

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

In re:)	
)	Chapter 11
PROTERRA INC, <i>et al.</i> , ¹)	
)	Case No. 23-11120 (BLS)
Debtors.)	(Jointly Administered)
)	
)	Ref Docket No. 1039

**DECLARATION OF JOHN KIMM IN
SUPPORT OF CONFIRMATION OF THE FOURTH AMENDED JOINT CHAPTER 11
PLAN OF REORGANIZATION FOR PROTERRA INC AND ITS DEBTOR AFFILIATE**

Pursuant to 28 U.S.C. § 1746, I, John Kimm, do hereby declare, under penalty of perjury, the following to the best of my information, knowledge, and belief:

1. I am a Managing Director at Moelis & Company LLC (“Moelis”), a leading international investment banking and financial advisory firm (NYSE: MC) that has its principal office at 399 Park Avenue, 4th Floor, New York, New York 10022, and approximately 1,150 employees in locations around the world. Moelis serves as investment banker to the Debtors² in the above-captioned chapter 11 cases (the “Chapter 11 Cases”). Moelis began working for the Debtors in April 2023, since which time Moelis has provided investment banking services to the Debtors.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Protterra Inc (9565); and Protterra Operating Company, Inc. (8459). The location of the Debtors’ service address is: 500 Pennsylvania Avenue PO Box 2205 Greer, South Carolina 29652.

² Capitalized terms used but not otherwise defined shall have the meaning ascribed to them in Plan or that certain Order (A) Approving Bidding Procedures to Govern the Sale of All Or Substantially All of the Debtors’ Assets Pursuant to Section 363 of the Bankruptcy Code, (B) Approving Procedures Regarding Entry Into One or More Stalking Horse Agreements, (C) Establishing Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Approving the Form and Manner of the Notice of Assumption and Assignment of Executory Contracts and Unexpired Leases, (E) Scheduling Auctions for the Sales of the Company Assets and Hearings to Consider Approval of the Sales and Approving the Form and Manner of the Notice Thereof, and (F) Granting Related Relief [Docket No. 218], as applicable.



2. I submit this declaration (this “Declaration”) in support of the *Fourth Amended Joint Chapter 11 Plan of Reorganization for Proterra Inc and Its Debtor Affiliate* [Docket No. 1039] (as modified, amended, or supplemented from time to time in accordance with its terms, the “Plan”). Unless otherwise indicated herein, the statements in this Declaration are based on my personal knowledge or my opinion based on my experience, on information that I have received from the Debtors’ employees and advisors, information that I have received from my colleagues at Moelis working directly with me or under my supervision, direction, or control, or on my review of relevant documents. If I were called to testify, I could and would testify competently to the matters set forth below.

Professional Background and Qualifications

3. I am based in Moelis’s New York office, located at 399 Park Avenue, 4th Floor, New York, New York 10022, and have approximately twenty-five years of investment banking and related experience. I have extensive experience executing public and private buy-side and sell-side transactions, mergers, and joint ventures across a broad range of industries. My sell-side experience includes, among other engagements, the sales of CoreSite Realty Corporation, Neustar, Inc., Foundation Building Materials, Inc., the assets of Dean Foods Company through ten separate “363 sale” transactions in their chapter 11 cases, Barnes & Noble, Inc., Guardian Industries Corp., Morningstar Foods, LLC, and Solo Cup Company.

4. Moelis is a global investment banking and financial advisory firm that provides a broad range of financial advisory services, including (i) mergers and acquisitions, (ii) recapitalization and restructuring, (iii) capital markets advisory, and (iv) private funds advisory.

5. I joined Moelis in 2022. Prior to joining Moelis, I was a Managing Director at Evercore, where I advised clients across the industrials, consumer, and various other sectors. Previously, I held senior investment banking roles at Bank of America, Jefferies, and Bear Stearns. Before that, I served as a strategy consultant at The Boston Consulting Group and Bain & Company.

6. I graduated with a B.S. in Mechanical Engineering from Cornell University and earned an M.B.A in Finance from The Wharton School at the University of Pennsylvania.

