IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Apple Tree Life Sciences, Inc., *et al.*,[1] Debtors.	Chapter 11 Case No. 25-12177 (LSS) (Jointly Administered) **Related D.I.: 1188, 1197, 1209** **Hearing Date: October 19, 2026 at 2:00 p.m.**

REPLY OF DEBTOR ATP LIFE SCIENCE VENTURES, L.P. IN SUPPORT OF ITS MOTION FOR ENTRY OF AN ORDER CONFIRMING ITS RIGHTS WITH RESPECT TO PORTFOLIO COMPANIES

Debtor ATP Life Science Ventures, L.P. (the "Fund"), by and through its undersigned counsel, respectfully submits this reply (this "Reply") in support of the *Motion of Debtor ATP Life Science Ventures, L.P., for Entry of an Order Confirming its Rights with Respect to Portfolio Companies* [D.I. 1188] (the "Motion")[2] and in response to the Objection.[3] In support of this Reply, the Fund submits and incorporates by reference the *Declaration of Alexander Lawson in Support of the Reply of Debtor ATP Life Science Ventures, L.P. in Support of its Motion for Entry of an*

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

[2] Capitalized terms used but not defined in this Reply have the meanings given to them in the Motion.

[3] *See Objection by Debtors Apertor Pharmaceuticals, Evercrisp Biosciences, Inc., Initial Therapeutics, Inc., Marlinspike Therapeutics, Inc., Nereid Therapeutics, Inc., Nine Square Therapeutics, Inc., and Red Queen Therapeutics, Inc. to Motion of Debtor ATP Life Science Ventures, L.P., for Entry of an Order Confirming its Rights with Respect to Portfolio Companie*s [D.I. 1209] (the "Objection"), filed by Apertor Pharmaceuticals, Inc., Evercrisp Biosciences, Inc., Initial Therapeutics, Inc., Marlinspike Therapeutics, Inc., Nereid Therapeutics Incorporated, Nine Square Therapeutics, Inc., and Red Queen Therapeutics, Inc. (collectively, the "Portfolio Debtors").

Order Confirming its Rights With Respect to Portfolio Companies (the "Lawson Declaration"), a copy of which is attached to this Reply as **Exhibit A**, and the *Declaration of Perry M. Mandarino, Chief Restructuring Officer of the Debtors, in Support of the Reply* (the "Mandarino Declaration"), a copy of which is attached to this Reply as **Exhibit B**, and respectfully states as follows:

PRELIMINARY STATEMENT

1. While the Fund appreciates that historic litigation has bred an inherent level of distrust, the Portfolio Debtors' Objection challenges relief the Fund did not request. The Motion asks this Court to confirm one narrow, ordinary-course proposition: that the Fund, as the equity owner of its portfolio companies, may vote its equity securities to appoint, replace, or remove members of the boards of directors of those portfolio companies in the ordinary course of business, in accordance with each portfolio company's governing documents, and without first obtaining the consent of the GP or a further order of this Court. The Objection scarcely engages that request. Instead, it discusses very different relief, which would supposedly grant the Officeholders new and expansive powers to fire the Portfolio Debtors' scientists and senior executives at will, in the middle of a sale process. The Fund seeks no such relief and the Objection should be overruled.

2. The distance between what the Fund requested and what the Portfolio Debtors oppose is apparent on the face of the Proposed Order. The Proposed Order speaks only to directors, and makes no mention of officers, executives, management, or employees. It confirms that paragraph 4 of the Clarification Order does not apply to the Fund's voting of its equity securities to appoint, replace, or remove directors in the ordinary course and as permitted by the applicable governing documents, and that the Fund may do so without GP consent or a further order of this Court. Nothing in the order authorizes or even suggests that the Fund is being granted any new authority to remove executives, scientists, or employees.

3. The relief the Fund seeks in the Motion is modest in a further respect: the Proposed Order does not expand any existing substantive limits on the Fund's authority. The Fund may act only as, and to the extent, each portfolio company's governing documents permit, and only consistent with its duties as a debtor in possession. The Motion does not seek to enlarge the Fund's governance rights with respect to its debtor or non-debtor portfolio companies. It merely seeks confirmation that the Fund need not obtain the displaced GP's consent or a separate order each time it exercises the ordinary-course rights it already holds as equity holder.

4. Nor does the Motion seek any authorization for the Officeholders to personally exercise any authority over the Fund's portfolio companies, notwithstanding the Objection's characterizations. Paragraph 4 of the Clarification Order restrained the Officeholders, before they were appointed or recognized, from replacing boards or senior management without GP consent or a further order. The Motion concerns *the Fund's* exercise of its own corporate-governance rights as equity holder, now directed by the Officeholders in the stead of the displaced GP. The Clarification Order was entered before the Officeholders were appointed by the Cayman Court, before the GP was displaced, before the Officeholders appeared in this Court, and before the Recognition Order defined their authority; its prospective restraint on would-be Officeholders does not govern the Fund's ordinary-course governance of its portfolio companies.

5. The Officeholders do not represent the interests of any particular stakeholder, but are independent, court-appointed fiduciaries whose focus has been on the Process and maximizing the value of the Fund's assets. Mandarino Declaration ¶ 8. They have caused the Fund to meet regularly with members of the portfolio companies' boards and their executives, to ensure that all stakeholders are heard and that all concerns are taken into account. Lawson Declaration ¶ 6.

