



In re Altera Infrastructure L.P., et al.

Case No. 22-90130 (MI)

United States Bankruptcy Court
for the Southern District of Texas
Houston Division

The Honorable Marvin Isgur

August 15, 2022

altera ▲



Agenda



- I. Key Players**
- II. Overview of Altera and the Debtors**
- III. Circumstances Leading to These Chapter 11 Cases**
- IV. The Path Forward**
- V. DIP Financing and Cash Collateral**

I. Key Players

Management Team



Ingvild Sæther
Chief Executive Officer

- 2017-present: President and CEO, Altera Infrastructure Group Ltd (formerly known as Teekay Offshore Group Ltd.)
 - Member of Board of Directors of Altera GP LLC since 2020
- 2011-2017: President, Teekay Offshore Logistics
- 2007-2011: Commercial responsibility for Teekay's shuttle tanker activities in North Sea
- 2002-2007: Management in Teekay Corporation's conventional tanker business
- Over 25 years of experience in shipping and offshore sector



Jan Rune Steinsland
Chief Financial Officer

- 2018-present: CFO, Altera Infrastructure Group Ltd.
- 2013-2018: CFO, Songa Offshore SE (offshore drilling)
- Other previous assignments include
 - CFO, Ocean Rig
 - CFO, Acta Holding
 - Management positions at ExxonMobil
- 30 years of energy and offshore industry experience



Duncan Donaldson
General Counsel

- 2018-present: General Counsel, Altera Infrastructure Group Ltd.
- Previous legal experience:
 - Chief legal counsel for North and South America, Maersk Drilling
 - Legal roles within offshore business units of A.P. Moller-Maersk Group
 - Linklaters, LLP (London)
- Qualified lawyer in England and Wales since 2005

Restructuring Committee Members



William L. Transier
Director

- CEO, *Transier Advisors, LLC.*
- 2019-present: Member of Board of Directors of *Altera Infrastructure GP L.L.C.*
- 2000-present: Director, *Helix Energy Solutions Group* since (chairman since July 2017)
- *Past board experience:*
 - *Battalion Oil Corporation* from 2019 to 2021
 - *Paragon Offshore plc.* from 2014 to July 2017
 - *Endeavor International Corporation* from 2004 to 2015
 - *Cal Dive International, Inc* from 2006 to 2012
 - *Reliant Energy, Inc.* from 2000 to 2006
- *Additional work experience:*
 - Co-founder, Chairman and CEO *Endeavour International Corporation* in 2014 (various leadership positions until 2015)
 - Executive Vice President and Chief Financial Officer, *Ocean Energy, Inc.* (and predecessor, *Seagull Energy Corporation*)
 - Audit Partner and Head of the Global Energy practice, of *KPMG LLP*



Carol Flaton
Director

- March 2022-present: Member of Board of Directors of *Altera Infrastructure GP L.L.C.*
- 2019-present: Providing financial advisory services and serving as independent director for both public and private companies.
- 2014-2019: Managing Director, *AlixPartners*
- 2008-2013: Managing Director, *Lazard Freres* (restructuring practice)
- 1995-2008: Managing Director, *Credit Suisse First Boston* and *Citi* (responsible for distressed positions in the banks' portfolios and senior member of risk management teams)
- Over 30 years of experience in banking and finance, with a focus on transformation and restructuring.

Advisors

Debtors' Advisors

KIRKLAND & ELLIS	Proposed Restructuring Co-Counsel
 Jackson Walker	Proposed Local Co-Counsel
EVERCORE	Proposed Investment Bank
 FTI CONSULTING	Proposed Financial Advisor
 STRETTO	Proposed Notice and Claims Agent
quinn emanuel trial lawyers	Proposed Counsel to the Restructuring Committee

