Company Overview

Business Description

- Headquartered in Newton, MA, Karyopharm Therapeutics Inc. ("Karyopharm")[(1)], together with its sole debtor affiliate, KPT Texas LLC ("KPT Texas" and, with Karyopharm, the "Debtors" or the "Company"), is a commercial-stage pharmaceutical company that develops and sells drugs for life-threatening blood cancers and solid tumors.
- The Company's primary compound, selinexor, works by blocking XPO1, a protein that cancer cells use to push tumor-fighting proteins out of the cell nucleus.
  - Selinexor is marketed as XPOVIO, the Company's only commercialized product
  - XPOVIO is sold directly in the United States for multiple myeloma, a blood cancer, and through licensing partners in more than 50 countries and territories
- Karyopharm reported total revenue of $146.1 million for 2025 from XPOVIO product sales and licensing.
- The Company is also developing selinexor for other cancers, led by an FDA application in myelofibrosis, a rare blood cancer, along with several earlier-stage compounds in its pipeline.

[(1)] Karyopharm Therapeutics Inc. and its debtor affiliate filed for Chapter 11 protection on November 2, 2026 (the "Petition Date") in the U.S. Bankruptcy Court for the Southern District of Texas, reporting $111.3 million in assets and $441.5 million in liabilities.

Corporate History

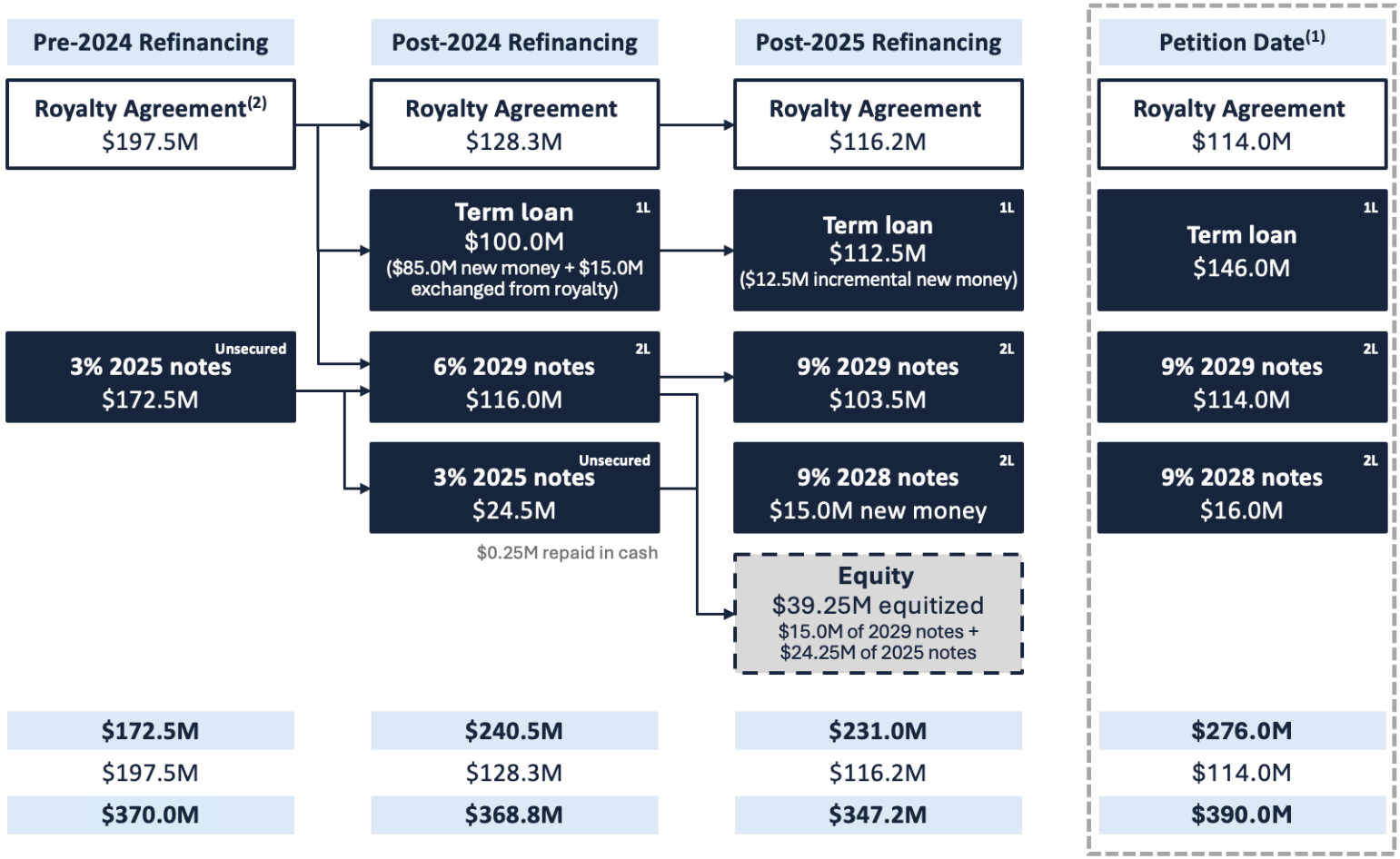
- **Founding and Initial Public Offering:**
  - Karyopharm was founded by Dr. Sharon Shacham and Dr. Michael Kauffman, and was incorporated in Delaware on December 22, 2008
  - In November 2013, the Company went public, raising approximately $113 million from the IPO, and began trading on the NASDAQ under the ticker KPTI

- **2024 and 2025 Refinancings:**
  - In 2024 and 2025, the Company completed two refinancings that increased its funded debt from $172.5 million to $231 million
  - Before the 2024 refinancing, debt consisted of $172.5 million of unsecured notes due October 2025 (the "2025 Notes") and a royalty financing agreement with HealthCare Royalty ("HCR") (the "Royalty Financing Agreement"), under which the Company owed a percentage of selinexor revenue up to a $263.3 million payment cap
  - In May 2024, Funds managed by Braidwell, Highbridge Capital Management, LLC ("Highbridge"), Davidson Kempner, and Context Capital Management, the four largest holders of the 2025 Notes, exchanged approximately $148 million of those notes at 75% of face value for new second lien convertible notes due 2029 (the "Original 2029 Notes")
  - The Company also entered into a new $100 million first lien term loan, funded with $85 million of cash from existing 2025 Notes holders and $15 million from HCR in exchange for royalty obligations
  - HCR also reduced its royalty claim in exchange for a portion of the Original 2029 Notes and a cash payment

Corporate History (cont'd)

- In October 2025, facing the maturity of the remaining $24.5 million of 2025 Notes and missed interest and royalty payments, the Company completed a second round of transactions with its existing creditors (the "October 2025 Transactions") to fund operations until topline data from a Phase 3 trial in its lead development program:
  - New money: a $12.5 million incremental term loan, and $15 million of new second lien convertible notes due 2028 (the "2028 Notes"), purchased by holders of the Original 2029 Notes
  - Note exchanges: $101 million of Original 2029 Notes exchanged for $103.5 million of new second lien convertible notes due 2029 (the "2029 Notes"); the remaining $15 million of Original 2029 Notes converted into equity
    - Of the remaining $24.5 million of 2025 Notes, $24.25 million was converted into equity and $0.25 million was repaid at maturity
  - Payment relief: a waiver of royalties on revenue from April 1, 2025 through March 31, 2026, in exchange for an increase in the royalty rate from 7% to 8%, and a temporary $15 million reduction in the minimum liquidity covenant
- The Company also raised approximately $8.8 million through a concurrent private placement of equity.