6. In discussions regarding the Motion after it was filed, the Fund made clear to both the Committee and counsel to the Portfolio Debtors and non-Debtor portfolio companies that it has no intention of removing management, executives, or scientists, and the Fund is, in fact, funding their scientific work. Prior to the objection deadline (which the Fund agreed to extend for the Portfolio Debtors), the Fund proposed modified language in the Proposed Order to address concerns of both the non-Debtor portfolio companies and the Portfolio Debtors, and agreed with the Committee on additional consultation rights. The Portfolio Debtors, unfortunately, chose not to engage with the Fund to try to resolve their concerns and instead filed the Objection, which, as noted, largely reacts to relief that is neither requested in the Motion nor granted in the Proposed Order. Further, the Objection makes assertions contrary to the changes the Fund agreed to with counsel for the non-Debtor portfolio companies—changes the Fund shared with the objectors' counsel before they filed the Objection.

7. The Fund does not minimize the concerns of any of the Portfolio Debtors' executives and scientists. The Fund appreciates that these cases have involved substantial litigation and uncertainty, and that litigation has been difficult for the people who have devoted years to the Portfolio Debtors' science. But since the Officeholders stepped in, they have calmed the waters and acted reasonably: they modified the Process to permit each portfolio company to be acquired on a standalone basis, increased the portfolio companies' cash positions, and agreed to ensure that they maintain minimum funding. *See* Third Funding Order (as defined below) ¶¶ 2-3; Solicitation Procedures (as defined below). To the extent the Objection reflects a fear of the unknown, the Fund understands the human strain of change. That strain, however, is not a basis to deny the Fund the ordinary corporate governance rights that these companies themselves granted the Fund in their Series A agreements, by-laws, and certificates of incorporation.

8. The Objection challenges relief the Fund has not requested. Accordingly, the harms it forecasts, including disruption of the Process, the chilling of bidders, and the loss of scientific continuity, do not follow from the Motion. Those concerns, however sincerely held, are untethered from the relief the Motion actually seeks, which is to enable the Fund to have the normal powers a debtor in possession would have in any case, so, if needed, it has the right to use that power to maximize value. To the contrary, prospective bidders and investors benefit from knowing who holds governance authority over the portfolio companies and how that authority may be exercised, and clarity on that point should support the Process rather than disrupt it. Mandarino Declaration ¶ 6. Nonetheless, and respecting some of the unique aspects of this case, the Fund did work with the Committee to provide for additional relief in the revised proposed order attached to this Reply as **Exhibit C** (the "Revised Proposed Order"), which provides additional guardrails that are adequate to provide further assurances that the relief sought in the Motion is appropriate. A redline of the Revised Proposed Order is attached to this Reply as **Exhibit D**.

9. For the reasons set forth in this Reply, the Fund respectfully requests that the Court overrule the Objection and grant the Motion.

BACKGROUND

10. Each Portfolio Debtor is a Delaware corporation operating under and in accordance with its constitutional documents, including a certificate of incorporation, by-laws, and the agreements governing the issuance of its various series of equity securities. *See* Motion ¶ 14. The Fund holds a majority of the preferred stock and of the capital stock voting together of each Portfolio Debtor. *See Declaration of Dr. Seth L. Harrison in Support of Chapter 11 Petitions and First Day Motions* ¶ 33 [D.I. 18]. Under each certificate of incorporation, the preferred holders, as a separate class, elect a specified number of directors, and the balance is elected by all voting

stock together. *See* Motion ¶ 3. Each certificate contains the same removal provision: a director may be removed "during his or her term of office, either with or without cause, by, and only by," the class entitled to elect that director, "either at a special meeting . . . or pursuant to a written consent of stockholders"; and the by-laws permit stockholder action by written consent. *Id.* Indeed, the Fund, then acting through the GP, exercised these rights of removal and appointment throughout these chapter 11 cases before the Recognition Order was entered. *See id.* ¶¶ 1–2, 33.

11. Since the Recognition Order, the Fund has engaged regularly with members of the portfolio companies' boards and their executives. Between August and September 2026, the Officeholders had multiple meetings with members of the boards of the portfolio companies and their executives, beginning with introductory meetings with the relevant board members and executives of each Debtor and non-Debtor portfolio company to understand each company's business, explain the Officeholders' role, and establish lines of communication, particularly regarding ongoing funding. Lawson Declaration ¶ 4. The Officeholders have caused the Fund to meet regularly with members of the portfolio companies' boards and their executives, and have remained in ongoing contact with the portfolio companies to understand and resolve any funding concerns. *Id.* ¶¶ 6–7. In addition, the Debtors' Chief Restructuring Officer serves as a direct line of communication between the portfolio companies and the Fund primarily with respect to the bid process and financial matters. Mandarino Declaration ¶ 7. To the extent any portfolio company has had governance concerns, it has expressed those concerns directly to the Chief Restructuring Officer, who has communicated them to the Fund, and the Officeholders have been responsive in addressing those concerns as they have been raised. *Id.* The Officeholders are unaware of any concern raised directly to the Fund or its professionals by any scientist or board member regarding his or her employment or compensation, and no portfolio company has asked the Officeholders to

assist in the Process. Lawson Declaration ¶¶ 5–7. Nor have the Officeholders been invited to attend any portfolio company board meeting. *Id.* ¶ 5.

12. The Fund has also worked to stabilize the portfolio companies. In approximately two months, the Fund has:

i. Consensually modified the Process to permit bidders to acquire the Fund's equity in any individual portfolio company, or any combination of portfolio companies, on a standalone basis;[4]

ii. Obtained this Court's authority for the additional use of funds to fund the portfolio companies, increasing their cash positions;[5] and

iii. Implemented a phased funding framework to ensure that the portfolio companies maintain minimum funding going forward.[6]

13. The Fund has further advised both the Committee and counsel to the portfolio companies that it has no intention of removing management, executives, or scientists of the portfolio companies, and it continues to fund their scientific programs. Lawson Declaration ¶¶ 4, 8.