Moelis's Retention

7. Moelis has been engaged by the Debtors since April 2023. Over the course of our engagement, I have worked closely with the Debtors' senior management and other retained professionals and have become knowledgeable about the Debtors' business and financial affairs.

8. The Debtors retained Moelis on a postpetition basis to serve as a financial advisor and investment banker and to run, among other things, an extensive marketing process for all or substantially all of the Debtors' assets, and such retention was approved by order of this Court on September 21, 2023 [Docket No. 267]. Further information regarding Moelis and its relationship with the Debtors can be found in the (i) *Debtors' Application for Entry of an Order Authorizing the Debtors to Employ and Retain Moelis & Company LLC as Capital Markets Advisor and Investment Banker Effective as of the Petition Date* [Docket No. 137] and (ii) *Declaration of John Kimm in Support of the Debtors' Motion for Entry of: (I) an Order (A) Approving Bidding Procedures to Govern the Sale of All or Substantially All of the Debtors' Assets Pursuant to Section 363 of the Bankruptcy Code, (B) Approving Procedures Regarding Entry Into One or More Stalking Horse Agreements, (C) Establishing Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Approving the*

Form and Manner of the Notice of Assumption and Assignment of Executory Contracts and Unexpired Leases, (E) Scheduling Auctions for the Sales of the Company Assets and Hearings to Consider Approval of the Sales and Approving the Form and Manner of the Notice Thereof, (F) Approving Certain Wind-Down Procedures, and (G) Granting Related Relief; and (II) an Order (A) Authorizing and Approving the Debtors' Entry Into One or More Asset Purchase Agreements, (B) Authorizing the Sale of All or Substantially All of the Debtors' Assets Free and Clear of Liens, (C) Approving the Assumption and Assignment of the Assumed Executory Contracts and Unexpired Leases, and (D) Granting Related Relief [Docket No. 37].

The Postpetition Sales and Marketing Process

9. On August 8, 2023, contemporaneously with the Debtors' filing of their Motion to approve the Bidding Procedures, Moelis launched the postpetition marketing process (the "Postpetition Marketing Process") for the sale of all or substantially all of the Debtors' assets (collectively, the "Assets") or a recapitalization transaction for some or all of the Assets.

10. As part of the Postpetition Marketing Process, Moelis communicated with a broad group of approximately 246 potential purchasers, which included a mix of strategic acquirers and financial sponsors, that may have been interested in the Assets of one or more of the Debtors' three business lines: Proterra Powered; Proterra Transit; and Proterra Energy. This list of potential purchasers included parties that: (i) already operated in the industries in which the Debtors operate; (ii) were financial sponsors with current or former investments in such industries; or (iii) were believed to have an interest in investing in such industries generally. This list also reflected inbound inquiries to which Moelis responded. This universe of potential purchasers was developed by Moelis in full consultation with the Debtors and their other advisors, as well as the

Consultation Parties and their advisors, including the Committee, whose professionals provided the Debtors with the names of certain additional potential purchasers that Moelis contacted.

11. 95 of these potential purchasers entered into non-disclosure agreements and received access to a confidential information memorandum, financial model, independently prepared quality-of-earnings report, and a comprehensive virtual data room. Additionally, Moelis facilitated extensive access to the then-existing management team as part of the process through detailed management presentations, site visits, and follow-up due diligence meetings and calls.

