for a combined hearing on disclosure statement approval and plan confirmation filed on the Petition Date.

**“Subordinated Debt”** means Indebtedness on terms and to holders reasonably satisfactory to Administrative Agent and incurred by a Borrower that is subordinated in writing to all of the Obligations, pursuant to a Subordination Agreement.

**“Subordination Agreement”** means any subordination agreement in form and substance reasonably satisfactory to Administrative Agent entered into from time to time with respect to Subordinated Debt.

**“Subsidiary”** means, with respect to any Person, any corporation, partnership, limited liability company or joint venture in which (i) any general partnership interest or (ii) more than fifty percent (50%) of the stock, limited liability company interest, joint venture interest or other Equity Interest which by the terms thereof has the ordinary voting power to elect the Board of that Person, at the time as of which any determination is being made, is owned or controlled by such Person, directly or indirectly. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Parent.

**“Superpriority Claims”** has the meaning set forth in Section 4.3.

**“Termination Date”** means the date that the Obligations (other than contingent indemnification obligations not then due and owing) shall have been paid in full in cash or otherwise satisfied, and any commitment of a Lender to extend credit to a Borrower shall have been terminated.

**“Trademarks”** means any trademark and service mark rights of a Person, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business connected with and symbolized by such trademarks.

**“Transfer”** means defined in Section 7.1.

**“Variance Report”** has the meaning set forth in Section 6.2.

**“Voting Stock”** means, with respect to any Person, all classes of Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managers (or Persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

**EXHIBIT B**

**COLLATERAL DESCRIPTION**

The Collateral consists of all of each Borrower's right, title and interest in and to the following personal property wherever located, whether now owned or existing or hereafter acquired, created or arising before or after the Petition Date:

all assets and property of Borrowers and their estates, tangible or intangible, now owned or hereafter acquired, whether arising before or after the Petition Date, including, but not limited to, the Prepetition Collateral, all equity interests held by Borrowers (to be limited to the extent of any limitations imposed by applicable law), claims and causes of action (whether asserted or unasserted), including commercial tort claims, and all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing (in each case as the foregoing are defined in the Code. Subject to the entry of the Final DIP Order, the Collateral shall include all of Borrowers' right, title and interest in and to actions under sections 544, 545, 547, 548 and 550 of the Bankruptcy Code (the "**Avoidance Actions**") and any proceeds from any such Avoidance Actions.

**EXHIBIT C**

**DIP BUDGET**

SCHEDULE 1  
COMMITMENTS

LENDER	ROLL-UP LOANS	NEW MONEY DIP LOANS
K2 HEALTHVENTURES LLC	Initial: \$6,000,000 Final: \$3,000,000	Initial: \$500,000 Final: \$1,500,000 Discretionary: \$1,000,000
Total	\$9,000,000	\$3,000,000

SCHEDULE 2  
TRANSFERS OF COLLATERAL

Certain sales of equipment and other assets of Borrowers being carried out by Onyx Asset Advisors.