14. Both before and after the filing of the Motion, the Fund sought to resolve any governance concerns consensually. The Fund provided proposed order language addressing board governance to counsel for the non-Debtor portfolio companies and to counsel for the Portfolio

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[4] *See Order for Approval of (I) Exit Financing Solicitation Procedures, (II) Payment of Upfront Due Diligence Fee and Stalking Horse Protections, and (III) Form and Manner of Notice Related Thereto* [D.I. 796], as modified [D.I. 1080] (the "Solicitation Procedures").

[5] *See Final Order (I) Authorizing Additional Use of Funds to (A) Fund Portfolio Companies, (B) Pay Management Company Expenses, and (C) Pay Chapter 11 Expenses, and (II) Granting Related Relief* [D.I. 1088] (the "Third Funding Order").

[6] *See Officeholders' Supplement to Third Funding Motion for Entry of an Order (I) Implementing a Phased Funding Framework and (II) Granting Related Relief* [D.I. 1044] (the "Third Funding Order Supplement").

Debtors. The Fund also worked with the Committee, and agreed to provide consultation rights. The non-Debtor portfolio companies did not object to the Motion after discussing these changes. The Portfolio Debtors chose to file the Objection, instead of engaging with the proposed language that the Fund offered to address their concerns prior to filing that Objection.

REPLY

I. The Motion seeks only confirmation of the Fund's ordinary-course right to vote its equity to change board composition, not authority to remove officers or executives.

15. The Motion rests on a proposition of black-letter corporate law: a shareholder may vote its equity to elect and remove directors. The Fund is the equity owner of the portfolio companies, each of which is a Delaware corporation whose directors are elected and removed by the shareholders entitled to vote on them and serve at the pleasure of those shareholders. Voting equity to adjust a portfolio company's board is a quintessential exercise of ordinary-course corporate governance that section 363(c) of the Bankruptcy Code permits without notice or a hearing, and that the automatic stay does not reach. *See, e.g., In re Marvel Entertainment Group, Inc*., 209 B.R. 832, 838 (D. Del. 1997); *In re SSI Body Armor I, Inc*., 527 B.R. 597, 606–07 (Bankr. D. Del. 2015); *In re Johns-Manville Corp*., 801 F.2d 60, 64 (2d Cir. 1986).

16. The Proposed Order tracks that request precisely. It provides only that paragraph 4 of the Clarification Order does not apply to the Fund's voting of its equity securities to appoint, replace, or remove directors of its portfolio companies in the ordinary course of business and as permitted by the applicable governing documents, and that the Fund may do so without court order and without GP consent. *See* Proposed Order ¶ 1. The Proposed Order says nothing about officers, executives, management, or employees of the portfolio companies.

17. Against this, the Portfolio Debtors repeatedly insist that the Fund seeks power to replace "senior executives," to remove "officers and directors," and to "separate the science from the scientists." Objection ¶¶ 1, 3, 20. Those characterizations describe the Officeholders' powers under the Cayman Appointment Order and the subject of paragraph 4 of the Clarification Order, not the relief sought here. The Fund does not seek, and the Proposed Order would not grant, any authority to remove or replace the Portfolio Debtors' officers, management, or employees. The Fund understands why, after a long and contentious case, the Portfolio Debtors' executives may fear such terminations; but that fear is unfounded based on the manner in which the Fund is now being operated.

18. By way of example, the first paragraph of the Objection states: "The Motion would permit the Officeholders to replace them ***as executives*** and directors at will, with or without cause of explanation, in the middle of a sale process." Objection ¶ 1 (emphasis added). Similarly, the second paragraph describes the Motion as seeking "sweeping relief," with references to the potential to "remove directors *and senior executives*" and "management." *Id.* ¶ 2. The terms "management" or "managers" appear 14 times in the Objection. The term "executive" appears 8 times. None of these terms appears in the Proposed Order at all, which instead speaks only to directors and the normal exercise of a debtor in possession's ability to use its property in the ordinary course of business.[7]

[7] Nor does the Motion purport to ask for any relief with respect to executives or senior management. There is, admittedly, one inadvertent reference to "officers or directors" in the preamble paragraph of the Motion, which is never repeated; the entire substance of the Motion clearly only discusses the Fund's ordinary course governance rights with respect to boards of directors.

II. Paragraph 4 of the Clarification Order restricts the Officeholders, not the Fund's ordinary-course exercise of its governance rights.

19. Paragraph 4 of the Clarification Order, by its own terms, restrains the Officeholders; it says nothing about the Fund itself. It provides that "any Officeholders appointed by the Grand Court may not replace the members of the board of directors or senior executives of the portfolio companies without consent of the General Partner or further Order of this Court." Clarification Order ¶ 4. It was entered on June 24, 2026—before the Cayman Court appointed the Officeholders on July 10, 2026, and before this Court entered the Recognition Order on July 30, 2026. It addressed what prospective Officeholders could do upon their appointment; it did not purport to limit the Fund's exercise of its own ordinary-course governance rights as a debtor-in-possession.

