Docket #1281 Date Filed: 10/30/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

DECLARATION OF CHRISTOPHER KENNEDY IN SUPPORT OF MOTION OF ATP LIFE SCIENCE VENTURES, L.P. FOR ENTRY OF AN ORDER (I) AUTHORIZING THE FUND DEBTOR TO OBTAIN POSTPETITION FINANCING ON A SECURED, SUPERPRIORITY BASIS, (II) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (III) MODIFYING THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF

I, Christopher Kennedy, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Managing Director at Alvarez & Marsal Cayman Islands Limited (together with its affiliates, "A&M") with more than twenty years of experience advising financially distressed companies and their stakeholders in restructuring and turnaround matters.

2. Since July 2026, I and others at A&M have worked closely with ATP Life Science Ventures, L.P. (the "Fund Debtor"), among other matters, to assist the Fund Debtor in evaluating its liquidity needs and financing alternatives. Based on my work with the Fund Debtor, my work and oversight of the work that A&M has performed for the Fund Debtor thus far, my review of relevant documents, and my discussions with the officeholders of the Fund Debtor appointed by

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: 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 Debtors' service address in these chapter 11 cases is 230 Park Avenue, Suite 2800, New York, NY 10169. The Fund Debtor's service address in these chapter 11 cases is Alvarez & Marsal Cayman Islands Limited, c/o Kim Dennison, 2nd Floor, Flagship Building, 142 Seafarers Way, P.O. Box 2507, George Town, Grand Cayman, Cayman Islands, KY1-1104.

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the Grand Court of the Cayman Islands (the "Officeholders") and other professionals and other stakeholders of the Fund Debtor, I am familiar with the Fund Debtor's business affairs and financial condition and its investments in its portfolio companies (the "PortCos"). I submit this declaration ("Declaration") in support of the relief requested in the *Motion of ATP Life Science Ventures, L.P. for Entry of an Order (I) Authorizing the Fund Debtor to Obtain Postpetition Financing on a Secured, Superpriority Basis, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* (the "DIP Motion"),[2] filed contemporaneously herewith, including approval of the senior secured superpriority debtor in possession delayed draw term loan credit facility proposed therein (the "DIP Facility"). At the Officeholders' request, I have been in charge of and manage the day-to-day issues that arise related to the DIP Facility.

3. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon: (a) my personal knowledge of the Fund Debtor's operations and finances; (b) information learned from my review of relevant documents or information supplied to me by the Fund Debtor's other professional advisors (including other members of the A&M team who work under my direction and supervision); or (c) my opinion based on my experience with financing transactions, knowledge, and information concerning the Fund Debtor's operations and financial condition.

4. I am over the age of eighteen and authorized to submit this Declaration on behalf of the Fund Debtor. I am not being compensated for this testimony other than through payments received by A&M under its engagement approved pursuant to sections 105(a) and 363(b) of the Bankruptcy Code; none of those payments are specifically payable on account of this testimony. If called upon to testify, I could and would testify competently to the statements set forth in this

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

Declaration, as the information in this Declaration is complete and accurate to the best of my knowledge.

A. Background and qualifications.

5. I am a Managing Director of A&M, a global professional services firm specializing in, among other things, turnaround and restructuring advisory, interim management, performance improvement, and corporate finance matters. A&M serves troubled companies, debtors, creditors, equity holders, and other parties in both in-court and out-of-court engagements. I am a member of the A&M team engaged by the Fund Debtor in this Chapter 11 Case, and I lead A&M's workstream relating to the Fund Debtor's postpetition financing, including the DIP Facility and the Approved Budget.

6. In that role, I have worked with the A&M team to evaluate the Fund Debtor, the value of its investments in each PortCo, the benefit of follow-on investment in each PortCo, and the funding required to stabilize the PortCos to preserve and enhance the value of each and, in turn, of the Fund Debtor.

B. The Fund Debtor's need for postpetition financing.

7. As shown in the Approved Budget, the Fund Debtor's current cash on hand is insufficient to bridge to exit under a chapter 11 plan. The DIP Facility provides the liquidity necessary to bridge that gap and to ensure the administrative solvency of this Chapter 11 Case, among other things. I have reviewed the DIP Motion, and I believe that the relief requested therein is (a) critical to fund the administrative costs of the Fund Debtor's Chapter 11 Case and to preserve the value of the Fund Debtor's investments in the PortCos and (b) necessary to avoid harm to the Fund Debtor's Estate.

8. The Fund Debtor is a holding and investment vehicle with limited liquidity of its own, and it is often the only source of funding for the PortCos, which are at various stages of

research, development, clinical testing, and regulatory approval. Since its formation, the Fund Debtor has invested billions of dollars in life science companies researching and developing potential new treatments for life-threatening conditions, including cancer, blindness, opioid addiction, and obesity, among others. Without the DIP Facility, I do not believe the Fund Debtor will have sufficient liquidity to satisfy the administrative costs of its Chapter 11 Case and to provide funding consistent with the Final Funding Order and the Approved Budget.

9. The DIP Facility is structured to address these needs. Based upon that review and analysis, the Fund Debtor and its advisors have determined that the DIP Facility, in an aggregate principal amount of up to $24,790,000 to be advanced through monthly draws, is necessary to (a) pay professional fees of the Fund Debtor, the Estate, and the Official Committee of Unsecured Creditors, (b) fund working capital and other general corporate purposes of the Fund Debtor, (c) provide secured funding to those Debtor and non-Debtor PortCos, consistent with the terms of the Final Funding Order and the Approved Budget, and (d) fund in part the Fund Debtor's exit from chapter 11. Absent the DIP Facility, I believe the value of the Estate would be impaired to the detriment of all stakeholders.