**Exhibit 2**

**Approved Budget**



**Molecular Templates, Inc., et al.**

Postpetition Cash Flow Budget

	Post-Petition													TOTAL
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
04/20/25	04/20/25	04/27/25	05/04/25	05/11/25	05/18/25	05/25/25	06/01/25	06/08/25	06/15/25	06/22/25	06/29/25	07/06/25	07/13/25	04/20/25
04/26/25	05/03/25	05/10/25	05/17/25	05/24/25	05/31/25	06/07/25	06/14/25	06/21/25	06/28/25	07/05/25	07/12/25	07/19/25	07/26/25	07/19/25
Receipts:														
DIP Funding [up to \$3 million]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	500,000	-	-	1,500,000	-	-	-	-	-	600,000	-	-	-	2,600,000
<b>TOTAL RECEIPTS</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,600,000</b>
OPERATING DISBURSEMENTS:														
Consultants	\$ 10,000	\$ 15,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000	\$ 5,000	\$ 5,000	\$ 100,000
Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IP Counsel	-	-	-	-	50,000	-	-	-	-	-	-	-	-	50,000
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT	-	5,000	-	-	-	-	5,000	-	-	-	5,000	-	-	15,000
Storage	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Taxes	-	-	-	3,500	-	-	-	-	-	-	-	-	-	50,000
Contingency	-	-	-	-	-	-	50,000	-	-	-	-	-	-	25,500
	7,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	25,500
<b>TOTAL OPERATING DISBURSEMENTS</b>	<b>\$ 17,500</b>	<b>\$ 21,500</b>	<b>\$ 6,500</b>	<b>\$ 10,000</b>	<b>\$ 56,500</b>	<b>\$ 16,500</b>	<b>\$ 61,500</b>	<b>\$ 6,500</b>	<b>\$ 6,500</b>	<b>\$ 6,500</b>	<b>\$ 21,500</b>	<b>\$ 6,500</b>	<b>\$ 6,500</b>	<b>\$ 245,500</b>
RESTRUCTURING / BANKRUPTCY RELATED DISBURSEMENTS:														
DIP Loan (Fees & Interest)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 237,500
DIP Lender's Counsel [Sidley Austin, LLP]	30,769	30,769	30,769	30,769	30,769	30,769	30,769	30,769	30,769	30,769	30,769	30,769	30,769	400,000
DIP Lender's Local Counsel [Polsinelli]	9,615	9,615	9,615	9,615	9,615	9,615	9,615	9,615	9,615	9,615	9,615	9,615	9,615	125,000
Debtors' Counsel [Morris Nichols, LLP]	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,105,000
SEC & Tax Counsel [Lowenstein Sandler]	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	7,692	100,000
Debtors' Financial Advisor [Rock Creek Advisors]	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	15,385	200,000
Claims Agent	-	-	25,000	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	250,000
Independent Director	-	-	6,250	-	-	-	6,250	-	-	-	6,250	-	-	18,750
UST Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	23,000
D&O Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL RESTRUCTURING / BANKRUPTCY RELATED DISBURSEMENTS</b>	<b>\$ 148,462</b>	<b>\$ 148,462</b>	<b>\$ 179,712</b>	<b>\$ 170,962</b>	<b>\$ 170,962</b>	<b>\$ 178,462</b>	<b>\$ 177,212</b>	<b>\$ 170,962</b>	<b>\$ 170,962</b>	<b>\$ 195,962</b>	<b>\$ 177,212</b>	<b>\$ 170,962</b>	<b>\$ 398,962</b>	<b>\$ 2,459,250</b>
<b>GRAND TOTAL - DISBURSEMENTS</b>	<b>\$ 165,962</b>	<b>\$ 169,962</b>	<b>\$ 186,212</b>	<b>\$ 180,962</b>	<b>\$ 227,462</b>	<b>\$ 194,962</b>	<b>\$ 238,712</b>	<b>\$ 177,462</b>	<b>\$ 177,462</b>	<b>\$ 202,462</b>	<b>\$ 198,712</b>	<b>\$ 177,462</b>	<b>\$ 406,962</b>	<b>\$ 2,704,750</b>
<b>NET CASH FLOW</b>	<b>\$ 334,038</b>	<b>\$ (169,962)</b>	<b>\$ (186,212)</b>	<b>\$ 1,319,038</b>	<b>\$ (227,462)</b>	<b>\$ (194,962)</b>	<b>\$ (238,712)</b>	<b>\$ (177,462)</b>	<b>\$ (177,462)</b>	<b>\$ 397,538</b>	<b>\$ (198,712)</b>	<b>\$ (177,462)</b>	<b>\$ (406,962)</b>	<b>\$ (104,750)</b>
OPENING CASH	\$ 120,865	\$ 454,903	\$ 284,942	\$ 98,730	\$ 1,417,769	\$ 1,190,307	\$ 995,346	\$ 756,634	\$ 579,173	\$ 401,711	\$ 799,250	\$ 600,538	\$ 423,077	\$ 120,865
(+) DIP Funding / (Repayments)	500,000	-	-	1,500,000	-	-	-	-	-	600,000	-	-	-	2,600,000
Deposit(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	(165,962)	(169,962)	(186,212)	(180,962)	(227,462)	(194,962)	(238,712)	(177,462)	(177,462)	(202,462)	(198,712)	(177,462)	(406,962)	(2,704,750)
<b>ENDING CASH</b>	<b>\$ 454,903</b>	<b>\$ 284,942</b>	<b>\$ 98,730</b>	<b>\$ 1,417,769</b>	<b>\$ 1,190,307</b>	<b>\$ 995,346</b>	<b>\$ 756,634</b>	<b>\$ 579,173</b>	<b>\$ 401,711</b>	<b>\$ 799,250</b>	<b>\$ 600,538</b>	<b>\$ 423,077</b>	<b>\$ 16,115</b>	<b>\$ 16,115</b>

<sup>(1)</sup> Please note that the entire DIP amount is \$3,000,000, of which \$400,000 remains discretionary and to be determined by good faith negotiations between the Debtors and the DIP Lender prior to the filing of the Plan Supplement.

Molecular Templates, Inc., et al.

13-Week Cash Flow\_ FINAL