20. The relief the Fund seeks does not require the Court to vacate or disregard paragraph 4. The Motion asks only for confirmation that paragraph 4 does not reach the Fund's ordinary-course voting of its equity—a right the Fund exercised, without objection, before the Officeholders' appointment. Initially, the Fund was able to reach agreement during negotiations and made some recent board changes with the GP's consent. See Objection ¶ 23. However, with respect to certain other changes the GP would not consent to the Fund's exercise of its ordinary course power, limiting the Fund's ability to address Process issues that necessitated board changes. Allowing the GP to restrict the Fund's powers after it has been displaced and those displacing it have been recognized is contrary to the ordinary-course authority that preserves the status quo; it does not hand the Officeholders new power over the Portfolio Debtors' management.

III. The Fund resolved governance concerns with every other party in interest, agreed to safeguards with the Committee, and the Revised Proposed Order addresses the Portfolio Debtors' stated concerns.

21. The Objection insists that, if the Officeholders have specific concerns, "they should first discuss them with the Portfolio Debtors' management and leadership." Objection ¶ 2. That is exactly what the Fund has done. The Officeholders have met regularly with members of the portfolio companies' boards and their executives, and no scientist or board member has raised with the Fund or its professionals any concern regarding his or her employment or compensation. Lawson Declaration ¶¶ 4, 6–7. The Fund has also told both the Committee and counsel to the Portfolio Debtors that it has no intention of removing the Portfolio Debtors' founders or scientists. *Id*. ¶¶ 4, 7. Where portfolio companies have raised governance concerns to the Debtors' Chief Restructuring Officer, the Officeholders have been responsive in addressing them. Mandarino Declaration ¶ 7. To address any remaining concern, the Fund agreed with the Committee, as the other neutral estate fiduciary, on safeguards now reflected in the Revised Proposed Order, which makes explicit what the Proposed Order already provided: nothing in the order expands the Fund's corporate governance powers beyond those it may exercise in the ordinary course of business under each portfolio company's governing documents or applicable non-bankruptcy law, or grants the Fund the power to remove, replace, or appoint executive officers (as opposed to directors) to the extent such power could not otherwise be exercised; and the Fund will exercise its rights in consultation with the Committee and will not replace any director without first giving the Committee 3 business days' notice of a proposed replacement. *See* Revised Proposed Order ¶¶ 2, 4. That language satisfied the non-Debtor portfolio companies and the Committee. And it is sufficient to address the Portfolio Debtors' objection.

22. The Fund recognizes that the Objection reflects, at least in part, the understandable apprehension of individuals who have weathered more than a year of litigation and uncertainty.

The Fund does not discount that apprehension. But the record shows that, since the Officeholders stepped in, the Fund has acted to reduce that uncertainty, not to increase it: it modified the Process to permit standalone acquisitions of each portfolio company, increased the portfolio companies' cash positions, and ensured that each maintains minimum funding. *See supra* ¶ 12; Lawson Declaration ¶¶ 3, 5. The human strain of change, however real, does not supply a basis to deprive the Fund of the governance rights that each Portfolio Debtor granted the Fund in its Series A agreements, by-laws, and certificate of incorporation.

IV. The Portfolio Debtors' remaining arguments provide no basis to deny the Motion.

23. The balance of the Objection fares no better. The contentions that the Fund has not shown a sufficient "need" for the relief, that board changes are unnecessary because the Fund can sell its equity, and that the timing is inopportune all misapprehend what the Motion requests. The Fund need not demonstrate "cause" to exercise an ordinary-course shareholder right; and to the extent the Court concludes any showing is required, the Motion separately requests, in the alternative, authority to act for cause under the business-judgment standard. In all events, confirming the Fund's ordinary-course governance rights now, rather than requiring a separate motion and order each time a routine board change is appropriate, will reduce delay and expense and promote, not impair, the value-maximizing Process. Uncertainty about who has authority to make governance decisions can lead to disputes, delay, and unnecessary expense for an estate, and resolving that question now would give the Debtors, the portfolio companies, and other stakeholders a clear framework for governance decisions going forward and reduce the risk of future litigation over the same issue. Mandarino Declaration ¶ 5. It is also necessary to fully understand what the Motion seeks – clarity on the Fund's management of its assets. The GP and others aligned with it have taken the position that the GP continues to have a say in Fund

management via the Clarification Order; the Fund takes the position that the Recognition Order clarified that the existing power is now in the hands of the Fund and does not require consultation with the displaced GP. The Motion does not seek a grant of new powers or permit the Fund to take any action contrary to the normal rights and duties of a debtor-in-possession. The Motion seeks clarity and there seems to be uniform agreement that clarity is well-needed in this case.

24. In this context, it is not surprising that the authorities on which the Portfolio Debtors rely *support* granting the Motion. For example, the Objection cites *Johns-Manville* for its argument that the exercise of governance rights may be limited where they seriously threaten the debtors' rehabilitation.[8] Objection at 6. But in *Johns-Manville*, the Second Circuit reversed an injunction against a shareholder meeting and found that conclusory representations that the reorganization would be jeopardized were insufficient to issue the injunction. *Johns-Manville*, 801 F.2d at 68. The Objection offers even less, and its conclusory statements are similarly unpersuasive. The Portfolio Debtors assert, without evidence, that "unbridled authority" to exercise corporate governance rights would threaten their value. Objection ¶ 1. Such speculation provides no basis to deny the Motion.