2024 and 2025 Refinancings



Funded debt	**$172.5M**	**$240.5M**	**$231.0M**	**$276.0M**
Royalty Agreement(2)	$197.5M	$128.3M	$116.2M	$114.0M
Total obligations	**$370.0M**	**$368.8M**	**$347.2M**	**$390.0M**

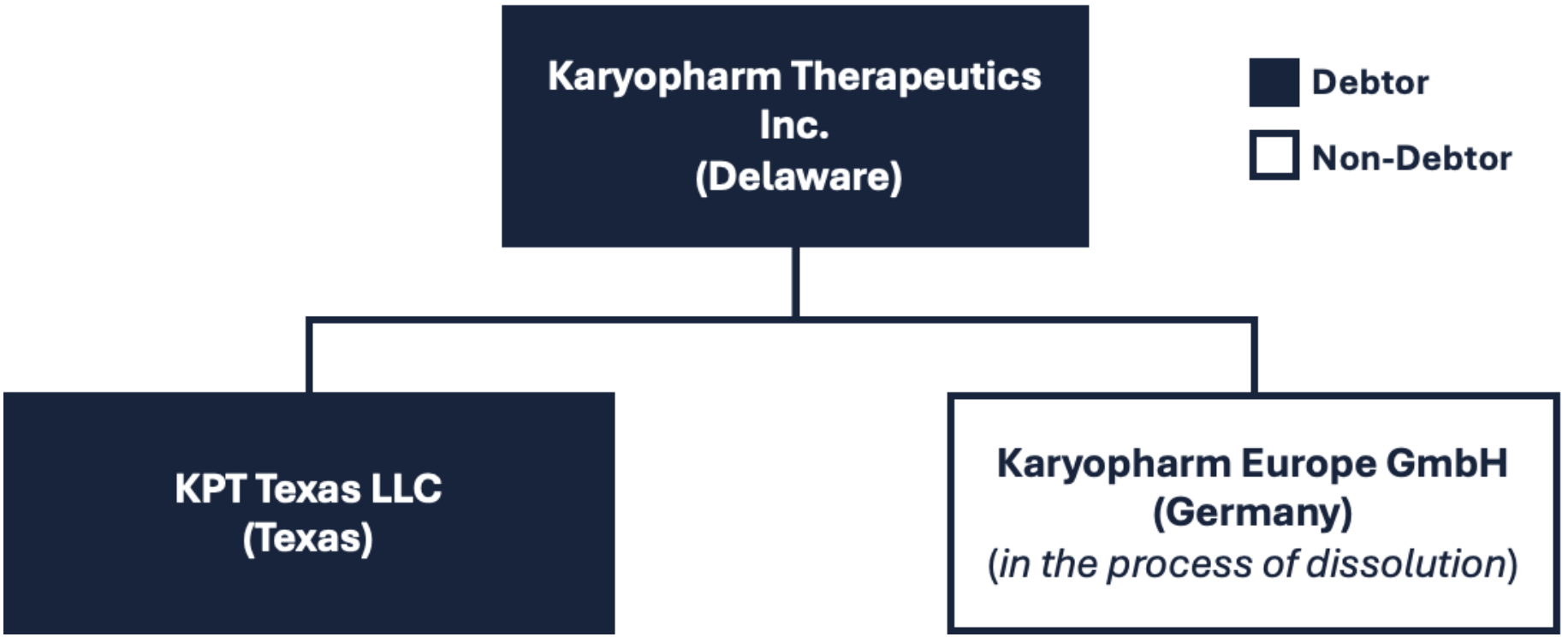
■ Funded debt □ Royalty ▦ Equity

(1) Petition Date amounts reflect amounts outstanding per the Debtors, including accrued and unpaid interest and, for the term loan, applicable fees and premiums. Other columns reflect principal issued or exchanged in each transaction.

(2) Royalty amounts reflect maximum payments remaining under a $263.3M payment cap, not principal. In May 2024, HealthCare Royalty, the royalty counterparty, received $49.5M in cash, $15.0M of term loans, and $5.0M of 2029 notes in exchange for reducing its royalty obligations. The Pre-2024 Refinancing amount is calculated as the $263.3M cap less $65.8M of payments made through March 31, 2024.

Source: Bondoro, Court filings, SEC filings

Organizational Structure



Source: Bondoro, Court filings

XPOVIO Approvals

- Between July 2019 and December 2020, the FDA approved XPOVIO for three uses:
  - **Multiple myeloma after four or more prior treatments (July 2019):** approved for use with the steroid dexamethasone in patients who had been through at least four prior treatments and no longer responded to the main existing myeloma drugs
  - **Multiple myeloma after at least one prior treatment (December 2020):** extended XPOVIO, in combination with bortezomib and dexamethasone, to a broader group of patients who had received at least one prior treatment
  - **Diffuse large B-cell lymphoma ("DLBCL") (June 2020; withdrawn 2026):** accelerated approval for relapsed or refractory DLBCL, a common and aggressive cancer of the white blood cells in the lymph nodes, in patients whose disease had returned or stopped responding to treatment
    - In March 2026, at the FDA's request, the Company agreed to withdraw the approval after it was unable to complete the required confirmatory trial; the withdrawal took effect April 30, 2026
- Outside the United States, the drug is sold as NEXPOVIO.
  - It received conditional approval in Europe in March 2021 and in the United Kingdom in May 2021; both were converted to full approvals, in July 2022 and February 2023, respectively

Other Selinexor Development

- Beyond XPOVIO's approved uses, the Company has tested selinexor in other cancers and in new myeloma combinations.
- **Myelofibrosis (lead program):** pursued through two trials:
  - **SENTRY**, the more advanced trial, is a Phase 3 trial testing selinexor plus ruxolitinib against ruxolitinib alone in patients who had not yet started ruxolitinib or similar drugs
    - In March 2026, SENTRY met its goal of shrinking patients' enlarged spleens but not its goal of improving symptoms
    - In July 2026, the FDA indicated in writing that the spleen results could support accelerated approval, subject to further discussion of the supporting data and the path to full approval
    - On August 31, 2026, the Company submitted a supplemental new drug application (the "sNDA") for the combination as an expanded use of XPOVIO, and expects to learn by approximately November 10, 2026 whether it has been formally accepted
  - SENTRY-2 is a mid-stage trial that has been testing selinexor alone since mid-2024, with initial results expected in the second half of 2026
- **Endometrial cancer (winding down):** a Phase 3 trial launched in late 2022 tested selinexor as a maintenance treatment after chemotherapy in patients with a genetic subtype of advanced or recurrent endometrial cancer, and was redesigned in early 2025 in response to FDA feedback.
  - On July 30, 2026, the Company announced that the trial did not meet its primary goal; the Company is winding down the program to focus its resources on myelofibrosis and multiple myeloma
- **Multiple myeloma combinations:** the Phase 3 EMN29 trial, run with the European Myeloma Network, is testing an all-oral combination of selinexor with two other myeloma drugs, with initial results expected in the second half of 2026.