12. Ultimately, 23 parties submitted first-round Indications of Interest on or around the Indication of Interest Deadline of September 26, 2023, three of which included an interest in some or all of the Proterra Energy assets. Subsequently, only one Qualified Bid on the Proterra Energy assets was received on or around the Qualified Bid Deadline of November 6, 2023. That Qualified Bid was submitted by the Plan Sponsor. After evaluating all available alternatives, the Debtors selected the Plan Sponsor's Qualified Bid as the highest and otherwise best available transaction involving the Proterra Energy Assets³ in light of, among other factors, (i) the consideration provided by the Plan Sponsor and (ii) the absence of other actionable proposals. The Debtors accordingly incorporated the Plan Sponsor's winning bid into the Plan, including through the Plan's provisions providing that if a Reorganization occurs, except to the extent the Holder of an Allowed Second Lien Convertible Notes Claim agrees to less favorable treatment, each Holder of an Allowed Second Lien Convertible Notes Claim shall receive on the Effective Date or as soon as reasonably practicable thereafter:

- (i) on account, and in satisfaction, of such Holder's Pro Rata portion of \$10 million of the Allowed Second Lien Convertible Notes Claims (the "Equity Distribution Reduction"), its Pro Rata allocation of all of the equity of Reorganized Proterra;

³ As used herein, "Proterra Energy Assets" means the assets of the Debtors to be retained by the Reorganized Debtors in accordance with the Plan in the event a Reorganization occurs.

- (ii) such Holder's Allowed Second Lien Convertible Notes Claims shall be reduced Pro Rata by the Reorganized Proterra Retained Cash (the "Retained Cash Reduction") and the Reorganized Proterra Retained Cash shall be retained by Reorganized Proterra on the Effective Date;
- (iii) such Holder's Allowed Second Lien Convertible Notes Claims shall be reduced Pro Rata by the amount (if any) that the aggregate Cure Claims payable on account of the Debtors' assumption of contracts and leases attributable to Proterra Energy exceeds \$6,500,000 (the "Cure Cost Reduction");
- (iv) such Holder's Allowed Second Lien Convertible Notes Claims shall be reduced Pro Rata by the aggregate amount of any Proterra Energy Transition Costs paid by the Debtors (whether on or prior to the Effective Date) (the "Proterra Energy Transition Cost Reduction"); provided that to the extent the Debtors and Plan Sponsor are unable to agree on the amount of the Proterra Energy Transition Cost Reduction, the Bankruptcy Court shall determine such amount after notice and a hearing; and
- (v) after giving effect to the Retained Cash Reduction, the Equity Distribution Reduction and the Cure Cost Reduction, if any, cash in an amount equal to its Pro Rata share of the remaining Allowed Second Lien Convertible Notes Claims provided that to the extent the Debtors and Plan Sponsor are unable to agree on the amount of the Proterra Energy Transition Cost Reduction, the Bankruptcy Court shall determine such amount after notice and a hearing.

Valuation Exhibit

13. At the direction of the Debtors, Moelis prepared the valuation exhibit (the "Valuation Exhibit") included as Exhibit C to the *Third Amended Disclosure Statement for Third Amended Joint Chapter 11 Plan of Reorganization for Proterra Inc and Its Debtor Affiliate* (the "Disclosure Statement") [Docket No. 922]. Ultimately, Moelis determined that the value derived from the Debtors' robust Postpetition Marketing Process was the appropriate method of valuation to establish the value of the Reorganized Debtors based on the facts and circumstances of these Chapter 11 Cases. This perspective is substantially informed by months of comprehensive and transparent engagement with bidders and other parties in interest, which led to price discovery regarding the value of the Reorganized Debtors. Therefore, the Valuation Exhibit is the product of a market test, which demonstrates what sophisticated parties would buy and sell the Reorganized Debtors for.

14. Based on the outcome of the Postpetition Marketing Process, Moelis's estimate for the equity value of the Reorganized Debtors as of an assumed March 13, 2024 effective date is equal to the sum of (i) the Equity Distribution Reduction (approximately \$10 million), (ii) the amount of cash retained by the Reorganized Debtors on the Effective Date (approximately \$181.5 million), (iii) the aggregate amount of Cure Costs on account of the Debtors' assumption of Proterra Energy contracts and leases in excess of \$6.5 million, if any (\$0), and (iv) costs paid by the Debtors in preparation for the Reorganized Debtors emergence (approximately \$200,000).

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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, information, and belief.

Dated: March 1, 2024

New York, New York

/s/ John Kimm

John Kimm
Managing Director
Moelis & Company LLC