25. The Objection's reliance on *Marvel* is similarly misplaced, and that case supports granting the Motion. There, the court refused to restrict the exercise of "paramount" corporate governance rights "merely because of speculation" that a new board might violate the stay, and noted that the appropriate remedy would be to seek an injunction in the future if an improper action were actually to occur. *Marvel*, 209 B.R. at 839-40. The court further explained that "clear abuse requires a showing that the shareholders' action in seeking to elect a new board of directors

[8] The Portfolio Debtors' citation to *In re Gen. Growth Props., Inc*., 426 B.R. 71, 75 (Bankr. S.D.N.Y. 2010), does nothing to advance their argument. The quoted language comes directly from *Johns-Manvill*e and is dicta.

demonstrates a willingness to risk rehabilitation altogether in order to win a larger share for equity." *Id.* at 838 (internal quotation marks omitted). The Portfolio Debtors make no such showing here, nor can they.

26. The Portfolio Debtors' remaining authority is similarly unavailing. The Objection cites *SS Body Armor I, Inc.* for the proposition that a bankruptcy court may enjoin a shareholder meeting and implementation of its results when there is a showing of delay or real jeopardy to the debtor's plan of reorganization. Objection ¶ 15; 527 B.R. 597, 607 (Bankr. D. Del. 2015). There, the court granted the shareholder's motion for a determination that the stay did not prohibit the exercise of his right to hold a meeting and elect new directors. It did so notwithstanding an evidentiary hearing in which the debtors' CRO testified that the movant had an "inherent conflict of interest" and that stakeholders would not benefit from replacement of the board. The court further noted that the appropriate procedural vehicle to make a showing of "clear abuse" and obtain an injunction was through an adversary proceeding, not an opposition to a motion. *Id.* at 607. Here, the Portfolio Debtors have not even made the showing of potential harm to the reorganization that the *SS Body Armor I* court found inadequate.

RESERVATION OF RIGHTS

27. Nothing in this Reply waives, limits, or prejudices any right, claim, remedy, argument, or defense of the Fund, including, without limitation, with respect to the authority of the Officeholders, the Clarification Order, the Recognition Order, the Appointment Order, or any matter reserved in the Motion.

28. The Fund further notes that both Murphy & King, P.C. ("Murphy & King") and Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), each of which appears as counsel on the Objection, were previously retained and approved by this Court as co-counsel to all of the Debtors, including the Fund. *See Order Under Sections 327(a) and 1107(b) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-1 Authorizing Retention and Employment of Murphy & King, Professional Corporation as Bankruptcy Co-Counsel for Debtors Effective as of the Petition Date* [D.I. 301]; *Order Authorizing the Debtors to Retain and Employ Quinn Emanuel Urquhart & Sullivan, LLP as Co-Counsel for the Debtors Effective as of the Petition Date* [D.I. 623]. The Fund has not consented to either firm taking any position adverse to the Fund. Accordingly, the Fund expressly reserves all rights, claims, remedies, and arguments with respect to Murphy & King's and Quinn Emanuel's current representation adverse to the Fund, including, without limitation, with respect to any conflict of interest arising therefrom.

29. The Fund further reserves the right to supplement, amend, or modify this Reply, and to respond to any objection, joinder, or argument raised in advance of or at the hearing.

CONCLUSION

30. For the foregoing reasons, the Fund respectfully requests that the Court (a) overrule the Objection, (b) grant the Motion and enter the Revised Proposed Order,[9] and (c) grant such other and further relief as the Court deems just and proper.

Dated: October 14, 2026
Wilmington, Delaware

Respectfully submitted,

DLA PIPER LLP (US)

/s/ R. Craig Martin

R. Craig Martin (DE No. 5032)
DLA Piper LLP (US)
1201 North Market Street, Suite 2100
Wilmington, Delaware 19801
Telephone: (302) 468-5700
Facsimile: (302) 394-2341
Email: craig.martin@us.dlapiper.com

-and-

Gregory M. Juell (NY No. 5420120)
1251 Avenue of the Americas
New York, New York 10020
Telephone: (212) 335-4000
Facsimile: (212) 335-4501
Email: gregory.juell@us.dlapiper.com

-and-

Shant K. A. Eulmessekian (NY No. 6094668)
DLA Piper LLP (US)
2000 Avenue of the Stars, Suite 400 North Tower
Los Angeles, California 90067
Telephone: (310) 595-3000
Facsimile: (310) 595-3300
Email: shant.eulmessekian@us.dlapiper.com

Counsel to the Fund

[9] To the extent there are modifications to the Proposed Order, the Fund reserves its rights with respect to any such modifications.

EXHIBIT A

Lawson Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Apple Tree Life Sciences, Inc., *et al.*,[1] Debtors.	Chapter 11 Case No. 25-12177 (LSS) (Jointly Administered)

DECLARATION OF ALEXANDER LAWSON IN SUPPORT OF THE REPLY OF DEBTOR ATP LIFE SCIENCE VENTURES, L.P. IN SUPPORT OF ITS MOTION FOR ENTRY OF AN ORDER CONFIRMING ITS RIGHTS WITH RESPECT TO PORTFOLIO COMPANIES

I, Alexander Lawson, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information, and belief:[2]

1. I am a Managing Director with Alvarez & Marsal Cayman Islands Limited (together with employees of its professional service provider affiliates, including Alvarez & Marsal North America, LLC (all of which are wholly-owned by its parent company and employees), its wholly-owned subsidiaries and independent contractors, "A&M"), a restructuring advisory services firm with numerous offices throughout the world. I am Head of the Offshore Group and Head of the A&M Cayman Islands office. I earned a bachelor's degree in commerce and a bachelor's degree in law from the University of Queensland. I am a qualified Insolvency Practitioner in the Cayman Islands, a Chartered Accountant (in Australia and New Zealand) with