Other Compounds Development

- The Company has also developed several compounds beyond selinexor, none of which has been approved for human use:
  - **Eltanexor (KPT-8602):** a second-generation compound that works the same way as selinexor; studied in an early- to mid-stage trial, but development has been on hold since January 2024 as the Company focused resources on its late-stage selinexor programs
  - **KPT-9274:** works by blocking two proteins that cancer cells rely on for energy and growth; the Company has been evaluating development options for the compound
  - **KPT-350:** a related compound being evaluated for neurological diseases; reacquired in February 2024, with the Company intending to develop it internally or through a partner
  - **Verdinexor (KPT-335):** a related compound approved only for veterinary use, licensed exclusively worldwide for cancer in companion animals; the Company does not sell it but earns milestone payments and royalties, including a $3.5 million milestone in the first half of 2026

Product Revenue

- U.S. sales of XPOVIO have been the Company's only source of product revenue to date; the Company earns revenue through direct U.S. sales of XPOVIO (product revenue) and payments from licensed partners in other markets (license and other revenue).
- Product revenue totaled $114.9 million in 2025, or 78.6% of total revenue.
  - The Debtors ship XPOVIO to specialty pharmacies, which dispense it to patients, and to specialty distributors, which resell it to healthcare entities
  - Sales are concentrated: three customers accounted for 26%, 23%, and 22% of 2025 total revenue, and one held 37% of year-end accounts receivable

Licensing Revenue and Agreements

- License and other revenue accounted for the remaining $31.2 million of 2025 revenue, from partners that develop and commercialize the Company's products outside the United States and Japan, where the Company retains full development and commercial rights.
- The two largest licensing partners, Berlin-Chemie AG, an affiliate of the Menarini Group ("Menarini"), and Antengene Therapeutics Limited ("Antengene"), together accounted for $30.6 million, or 98.2%, of 2025 license and other revenue, consisting of royalties, milestone payments, and, in Menarini's case, reimbursement of a share of development costs.
- **Menarini (December 2021 license agreement):**
  - Non-exclusive license to develop, and exclusive license to commercialize, selinexor for all human cancer indications in the European Economic Area, the United Kingdom, Switzerland, Turkey, Mexico, Central and South America, and several former Soviet states; extended to all of Africa and parts of the Middle East by a March 2023 amendment
  - The Company received $75 million upfront at signing and $3.5 million on the amendment, and is eligible for milestones and tiered royalties ranging from the mid-teens to the mid-twenties percent of net sales
  - Menarini covered 25% of the Company's selinexor development costs, up to $15 million a year, from 2022 until the arrangement expired at the end of 2025
- **Antengene (May 2018 license agreement, amended May 2020):**
  - Exclusive rights to develop and commercialize, at its own cost, selinexor, eltanexor, and KPT-9274 for cancer indications, and verdinexor for certain non-cancer indications, in mainland China, Taiwan, Hong Kong, Macau, South Korea, much of Southeast Asia, Australia, and New Zealand
  - Antengene paid $11.7 million upfront in 2018 and an additional $11.7 million on the 2020 amendment; the Company is eligible for milestones and tiered royalties, double-digit on selinexor and eltanexor and single- to double-digit on verdinexor and KPT-9274

Operations Overview (cont'd)

Distribution Agreements

- The Company has exclusive distribution agreements for XPOVIO with FORUS Therapeutics in Canada (December 2020) and Promedico in Israel and the Palestinian territories (February 2020).
  - The partner is responsible for local regulatory filings and holds exclusive selling rights, while the Company retains exclusive production rights and supplies the finished product
  - Each provides for milestone payments and double-digit royalties on net sales

Supply Chain

- The Company does not own any manufacturing facilities and relies on third-party contract manufacturers for all commercial and clinical supply.
  - It relies on a single source supplier for its active pharmaceutical ingredient and its drug product manufacturing requirements
  - The active ingredient for XPOVIO is manufactured in France, and the drug product and finished goods are manufactured in the United States
  - The Company generally maintains inventory sufficient to exceed its two-year forecasts for XPOVIO

Trade Vendors

- The Company depends on a broad network of vendors, including contract research organizations, laboratories, and clinical trial sites; suppliers of comparator and supportive-care drugs, active ingredient, and other materials; packaging, labeling, storage, and distribution providers; and marketing, market-access, patient-support, technology, and corporate service providers.
  - In the twelve months ended October 30, 2026, the Debtors paid approximately $107 million to these vendors

Workforce

- As of the Petition Date, the Debtors had approximately 192 employees, none represented by a union, working remotely throughout the United States and overseas or at the leased headquarters in Newton, MA.
  - Operations are also supported by 34 independent contractors

Prepetition Obligations

Debtors' Prepetition Obligations
USD in Millions — *As of November 02, 2026*

Debt Instrument	Agent / Lender	Rate	Maturity	Borrowers	Guarantors / Obligors	Security	Amount Outstanding
Secured Debt:							
First Lien Term Loan Facility *($112.5 million)*	Wilmington Savings Fund Society, FSB **(Agent)**	S + 10.25%[1]	05/08/2028	Karyopharm	KPT Texas	First lien on substantially all of Debtors' assets	$ 146.0 [2]
2L Convertible Notes due 2028[3] *($15 million)*	Wilmington Savings Fund Society, FSB **(Trustee)**	9.0%[4]	10/15/2028	Karyopharm	KPT Texas	Second lien on substantially all of Debtors' assets; pari passu with Royalty Agreement on Selinexor-related collateral[5]	16.0 [2]
2L Convertible Notes due 2029[3] *($103.5 million)*			05/13/2029	Karyopharm	KPT Texas		114.0 [2]
Royalty Agreement[6] *($135 million)*	HCR Karyopharm SPV, LLC **(Collateral Agent)**, HealthCare Royalty Management, LLC ("HCRx") **(Investor Representative)**[7]	Not applicable	09/26/2035[8]	Karyopharm	Not specified	Second lien on Selinexor-related assets, pari passu with 2L Notes[9]	114.0 [10]
Total Secured Debt							**$ 390.0**
Total Debt							**$ 390.0**