10. In furtherance of assessing and quantifying its cash needs, the Fund Debtor, with the assistance of A&M, delivered to the DIP Representative a 23-week cash flow forecast (the "Initial Budget") covering the period through March 31, 2027, to be followed by the Extended Budget and periodic Updated Budgets, in each case as provided in the DIP Term Sheet and other DIP Documents. I believe that the budget framework is adequate, fair, reasonable, and appropriate under the circumstances.

C. The Milestones are reasonable.

11. As a product of negotiation with the DIP Lenders, and as a condition required by the DIP Lenders to providing the DIP Facility, the DIP Facility contemplates certain milestones

that the Fund Debtor must meet, including execution of a Plan Term Sheet, filing of a plan of reorganization and disclosure statement, and entry of orders approving the disclosure statement and confirming the plan. The failure to meet any such milestone would constitute an Event of Default under the DIP Term Sheet.

12. The DIP Facility, including the milestones, serves as an important component of the Fund Debtor's Chapter 11 Case because it will provide the Fund Debtor with the stability and certainty it needs to administer the Estate and bridge to confirmation of a plan. The DIP Facility, and the Fund Debtor's ability to achieve the milestones contemplated therein, will preserve and enhance the value of the Fund Debtor for the benefit of all stakeholders of the Fund Debtor.

D. The Fund Debtor's efforts to secure postpetition financing.

13. A&M assisted the Fund Debtor with evaluating potential financing alternatives. The Fund Debtor engaged in negotiations with the DIP Lenders and, following the Debtors' marketing and financing process, the Debtors obtained no other DIP financing offers. No party offered financing on an unsecured or administrative-priority basis, and the DIP Lenders provided the highest, best, and only currently actionable proposal submitted.

14. The Fund Debtor determined that the DIP Facility (a) adequately addresses the Fund Debtor's current and foreseeable liquidity needs, including through confirmation of a proposed plan, and (b) contains favorable economic terms, including a low interest rate that is paid in kind.

15. Based on my experience with similar financings, my involvement in the negotiations of the DIP Facility, and my review of its material terms and conditions, I believe that the DIP Facility should be approved. I believe that the DIP Facility and related financing arrangements (a) reflect substantial arm's-length and good-faith negotiations between the Fund Debtor and the DIP Lenders, (b) are adequate, fair, reasonable, and appropriate under the

circumstances, and (c) are more favorable than current market terms. I further believe that the Fund Debtor's entry into the DIP Documents is an exercise of the Fund Debtor's sound business judgment and that the benefits of accessing the DIP Facility outweigh the burdens and expenses imposed by the financing arrangements.

E. The DIP Facility was negotiated in good faith.

16. The Fund Debtor and its advisors were actively involved throughout the negotiations with the DIP Lenders, which were conducted at arm's length and in good faith. The terms of the DIP Facility, including the interest rate to be paid in kind, the absence of fees, certain customary waivers, and milestones, were negotiated by the Fund Debtor and its advisors, on the one hand, and the DIP Lenders and their counsel, on the other hand, and culminated in the DIP Term Sheet. Ultimately, the DIP Lenders were only willing to lend on the terms set forth in the DIP Term Sheet and the DIP Order, which, in my opinion, constituted the best and only currently available offer to the Fund Debtor.

17. I understand the DIP Lenders would not have consented to providing postpetition financing without the Fund Debtor's waiver of, to the extent applicable, the equitable doctrine of marshaling and its ability to surcharge against the DIP Collateral under section 506(c) of the Bankruptcy Code. I believe these waivers are appropriate under the circumstances of the Fund Debtor's Chapter 11 Case.

F. The terms of the DIP Facility are reasonable.

18. The proposed DIP Facility consists of New Money DIP Loans of up to $24,790,000, to be advanced through monthly draws in compliance with the DIP Order, the DIP Documents, and the Approved Budget. The DIP Facility does not include a roll-up of any prepetition obligations, and no adequate protection is being provided for prepetition claims.

19. Under the DIP Facility, the Fund Debtor proposes granting the DIP Secured Parties first-priority DIP Liens on the DIP Collateral, junior only to Prior Permitted Liens, together with DIP Superpriority Claims, in each case subject to the Carve-Out. No party was willing to provide postpetition financing on an unsecured or administrative-priority basis.

20. The Fund Debtor has also agreed, after good-faith, arm's-length negotiations with the DIP Lenders and subject to Court approval, to an interest rate of SOFR + 0% per annum, paid in kind (the "Interest Rate"), and a default rate of 2.00% per annum in excess of the Interest Rate, also paid in kind. The DIP Facility does not have any fees; the Fund Debtor has agreed only to reimburse the DIP Representative and the DIP Lenders for reasonable and documented costs and expenses, subject to customary review and dispute periods.

21. Based on my discussions with the Fund Debtor and its advisors, I understand that the terms, covenants, and Interest Rate under the DIP Term Sheet were heavily negotiated and are an integral component of the overall terms of the DIP Facility.

22. The Fund Debtor has determined, and I agree, that the DIP Facility is in the best interests of the Fund Debtor, its Estate, and its stakeholders.

G. Conclusion.

23. Without access to the DIP Facility, I believe the value of the Estate would be impaired, and the Fund Debtor would not be able to fund certain necessary work, continue its plan process, or administer its Chapter 11 Case. I believe that the DIP Facility should be approved given the Fund Debtor's financial circumstances and the lack of any other viable financing alternatives. Based on my discussions with the Officeholders and the Fund Debtor's advisors, and my review of the terms of the DIP Facility, I believe that the DIP Facility is the best and only financing option presently available to the Fund Debtor and that its terms are reasonable under the circumstances.

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

Dated: October 30, 2026

/s/ Christopher Kennedy
Christopher Kennedy
Managing Director
Alvarez & Marsal Cayman Islands Limited