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[2] Capitalized terms used but not defined in this declaration have the meaning given to them in the *Motion of Debtor ATP Life Science Ventures, L.P., for Entry of an Order Confirming its Rights with Respect to Portfolio Companies* [D.I. 1188] (the "Motion") and the Reply of Debtor *ATP Life Science Ventures, L.P., for Entry of an Order Confirming its Rights with Respect to Portfolio Companies* (the "Reply"), as applicable.

more than 24 years' experience, and a member of the Cayman Islands Institute of Professional Accountants (CIIPA). I am also an admitted legal practitioner (non-practicing) with the Supreme Court of Queensland, Australia, a member of the Insolvency Practitioners Association of England and Wales with both a Certificate of Proficiency in Insolvency (CPI) and a Joint Insolvency Examination (JIE), and member of the International Federation of Restructuring, Insolvency and Bankruptcy Professionals (INSOL International), and the Cayman Islands Recovery and Insolvency Specialists Association (RISA) chapter.

2. I am one of the Cayman Islands-appointed joint officeholders, appointed together with Barry Lynch (together, the "Officeholders") to act in the stead of, and to the exclusion of, ATP III GP Ltd as general partner of ATP Life Science Ventures, L.P. (the "Fund"). Except as otherwise indicated, all facts set forth in this declaration (this "Declaration") are based upon my personal knowledge, information supplied to me by other members of A&M and the Fund's professionals and advisors, my review of relevant documents, and/or my opinion based upon my experience and knowledge concerning the Fund's operations and financial condition. I submit this Declaration in support of the Motion and the Reply.

3. As an independent, court-appointed fiduciary, my focus has been to promote a process that will maximize value for all parties in interest. Since my involvement with the Fund and these chapter 11 cases, the Officeholders and the Fund have worked tirelessly for the benefit of all stakeholders and made significant progress to date, including, among other things, modifying the sale process to permit each portfolio company to be acquired on a standalone basis, increasing the portfolio companies' cash positions, and ensuring that each portfolio company maintains minimum funding.

4. The Officeholders' goal has been to shepherd these chapter 11 cases, in line with our fiduciary responsibilities, to maximize value for the benefit of all stakeholders. To that end, the Officeholders and A&M, along with counsel to the Fund, have had numerous discussions with the Committee and the portfolio companies. Between August and September 2026, Mr. Lynch and I had multiple meetings with members of the boards of the portfolio companies and with their executives. These began shortly after this Court recognized my appointment as an Officeholder, with introductory meetings with the relevant board members and executives of each Debtor and non-Debtor Portfolio Company, at which we introduced ourselves, sought to understand each company's business, explained the Officeholders' role, and established lines of communication, in particular regarding ongoing funding. The portfolio companies' principal concern at those meetings was the availability of future funding. During the course of these discussions, I expressed that the Fund has no intention of removing management, executives, or scientists. Rather, the Fund has funded, and intends to continue funding their scientific work.

5. In connection with the motion to approve the Third Funding Order, the Officeholders and the Fund's professionals had numerous conversations with the portfolio companies and their advisors to explain the purpose and mechanics of the motion and the Fund's commitment to meet funding needs. The Fund has not withdrawn funding. Since entry of the Third Funding Order, the Fund and the portfolio companies have continued to discuss funding needs and update budgets, and no portfolio company has raised concerns with that process. Each portfolio company may draw funds from the cash under the Officeholders' control in accordance with its funding budget, and to date none has done so.

6. Further, in my capacity as Officeholder, I have caused the Fund to meet regularly with members of the Portfolio Debtors' boards and management, to ensure that all stakeholders

are heard and that all concerns are taken into account. While the Officeholders have not been invited to attend any portfolio company board meetings to date or asked to assist in the sale process, we have kept lines of communication open. As B. Riley serves as the principal point of contact for the portfolio companies on the sale process matters, the Officeholders' direct interaction with the portfolio companies has centered primarily on funding.

7. Since entry of the Third Funding Order, members of the A&M team, working under my supervision, have had ongoing discussions with the portfolio companies. Where portfolio companies have expressed concerns with future funding allocations, we have communicated directly with the company to understand and resolve these issues. For example, since our initial meeting with members of board of Marengo Therapeutics, Inc. its CEO has continued to provide us with updates on the company's funding needs and progress towards achieving certain milestones, reflecting a good working relationship. Further, I am unaware of any concerns being raised directly to the Fund or its professionals by any scientist or board member regarding their employment, compensation, or the need to dismiss employees due to a lack of funding. Rather, the Officeholders have been consistent in our message and actions: our goal is to manage the Fund's resources for the benefit of all stakeholders, not to impede the portfolio companies' operations.

8. After discussion with the Fund's professionals and other parties in interest, including the Committee, the Officeholders understand the parties may hold concerns regarding removal of key executives; however, that is not the Fund's intention. Any decision to appoint or replace board members will follow a full process and reflect the Fund's business judgment. To the extent the Fund has replaced board members, it has appointed individuals with specific restructuring experience relevant to these chapter 11 cases. The other candidates the Fund would

consider are industry specialists identified by A&M, alongside its life sciences professionals, whose experience I believe would be highly relevant and useful to the respective boards. Every such decision has been, and will continue to be, guided by a single objective: maximizing value for all stakeholders.