1) 3% SOFR floor. Margin stepped up from 9.25% to 10.25% after June 30, 2025. Interest was payable in kind from July 2025 through June 30, 2026, and in cash quarterly thereafter. The September 2026 installment and interest were not paid, and overdue amounts accrue an additional 2.00% under the September 2026 forbearance agreement.
2) Amounts outstanding include accrued and unpaid interest and, for the First Lien Term Loan Facility, applicable fees and premiums.
3) The notes are convertible at the option of the holders into shares of the Company's common stock (or pre-funded warrants to purchase common stock) at initial conversion prices of $6.64 per share (2028 Notes) and $22.50 per share (2029 Notes).
4) PIK interest quarterly through March 31, 2026 and in cash quarterly thereafter. The June 30, 2026 interest was not paid, and overdue amounts accrue an additional 2.00% under the September 2026 forbearance agreement.
5) Second lien on the same collateral securing the First Lien Term Loan Facility; pari passu with the Royalty Agreement liens on Selinexor-related collateral, subject to the Intercreditor Agreement waterfall, and sole second lien on all other collateral. Proceeds are applied first to the 2028 Notes until paid in full, then to the 2029 Notes.
6) The Royalty Investors funded $135 million in exchange for the right to receive quarterly payments equal to a percentage (8% as of the Petition Date) of the net revenues of XPOVIO and the Company's other products, including worldwide net product sales and upfront, milestone, and royalty payments received from the Company's partners.
7) The Royalty Investors' interests were transferred to an affiliate of KKR & Co. Inc. in connection with KKR's acquisition of a majority interest in HCRx in July 2025.
8) The Royalty Agreement terminates on the earlier of (i) 9/26/2035, and (ii) the date the Royalty Investors have received payments totaling $263.3 million.
9) Collateral consists of assets relating to Selinexor (marketed as XPOVIO), including contracts and license agreements, intellectual property, gross revenues, lockbox and collection accounts, equity interests in subsidiaries that own Selinexor-related assets, and proceeds thereof. Collateral excludes product candidates verdinexor, KPT-9274, and eltanexor. The royalty liens rank pari passu with the 2L Notes, subject to the Intercreditor Agreement waterfall.
10) Upon a change of control or an event of default, the Company must pay the Royalty Investors the $263.3 million Payment Cap less all payments previously made.

Source: Bondoro, Court filings

Top Unsecured Claims

30 Largest Unsecured Creditors

USD in Thousands *As of November 02, 2026*

	Creditor	Nature of Claims	Amount of Claim		Creditor	Nature of Claims	Amount of Claim
1	European Myeloma Network	Unsecured Debt	$ 4,490.0	16	City of Hope	Unsecured Debt	260.4
2	Foundation Medicine Inc.	Unsecured Debt	3,299.7	17	Fingerpaint Marketing Inc.	Unsecured Debt	232.9
3	ICON Clinical Research Ltd	Unsecured Debt	2,950.2	18	Australia New Zealand Gynaecological Oncology Group	Unsecured Debt	231.1
4	United Biosource, LLC	Unsecured Debt	2,050.4	19	Aptitude Health LLC	Unsecured Debt	219.3
5	Uniphar Clinical B.V.	Unsecured Debt	1,509.1	20	Grupo Español de Investgación en Cáncer de Ovario	Unsecured Debt	206.2
6	Havas Media Group USA Inc.	Unsecured Debt	1,388.9	21	Catalent CTS (Kansas City), LLC	Unsecured Debt	204.7
7	The GOG Foundation, Inc.	Unsecured Debt	752.5	22	Cornerstone Specialty Network LLC	Unsecured Debt	195.0
8	Beacon Hill Solutions Group LLC	Unsecured Debt	695.8	23	Australasian Leukaemia & Lymphoma Group	Unsecured Debt	193.4
9	Almac Clinical Services	Unsecured Debt	529.6	24	Beghou Consulting LLC	Unsecured Debt	179.9
10	Synapmed Inc	Unsecured Debt	486.1	25	Molecular Pathology Laboratory Network Inc.	Unsecured Debt	178.5
11	Ku Leuven	Unsecured Debt	422.5	26	Dana-Farber Cancer Institute	Unsecured Debt	173.2
12	Veeva Systems, Inc.	Unsecured Debt	348.2	27	Chubb & Son	Unsecured Debt	170.5
13	IQVIA RDS Inc.	Unsecured Debt	319.2	28	Berlin-Chemie AG	Unsecured Debt	165.5
14	RevHealth LLC	Unsecured Debt	276.0	29	IQVIA Laboratories LLC	Unsecured Debt	165.4
15	Medidata Solutions, Inc	Unsecured Debt	269.5	30	eClinical Solutions LLC	Unsecured Debt	162.9
						30 Largest Unsecured Claims	**$ 22,726.6**

Source: Bondoro, Court filings

Events Leading to Bankruptcy

Operating Losses and Liquidity

- The Company has incurred significant operating losses since its inception; according to the Debtors, XPOVIO revenue has not been sufficient to fund R&D, the commercial infrastructure, and funded debt obligations.
- In the first half of 2026, the Company reported an operating loss of approximately $49.3 million and interest expense of approximately $25.7 million; as of June 30, 2026, its accumulated deficit stood at approximately $1.8 billion.
- The Company disclosed that its approximately $64 million of cash and investments as of December 31, 2025 would fund operations only into Q2 2026, and its FY2025 financial statements carried a going-concern warning.