9. For the reasons set forth in this Declaration, I believe that granting the relief requested in the Motion is in the best interest of the Debtors and their stakeholders.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: October 14, 2026
George Town, Cayman Islands

/s/ Alexander Lawson

By: Alexander Lawson
Title: Officeholder, on behalf of the Fund Debtor

EXHIBIT B

Mandarino Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Apple Tree Life Sciences, Inc., *et al.*,[1]	Case No. 25-12177 (LSS)
Debtors.	(Jointly Administered)
	Re: D.I. 1188, 1209

DECLARATION OF PERRY M. MANDARINO, CHIEF RESTRUCTURING OFFICER OF THE DEBTORS, IN SUPPORT OF REPLY OF DEBTOR ATP LIFE SCIENCE VENTURES, L.P. IN SUPPORT OF MOTION FOR ENTRY OF AN ORDER CONFIRMING ITS RIGHTS WITH RESPECT TO PORTFOLIO COMPANIES

I, Perry M. Mandarino hereby declare as follows:[2]

1. I am Head of Restructuring and a Senior Managing Director at B. Riley Restructuring Services, LLC ("BRRS"), resident in its office located at 299 Park Avenue, New York, NY 10171 and 10 Broad Street, Red Bank, NJ 07701. I was appointed as Chief Restructuring Officer ("CRO") of certain of the Debtors on December 9 and 12, 2025, as applicable.

2. I have approximately thirty-seven years of restructuring experience, most of which has involved corporate restructuring transactions. Prior to BRRS, I was a Partner and Leader of the Business Recovery Services Practice at PricewaterhouseCoopers LLC, a financial advisory and accounting firm with numerous offices throughout the country. Before then, I was Senior

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

[2]All terms not defined herein have the meaning ascribed to them in the Motion or the Reply (each as defined below), as applicable.

Managing Director at Traxi LLC beginning in April 2002. Prior to April 2002, I was a partner at Arthur Andersen LLP. I received a Bachelor of Science in Accounting from Seton Hall University in 1987. Throughout my career I have advised hundreds of debtors, lenders and other stakeholders on numerous restructuring transactions in complex chapter 11 cases. I have served as a Chief Restructuring Officer in *In re: Hoop Holdings, Inc., d/b/a The Disney Stores*, Case No. 08-10544 (BLS) (Bankr. D. Del.) and *In re: MIIX Group Holdings*, Case No. 04-13588 (MFW) (Bankr. D. Del.); Chapter 11 Trustee in *In re: James F. Lomma/New York Crane & Equipment Corp*., (16-40043 (CEC) (Bankr. E.D.N.Y.); Examiner in *In re: Polaroid Corporation*, Case No. 01-10864 (PJW) (Bankr. D. Del.) and *In re: Summit Global Logistics, Inc.* (Case No. 08-11566) (DKS) (Bankr. D.N.J.),and served as financial advisor and investment banker in numerous cases, including many in the District of Delaware. I have also been involved in the management of certain principal positions for affiliates of B. Riley Financial, Inc. (NASDAQ:RILY).

3. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by the professionals in this case and/or employees working under my supervision, or my opinion based upon my experience, knowledge, and information concerning the Debtors' operations.

4. I submit this Declaration in support of the *Reply of Debtor ATP Life Science Ventures, L.P. in Support of Motion for Entry of an Order Confirming Its Rights with Respect to Portfolio Companies* (the "Reply"), which is contemporaneously filed with this Declaration. The Reply responds to, among other things, the objection [D.I. 1209] (the "Objection") filed by Debtors Apertor Pharmaceuticals, Inc., Evercrisp Biosciences, Inc., Initial Therapeutics, Inc., Marlinspike Therapeutics, Inc., Nereid Therapeutics Incorporated, Nine Square Therapeutics, Inc., and Red Queen Therapeutics, Inc. (collectively, the "Portfolio Debtors") to the *Motion of Debtor ATP Life*

Science Ventures, L.P., for Entry of an Order Confirming Its Rights with Respect to Portfolio Companies [D.I. 1188] (the "Motion").

5. I believe that the relief sought in the Motion, which would provide clarity regarding the Fund's governance rights as to the board members of the portfolio companies, would benefit the Debtors and their estates. In my experience, uncertainty about who has authority to make governance decisions can lead to disputes, delay, and unnecessary expenses for an estate. Resolving that question now would give the Debtors, the portfolio companies, and other stakeholders a clear framework for governance decisions going forward. It would also reduce the risk of future litigation over the same issue.

6. Moreover, I do not believe that the clarification of such rights would be harmful in any way to the ongoing Process, to these chapter 11 cases generally, or to the Portfolio Debtors specifically. In my view, prospective bidders and investors benefit from knowing who holds governance authority over the portfolio companies, and how that authority may be exercised. Clarity on that point should support the Process rather than disrupt it.

7. In my role as CRO, I serve as a direct line of communication between the portfolio companies and the Fund primarily with respect to the bid process and financial matters. To the extent any portfolio companies have had issues or concerns regarding governance in the past, they have expressed those concerns directly to me, and I have communicated them to the Fund and its counsel. The Officeholders, as managers of the Fund, have been responsive in addressing those concerns as they have been raised. In my view, this system of communication between the portfolio companies and the Fund has been working well.

8. Based on my interactions with the Officeholders during these chapter 11 cases, the Officeholders have remained focused on the Process and on maximizing value.

I declare under penalty of perjury, under 28 U.S.C. § 1746, that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Executed this 14th day of October, 2026.