Competition and Pricing Pressure

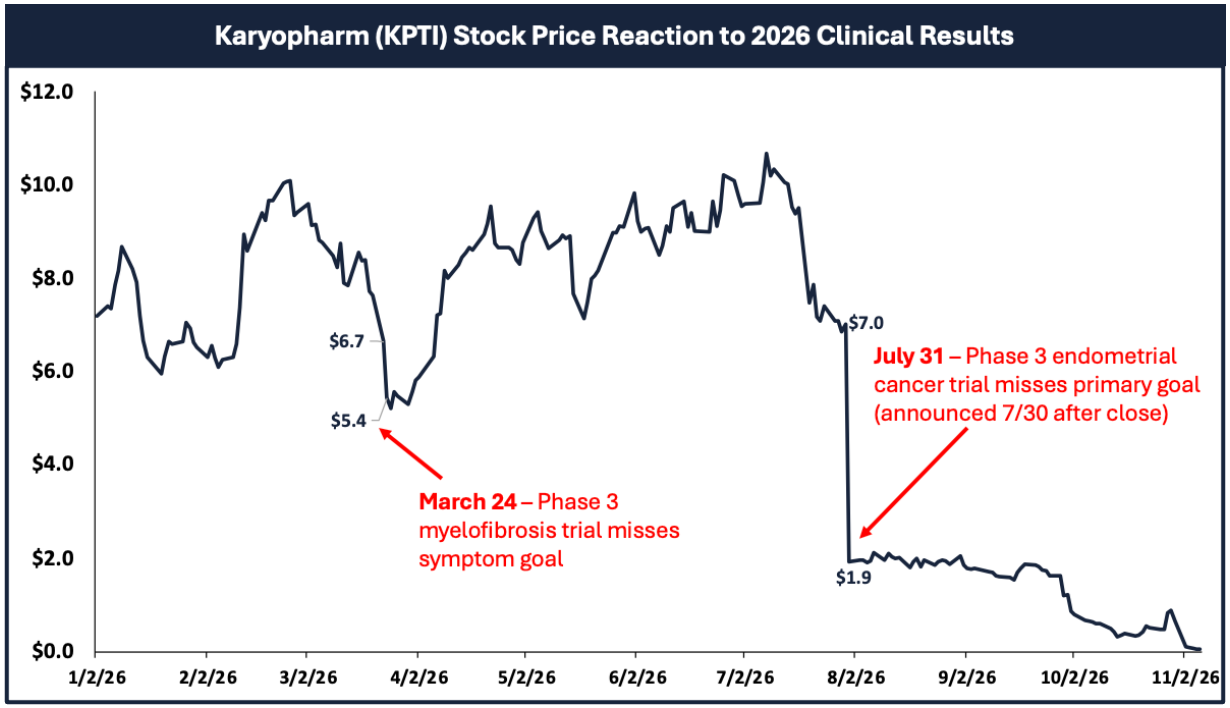
- XPOVIO's core market has grown more crowded: since 2022, a series of newer immune therapies has been approved for relapsed multiple myeloma, which the Company stated in its 2025 10-K have significantly affected its product revenues.
  - In October 2025, the FDA approved GSK's Blenrep for use with the same two drugs paired with XPOVIO
  - In March 2026, the FDA approved a Johnson & Johnson combination for patients after as few as one prior treatment
- XPOVIO's U.S. net product revenue grew only 2% in 2025, to $114.9 million, driven primarily by higher net pricing.
  - Medicare inflation rebates on XPOVIO rose from approximately $1.3 million for the year ended September 2023 to approximately $8.0 million two years later, according to CMS

February 2026 Forbearance and March 2026 Equity Raises

- On February 27, 2026, the Company entered into a forbearance agreement with its term lenders, noteholders, and the investor representative under the Royalty Financing Agreement, who agreed not to exercise certain remedies, without waiving any defaults, with respect to:
  - Payment defaults through September 30, 2026 arising from non-payment of the cash interest due June 30, 2026 on both series of second lien notes
  - Defaults under the notes' minimum liquidity covenant through October 10, 2026, provided the Company maintained the lower minimum required under the term loan
- Concurrently, a second term loan amendment deferred the principal installment due June 10, 2026 to September 10, 2026 and converted the June 30, 2026 interest payment to PIK.
  - Both agreements took effect only once the Company raised at least $25 million in cash from common stock sales before June 10, 2026
- On March 24, 2026, the Company sold common stock, pre-funded warrants, and accompanying warrants to RA Capital Healthcare Fund, L.P. in a private placement for net proceeds of $26.9 million, satisfying the capital raise condition.
- The Company also sold shares through its at-the-market program with Jefferies during H1 2026 for net proceeds of $19.8 million.
  - According to the Debtors, these arrangements were intended to fund the Company through the SENTRY readout and the sNDA submission while it evaluated strategic alternatives

Mixed Trial Results and Market Reaction

- The Company's two Phase 3 selinexor trials produced mixed results in 2026.
  - The Company's financing through 2025 and early 2026 had been structured around SENTRY, with the October 2025 Transactions and the February 2026 forbearance each designed to carry the Company to the readout
- On March 24, 2026, the Company announced that SENTRY had met its spleen goal but missed its symptom goal, and its stock fell approximately 18%.
- On July 30, 2026, the Company announced that its Phase 3 endometrial cancer trial had missed its primary goal, and its stock fell approximately 73%, from $7.01 to $1.92, by the close of the next trading day.



Source: Bondoro, Yahoo Finance

Events Leading to Bankruptcy (cont'd)

Payment Defaults and the September 2026 Forbearance

- By September 2026, the obligations deferred in February had come due, and the Company was unable to make the payments, including:
  - The cash interest due June 30 on its second lien notes, which, together with interest accrued on the overdue amount, became payable when the February forbearance expired on September 30
  - The $15.8 million term loan installment due September 10, which also covered the installment deferred from June
- The Company also did not expect to make the September 30 interest payments on the term loan and the notes, or to meet the $25 million minimum liquidity covenant that would apply under both after October 10.
- On September 10, the Company entered into a new forbearance agreement with its term lenders, noteholders, and the Royalty Financing Agreement investor representative, expiring October 15 and ultimately extended to November 1.
  - In exchange, the Company paid a $20 million fee in kind through the issuance of convertible preferred stock
  - All term loan obligations accrue at an additional 2% default rate while the payment default continues; overdue note amounts accrue an additional 2%
  - Creditors could end the forbearance early if, among other things, the FDA refused to accept the sNDA for filing or liquidity fell below $10 million
  - Absent consent from each creditor group, the Company was restricted from agreeing to sell or exclusively license all or a material portion of its assets, or to enter into a change-of-control transaction, unless the deal repaid the term loan and notes in full in cash and repurchased the preferred stock

Marketing and Sale Process

- In July 2026, the Company, with the assistance of Centerview Partners, launched a formal marketing process for all, substantially all, or a material portion of its equity and assets.
  - Centerview contacted 35 potential acquirors and 83 potential equity investors, 17 of which signed confidentiality agreements and received access to a data room of more than 5,500 documents
  - The Company received five non-binding proposals for all or part of its business, structured as whole-company acquisitions, asset purchases, and recapitalizations
- The Debtors determined that a business combination with Ayrmid Ltd. ("Ayrmid"), the parent of commercial-stage cell therapy company Gamida Cell Inc., was the highest or otherwise best actionable proposal received; that transaction now serves as the baseline against which any competing bid will be measured.