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

EXHIBIT C

Revised Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Apple Tree Life Sciences, Inc., *et al.*,[1] Debtors.	Chapter 11 Case No. 25-12177 (LSS) (Jointly Administered) **Re: D.I. 1188; ___**

ORDER CONFIRMING THE FUND'S CORPORATE GOVERNANCE RIGHTS WITH RESPECT TO PORTFOLIO COMPANIES

Upon the motion (the "Motion")[2] filed by Debtor ATP Life Science Ventures, L.P. (the "Fund"), for entry of an order (this "Order") confirming the Fund's authority to appoint, replace, or remove board members of portfolio companies without consent of the ATP III GP, Ltd. (the "GP") or further order of this Court, or, in the alternative, authorizing the Fund to appoint, replace, or remove board members of portfolio companies in the ordinary course of business; and this Court having jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this being a core proceeding under 28 U.S.C. § 157(b)(2); and this Court having authority to enter a final order consistent with Article III of the United States Constitution; and venue in this District being proper under 28 U.S.C. §§ 1408 and 1409; and this Court having reviewed the Motion and the legal and factual bases set forth in the Motion establishing just cause

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[2] Capitalized terms used but not defined in this Order shall have the meaning given to them in the Motion.

for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Paragraph 4 of the Clarification Order does not apply to the Fund's voting of its equity securities to appoint, replace, or remove directors from portfolio companies, in the ordinary course of business and as permitted by the applicable portfolio companies' governing documents, and the Fund may appoint, replace, or remove directors without Court order and without GP consent in the ordinary course of business.

2. For the avoidance of doubt, and notwithstanding anything to the contrary in the Motion, nothing in this Order expands the Fund's corporate governance powers with respect to its portfolio companies beyond powers the Fund may exercise in the ordinary course of business under each of its portfolio company's governing documents or applicable non-bankruptcy law. For further avoidance of doubt, nothing in this Order grants to the Fund the power to remove, replace or appoint executive officers (as opposed to board members or directors), to the extent such power could not otherwise be exercised by the Fund under a portfolio company's governing documents or applicable non-bankruptcy law.

3. [***Alternatively*** – For cause shown, to the extent an order is required by paragraph 4 of the Clarification Order, the Fund is authorized to appoint, replace, or remove directors of portfolio companies as the Fund determines is appropriate in its sound business judgment.]

4. The rights and powers in paragraph 1 [or 3] will be exercised by the Fund in consultation with the Committee. The Fund will not replace any directors prior to giving the Committee 3 business days' notice of a proposed replacement. Additionally, the Fund has agreed with the Committee that any nominees to be proposed by the Fund to serve as a director will be selected by the Fund alone without consultation with the GP or the Fund's limited partners.

5. This Order is effective immediately upon its entry.

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

EXHIBIT D

Redline of Revised Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Apple Tree Life Sciences, Inc., *et al.*,[1] Debtors.	Chapter 11 Case No. 25-12177 (LSS) (Jointly Administered) **Re: D.I. 1188;** ___

ORDER CONFIRMING THE FUND'S CORPORATE GOVERNANCE RIGHTS WITH RESPECT TO PORTFOLIO COMPANIES

Upon the motion (the "Motion")[2] filed by Debtor ATP Life Science Ventures, L.P. (the "Fund"), for entry of an order (this "Order") confirming the Fund's authority to appoint, replace, or remove board members of portfolio companies without consent of the ATP III GP, Ltd. (the "GP") or further order of this Court, or, in the alternative, authorizing the Fund to appoint, replace, or remove board members of portfolio companies in the ordinary course of business; and this Court having jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this being a core proceeding under 28 U.S.C. § 157(b)(2); and this Court having authority to enter a final order consistent with Article III of the United States Constitution; and venue in this District being proper under 28 U.S.C. §§ 1408 and 1409; and this Court having reviewed the Motion and the legal and factual bases set forth in the

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

[2] Capitalized terms used but not defined in this Order shall have the meaning given to them in the Motion.

Motion establishing just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. Paragraph 4 of the Clarification Order does not apply to the Fund's voting of its equity securities to appoint, replace, or remove directors from ~~subsidiaries~~portfolio companies, in the ordinary course of business and as permitted by the applicable ~~subsidiaries~~portfolio companies' governing documents, and the Fund may appoint, replace, or remove directors without Court order and without GP consent in the ordinary course of business.

2. For the avoidance of doubt, and notwithstanding anything to the contrary in the Motion, nothing in this Order expands the Fund's corporate governance powers with respect to its portfolio companies beyond powers the Fund may exercise in the ordinary course of business under each of its portfolio company's governing documents or applicable non-bankruptcy law. For further avoidance of doubt, nothing in this Order grants to the Fund the power to remove, replace or appoint executive officers (as opposed to board members or directors), to the extent such power could not otherwise be exercised by the Fund under a portfolio company's governing documents or applicable non-bankruptcy law.

3. ~~2.~~ [***Alternatively*** – For cause shown, to the extent an order is required by paragraph 4 of the Clarification Order, the Fund is authorized to appoint, replace, or remove directors of portfolio companies as the Fund determines is appropriate in its sound business judgment.]

4. The rights and powers in paragraph 1 [or 3] will be exercised by the Fund in consultation with the Committee. The Fund will not replace any directors prior to giving the Committee 3 business days' notice of a proposed replacement. Additionally, the Fund has

agreed with the Committee that any nominees to be proposed by the Fund to serve as a director will be selected by the Fund alone without consultation with the GP or the Fund's limited partners.

5. ~~3.~~ This Order is effective immediately upon its entry.

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

Summary report: **Litera Compare for Word 11.16.1.3 Document comparison done on 10/14/2026 4:00:52 PM**	
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Modified DMS: iw://cloudimanage.com/active/1637337362/3 - ATP - Revised Order re Confirmation of Fund's Governance Powers.docx	
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~~Move From~~	0
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Table Insert	0
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Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	16