Chapter 11 Filing

Restructuring Support Agreement

- The Debtors filed with a Restructuring Support Agreement (the "RSA") in place with all of their secured creditors, holders of 100% of their term loans, 2028 Notes, 2029 Notes, and royalty claims, as well as Ayrmid as plan sponsor.
- The RSA supports a prepackaged plan that provides for two alternative paths:
  - **Baseline:** a merger combining reorganized Karyopharm with Ayrmid under a holding company ("NewCo") and equitizing all of the Company's approximately $276 million of funded debt into 55% of NewCo equity, leaving NewCo with no more than $135 million of debt under a new exit facility (the "Reorganization Transaction")
  - **Alternative:** the Debtors will continue marketing the business and, if a higher or otherwise better bid emerges, may pursue a sale of their assets instead (a "Sale Transaction"), with the consent of the required funded-debt holders and royalty investors

Plan Sponsor Background and Highbridge Role

- Ayrmid is a U.K. holding company majority-owned by funds managed by Highbridge, one of the Company's prepetition lenders.
  - Its commercial products are Omisirge, an FDA-approved stem cell therapy for blood cancer patients undergoing umbilical cord blood transplants, marketed through Gamida Cell, and APHEXDA, a stem cell mobilization drug licensed from BioLineRx
  - The two products generated $16.5 million of revenue in fiscal 2025, against a $48.5 million operating loss, according to the consolidated financial statements of Ayrmid's parent, Ayrmid Holdings Ltd.
- Gamida Cell, previously listed on NASDAQ, became an Ayrmid subsidiary following a 2024 restructuring in which Highbridge funds exchanged their convertible notes for all of its equity, cancelling existing shareholders' stock, and provided a $50 million secured facility.
- Because Highbridge funds sit on both sides of the transaction, Highbridge stepped back from the ad hoc group's discussions of the sale process and Ayrmid's proposal, leaving the group's other members to negotiate deal terms; the Debtors say Highbridge’s votes will not be counted in determining whether a class has accepted the plan.

Merger Consideration and NewCo

- The Reorganization Transaction would equitize the Debtors' funded debt and combine the reorganized company with Ayrmid under NewCo:
  - **Equitization of Funded Debt:** on the Effective Date, holders of the term loans and the 2028 and 2029 Notes (claims of approximately $276 million including accrued interest and fees), along with holders of DIP roll-up loans and any new-money DIP claims not repaid in cash, would receive 100% of the equity of reorganized Karyopharm ("Reorganized Karyopharm"), or 55% of NewCo equity
  - **Exit Financing:** NewCo would enter into a senior secured exit term loan of up to $135 million (the "NewCo Facility"), funding of which is a condition to closing
    - The Debtors have received only nonbinding indications of interest; the facility has not yet been committed
    - Although described as third parties, the Plan permits NewCo Facility lenders to include existing funded-debt holders, DIP Lenders, or their affiliates
  - **DIP Repayment and Equitization:** exit facility proceeds would repay up to $50 million of new-money DIP claims, with any excess cash at closing also applied and any remaining balance converted into up to approximately 1.4% of NewCo equity; DIP roll-up claims would be equitized into approximately 11.9% to 12.2% of NewCo equity
  - **NewCo Ownership:** Reorganized Karyopharm's equity would be exchanged in the merger for 55% of NewCo, with Ayrmid's equityholders retaining 45%
    - NewCo would be privately held unless Ayrmid and the required funded-debt holders agree otherwise; the final structure will be set out in the merger agreement, to be filed with the plan supplement (the "Plan Supplement")

Merger Consideration and NewCo (cont'd)

- **Myelofibrosis CVRs:** creditors would also receive contingent value rights entitling them to a synthetic royalty on XPOVIO's myelofibrosis net sales (the "MF CVRs"), equal to 20% of those sales if approval comes by December 31, 2027, or 15% if later; the MF CVRs would be unsecured, effectively subordinated to the NewCo Facility, non-transferable, unlisted, and without voting rights
- **Omisirge Earn-Out:** Ayrmid's equityholders could earn up to an additional 8.5% of NewCo if fiscal 2028 global net revenues of Omisirge exceed $70 million, roughly 6.8x its fiscal 2025 revenue of $10.3 million, with the full 8.5% earned at $120 million
  - According to the Disclosure Statement, the contingent equity would dilute only the creditors' shares and not those issued to Ayrmid's equityholders
- **Ayrmid Term Loan:** Ayrmid's existing indebtedness, under a December 12, 2022 loan agreement with Gamida Cell Inc. as borrower, would have to be equitized into Ayrmid or structurally subordinated in full to claims against, and equity in, NewCo; no NewCo Facility proceeds could be used to prepay it
- **Royalty Investors:** the Royalty Financing Agreement, which currently pays 8% of net revenues from all of the Company's products, would be cancelled, including its change-of-control payment, and replaced with a new unsecured royalty equal to 3% of NewCo's net revenues from selinexor products for five years, subject to an $18.75 million liquidated damages provision
  - The royalty investors may also acquire the Debtors' interests in certain other royalty agreements for up to $35 million, subject to

- Under the RSA, the Reorganization Transaction must become effective within 110 days of the Petition Date, or approximately February 20, 2027.
  - If the FDA grants the requested Priority Review, its six-month goal date for the myelofibrosis application would fall around February 28, 2027, so on the current timeline creditors would receive their NewCo equity and MF CVRs before that goal date

Alternative Sale Transaction

- The Debtors received final approval of bidding procedures, with Ayrmid's merger proposal serving as the stalking horse bid, subject to higher or otherwise better offers; bids are due December 16, 2026.
  - With the consent of the required funded-debt holders and royalty investors holding at least 50.01% of royalty claims, the Debtors may elect to pursue a Sale Transaction in place of the Ayrmid merger by the Plan Supplement filing deadline
- Successful Bid Mandatory Conditions: a competing bid must provide at least $335.4 million of net cash proceeds at closing, from readily available funds and not subject to any financing contingency, of which the $18.75 million allocable to royalty claims may be satisfied in non-cash consideration acceptable to the royalty investors.
  - According to the Debtors, this floor is sized to repay the DIP, term loans, and 2028 Notes in full in cash and to provide the agreed minimum recoveries on the 2029 Notes and royalty claims
  - The bid must also pay general unsecured claims in full or leave them unimpaired, pay Ayrmid's bid protections in full in cash, and fund the wind-down budget
  - Including maximum bid protections, a competing bid would need to deliver approximately $347.8 million before wind-down funding and general unsecured claims
- **Bid Protections:** a break-up fee of 3% of a $311.4 million bid protection base (approximately $9.3 million) and expense reimbursement capped at 1% of that base (approximately $3.1 million).
  - Both earned upon selection of a competing bid, payable from sale proceeds within three business days of closing, and allowed as administrative claims ranking behind only the DIP claims and the carve-out
- **Credit Bids:** secured creditors may credit bid the face value of their claims against assets securing them, and any credit bid is treated as a cash bid.
- **Back-Up Bid:** if a competing bid is selected, Ayrmid must remain available as back-up bidder.

Treatment of Claims

- The claims treatment table (following page) summarizes treatment under the Ayrmid merger and an alternative Sale Transaction; Sale Transaction treatment reflects the minimum recoveries required under the Successful Bid Mandatory Conditions.
- Under either transaction, intercompany claims and interests (Classes 8 and 12) would be reinstated, cancelled, or otherwise addressed without any distribution.
- All existing equity, including preferred stock, common stock, and other equity interests (Classes 9 through 11), would be cancelled with no recovery.

Recovery Against a Hypothetical Chapter 7 Liquidation

- The Disclosure Statement does not include a valuation of NewCo or Reorganized Karyopharm; according to the Debtors, estimated recoveries reflect the results of the marketing and sale process, and a separate valuation was omitted to avoid prejudicing the ongoing competitive sale process.
- The hypothetical Chapter 7 liquidation analysis assumes a trustee would wind down the clinical trials, continue supplying existing patients, and sell XPOVIO and its related intellectual property at approximately 0.5x to 1.0x estimated 2026 revenue, with no value assigned to the remaining pipeline.
  - Net proceeds of approximately $71.9 million to $138.2 million would be available against approximately $389.7 million of secured claims
  - This yields a 49.3% to 94.7% recovery for the term loan and no recovery for the 2028 Notes, 2029 Notes, or royalty claims

Chapter 11 Filing (cont'd) – Treatment of Claims

Claims	Reorganization Transaction (Ayrmid Merger)	Est. Recovery Under Ayrmid Merger	Alternative Sale Transaction
DIP New Money Claims (up to $55.0 million plus PIK interest and exit fee)	Repaid in cash, pro rata, from up to $50.0 million of NewCo Facility proceeds plus excess unrestricted cash after reserves; any remaining balance receives 0% – 2.5% of Reorganized Karyopharm equity (0% – 1.4% of newCo)	—	Paid in full in cash
DIP Roll-Up Claims (up to $55.0 million plus PIK interest and exit fee)	21.685% – 22.246% of Reorganized Karyopharm stock (11.927% – 12.235% of NewCo), plus pro rata share of MF CVRs	—	Paid in full in cash
Administrative, Professional Fee, and Priority Tax Claims	Paid in full in cash	100%	Paid in full in cash
Class 1 – Other Secured Claims	Paid in full, reinstated, or otherwise unimpaired	100%	Paid in full, reinstated, or otherwise unimpaired
Class 2 – Other Priority Claims	Paid in full or otherwise unimpaired	100%	Paid in full or otherwise unimpaired
Class 3 – 1L Term Loan Claims ($129.0 million plus default interest and fees)	36.096% – 37.029% of Reorganized Karyopharm stock (19.853% – 20.366% of NewCo), plus pro rata share of MF CVRs	100%	Paid in full in cash, including default interest and fees
Class 4 – 1.5L 2028 Notes Claims ($15.6 million plus default interest and fees)	6.439% – 6.606% of Reorganized Karyopharm stock (3.541% – 3.633% of NewCo), plus pro rata share of MF CVRs	100%	Paid in full in cash, including default interest and fees
Class 5 – 2L 2029 Notes Claims ($108.0 million plus default interest and fees)	33.259% – 34.119% of Reorganized Karyopharm stock (18.292% – 18.765% of NewCo), plus pro rata share of MF CVRs	78.90%	Paid in full in cash or as provided in the Successful Bid Mandatory Conditions
Class 6 – Royalty (RIFA) Claims ($113.5 million plus fees)	New unsecured 3% royalty on NewCo's selinexor net revenues for five years, with $18.75 million liquidated damages	16.50%	Consideration of at least $18.75 million, in cash or non-cash form acceptable to holders
Class 7 – General Unsecured Claims	Unimpaired; paid in the ordinary course	100%	Unimpaired; paid in the ordinary course

Source: Bondoro, Court filings

DIP Financing

- The Chapter 11 cases will be funded by a DIP facility of up to $110 million from certain of the Debtors' prepetition first lien term lenders (the "DIP Lenders"), consisting of $55 million of new-money term loans and up to $55 million of roll-up of prepetition first lien term loans.
  - Karyopharm Therapeutics Inc. is the borrower, and KPT Texas LLC is the guarantor
- **Structure:** $25 million of new money available on an interim basis and $30 million upon entry of the final order.
  - Each draw is accompanied by a dollar-for-dollar roll-up of the funding DIP Lender's prepetition first lien term loans, up to $25 million interim and $30 million final
  - No 2028 Notes, 2029 Notes, or royalty obligations are rolled up; new-money loans are first-out and roll-up loans second-out
- **Pricing:** SOFR + 9% on new-money loans and SOFR + 12.25% on roll-up loans, both PIK quarterly with a 3% SOFR floor, plus 2% upon an event of default.
- **Fees:** exit fees of 4% on new-money loans and 8% on roll-up loans.
- **Maturity:** the earliest of May 1, 2027; a plan's effective date; the closing of a sale of all or substantially all assets; acceleration; or dismissal or conversion of the cases.
- **Collateral and Priority:** priming liens on substantially all assets, including intellectual property and regulatory approvals, plus superpriority claims, subject to the Carve Out.
- **Carve Out:** statutory fees, up to $100,000 for a Chapter 7 trustee, and allowed professional fees incurred before delivery of a termination notice, plus up to $2.75 million for Debtor professionals and $50,000 for committee professionals afterward.

DIP Financing (cont'd)

- **Adequate Protection:** replacement liens and superpriority claims to the extent of any decline in collateral value, plus monthly payment of advisor fees for the term lenders, noteholders, and royalty investors.
  - The term lenders also receive default-rate interest, and the 2028 noteholders receive PIK interest
- **Investigation Budget and Challenge Period:** $50,000 for a committee, if appointed, to investigate prepetition liens and claims.
  - A challenge must be brought by the earliest of plan confirmation, the sale objection deadline, or 60 days after a committee forms (75 days after the interim order for other parties)
- **Budget Variance:** tested every other week on a cumulative basis, requiring receipts of at least 80% of budget and disbursements of no more than 120%, with a $10 million minimum liquidity covenant.
- **Milestones** (incorporated from the RSA):
  - Interim DIP, conditional disclosure statement, and bidding procedures orders within 3 days
  - Final DIP order within 35 days; auction, if necessary, within 60 days
  - Disclosure statement approval, any sale order, and plan confirmation within 80 days
  - Plan effective date within 110 days
- **Credit Bid:** the DIP Agent may credit bid all DIP obligations, and the prepetition first lien agent may credit bid the prepetition first lien obligations.

2026 Retention Programs

- Between July and September 2026, the Company adopted six cash retention programs for critical employees, paying approximately $10.6 million before the Petition Date; approximately $2.5 million of fixed installments, plus up to approximately $1.2 million of performance-based payments, remain outstanding.
- The largest program, an $8.9 million lump sum approved on July 13, 2026 for 15 employees, replaced previously guaranteed amounts under the 2026 bonus plan and was paid in full prepetition.
  - As a condition, the executive leadership team and certain other participants gave up their remaining 2026 bonus installments
  - Approximately $3.7 million went to four executives: CEO Richard Paulson ($1.73 million), the Chief Medical Officer ($0.73 million), the Chief Development Officer ($0.64 million), and the Chief Financial Officer ($0.63 million)
  - For the CEO, CMO, and CDO, the awards equal approximately 88% to 91% of the cash severance each would receive if terminated following a change in control, based on 2025 pay, effectively paying out most of that severance in advance
  - The leadership awards are subject to clawback if a recipient leaves under certain circumstances, but the clawback period ends at the earliest of 12 months after payment, 30 days after a change in control, or 30 days after emergence from Chapter 11
  - Separately, in October 2025, the CMO and CDO received retention bonuses of $1 million and $250,000, respectively
- The remaining five programs covering non-executive personnel, with a combined cost of approximately $4.2 million plus up to approximately $1.7 million in performance-based sales payments, are described in the Wages Motion.

First-Day Relief

- **Critical Vendors Motion (Doc. 7) (Final Approval):**
  - Pay approximately $25 million of invoiced prepetition trade claims owed to CROs, clinical trial sites, drug suppliers and other vendors in the ordinary course, plus accrued but uninvoiced clinical trial site costs
- **Utilities Motion (Doc. 8) (Final Approval):**
  - Adequate assurance to approximately 18 utility providers through a deposit of approximately $11,500, equal to two weeks of utility costs, into a segregated account within 14 business days of the Petition Date
- **Taxes Motion (Doc. 9) (Final Approval):**
  - Pay approximately $566,000 of prepetition taxes and fees, mostly approximately $456,000 of regulatory fees, including FDA user fees and the IRS branded prescription drug fee
  - Pay remaining taxes of non-Debtor Karyopharm Europe GmbH from a segregated account holding approximately $40,000
- **Insurance Motion (Doc. 10) (Final Approval):**
  - Continue 58 insurance policies, with approximately $2.3 million of annual premiums plus approximately $540,000 of one-time clinical trial policy premiums, and pay approximately $190,000 of prepetition premiums and brokerage fees
  - Maintain three surety bonds totaling approximately $225,000 that secure drug distributor licenses and customs obligations
- **NOL Motion (Doc. 11) (Final Approval):**
  - Trading and worthless stock deduction procedures to protect tax attributes, including approximately $861 million of federal NOLs and $114 million of federal tax credits

First-Day Relief (cont'd)

- **Customer Programs Motion (Doc. 12) (Final Approval):**
  - Continue XPOVIO customer programs and honor approximately $15.6 million of prepetition obligations, the largest being approximately $7.4 million of Medicare drug inflation rebates, $2.8 million of product returns, $1.1 million under the 340B program and $965,000 of Medicaid rebates
- **Wages Motion (Doc. 13) (Final Approval):**
  - Pay approximately $5.2 million of prepetition obligations for approximately 192 employees and 34 independent contractors, including approximately $2.6 million under the short-term incentive plan, $911,000 owed to contractors and $431,000 under 2026 retention programs
  - Continue honoring outstanding equity awards through share settlement
- **Cash Management Motion (Doc. 14) (Interim Approval):**
  - Continue the cash management system of 10 bank accounts at five banks and keep the credit card program, which carries approximately $425,000 of prepetition charges

Interim Approved DIP Budget

$ in millions

Week Number	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	
Week Beginning	2-Nov	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	4-Jan	11-Jan	18-Jan	25-Jan	13-Week
Week Ending	8-Nov	15-Nov	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec	27-Dec	3-Jan	10-Jan	17-Jan	24-Jan	31-Jan	Total
RECEIPTS														
Collections	$ 1.8	$ 2.6	$ 1.9	$ 2.4	$ 3.9	$ 2.0	$ 3.5	$ 1.6	$ 2.9	$ 2.4	$ 2.4	$ 2.4	$ 2.4	$ 32.3
Other Inflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	**$ 1.8**	**$ 2.6**	**$ 1.9**	**$ 2.4**	**$ 3.9**	**$ 2.0**	**$ 3.5**	**$ 1.6**	**$ 2.9**	**$ 2.4**	**$ 2.4**	**$ 2.4**	**$ 2.4**	**$ 32.3**
DISBURSEMENTS														
Operating Disbursements														
Compensation & Benefits	$ (0.5)	$ (2.1)	$ -	$ (2.6)	$ -	$ -	$ (2.1)	$ -	$ (5.8)	$ -	$ (2.5)	$ -	$ (2.5)	$ (18.1)
Accounts Payable	(8.0)	(3.3)	(4.5)	(2.8)	(2.5)	(3.6)	(1.5)	(1.5)	(10.4)	(2.4)	(3.0)	(2.4)	(2.4)	(48.5)
Total - Operating Disbursements	$ (8.5)	$ (5.4)	$ (4.5)	$ (5.4)	$ (2.5)	$ (3.6)	$ (3.6)	$ (1.5)	$ (16.2)	$ (2.4)	$ (5.6)	$ (2.4)	$ (4.9)	$ (66.6)
Professional Fees														
Advisors	$ (1.8)	$ (1.8)	$ (1.8)	$ (1.8)	$ (1.3)	$ (1.3)	$ (1.3)	$ (1.3)	$ (1.3)	$ (1.1)	$ (1.1)	$ (1.1)	$ (11.0)	$ (28.0)
Bankruptcy Admin	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.4)
Total - Professional Fees	$ (1.9)	$ (1.9)	$ (1.9)	$ (1.9)	$ (1.3)	$ (1.3)	$ (1.3)	$ (1.3)	$ (1.3)	$ (1.1)	$ (1.1)	$ (1.1)	$ (11.0)	$ (28.4)
Total Disbursements	**$ (10.4)**	**$ (7.3)**	**$ (6.4)**	**$ (7.2)**	**$ (3.8)**	**$ (4.9)**	**$ (4.9)**	**$ (2.8)**	**$ (17.5)**	**$ (3.6)**	**$ (6.7)**	**$ (3.6)**	**$ (15.9)**	**$ (95.0)**
Net Cash Flow	**$ (8.6)**	**$ (4.7)**	**$ (4.5)**	**$ (4.8)**	**$ 0.1**	**$ (3.0)**	**$ (1.4)**	**$ (1.2)**	**$ (14.7)**	**$ (1.2)**	**$ (4.3)**	**$ (1.2)**	**$ (13.5)**	**$ (62.8)**
LIQUIDITY ROLLFORWARD[1]														
Beginning Cash	$ 7.8	$ 24.2	$ 19.6	$ 15.1	$ 10.3	$ 40.4	$ 37.4	$ 36.0	$ 34.8	$ 20.1	$ 19.0	$ 14.7	$ 13.5	$ 7.8
Net Cash Flow	(8.6)	(4.7)	(4.5)	(4.8)	0.1	(3.0)	(1.4)	(1.2)	(14.7)	(1.2)	(4.3)	(1.2)	(13.5)	(62.8)
DIP Draw	25.0	-	-	-	30.0	-	-	-	-	-	-	-	-	55.0
Ending Cash	**$ 24.2**	**$ 19.6**	**$ 15.1**	**$ 10.3**	**$ 40.4**	**$ 37.4**	**$ 36.0**	**$ 34.8**	**$ 20.1**	**$ 19.0**	**$ 14.7**	**$ 13.5**	**$ -**	**$ -**

1. Excludes $315k of restricted cash

Source: Court Filings