Key Stakeholders & Advisors

CoCom	 
Brookfield	  
Ad Hoc Noteholder Group	  

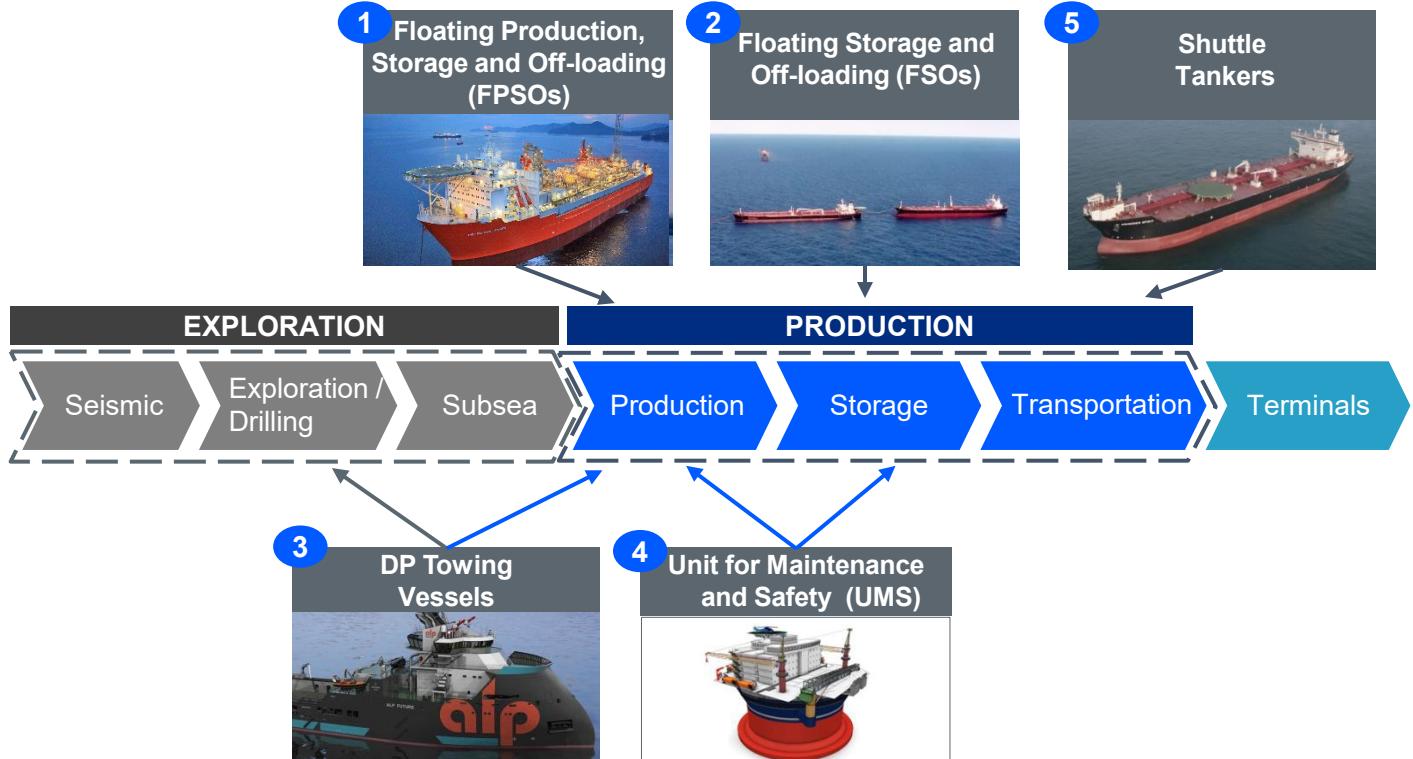
Ad Hoc Noteholder Group Holdings

Noteholder	8.500% Senior Notes due 2023
Capital Research and Management Company	\$55,575,000.00
CI Investments Inc	\$37,500,000.00
Manulife Investment Management	\$26,322,000.00
CastleKnight Management LP	\$21,663,000.00
BlackRock Financial Management, Inc.	\$20,766,000.00
State Street Global Advisors Fixed Income	\$19,343,000.00
Mesirow Financial Investment Management, Inc.	\$16,729,000.00
TOTAL HOLDINGS	\$197,898,000 (approximately 72% of 8.50% Senior Notes)

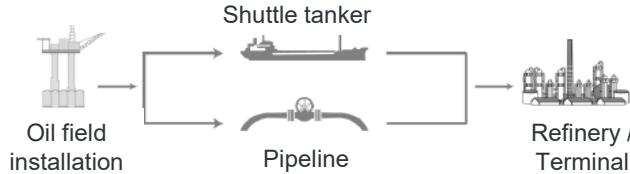
II. Overview of Altera and the Debtors

Overview of Altera and the Debtors

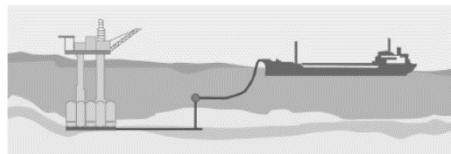
Business Operations



Shuttle tankers are "floating pipelines"



Specialized vessels and operations



► Altera owns and operates **maritime assets providing critical infrastructure** to offshore oil regions including the North Sea, Brazil and the East Coast of Canada

► Altera is comprised of the following segments:

1 FPSOs

- Production facilities employed to develop oil fields that typically are marginal or remote from existing pipeline infrastructure

Note: FPSO JVs are not Debtors

2 FSOs

- Provide on-site storage for oil field installations and are generally used in tandem with fixed or floating production systems that do not have sufficient oil storage capacity

3 Towage

- Long-distance towage and offshore installation vessels are used for the towage, station-keeping, installations and decommissionings

4 UMS (Accommodations)

- UMS are used primarily for offshore accommodation, storage and support for maintenance and modification projects on existing offshore installations

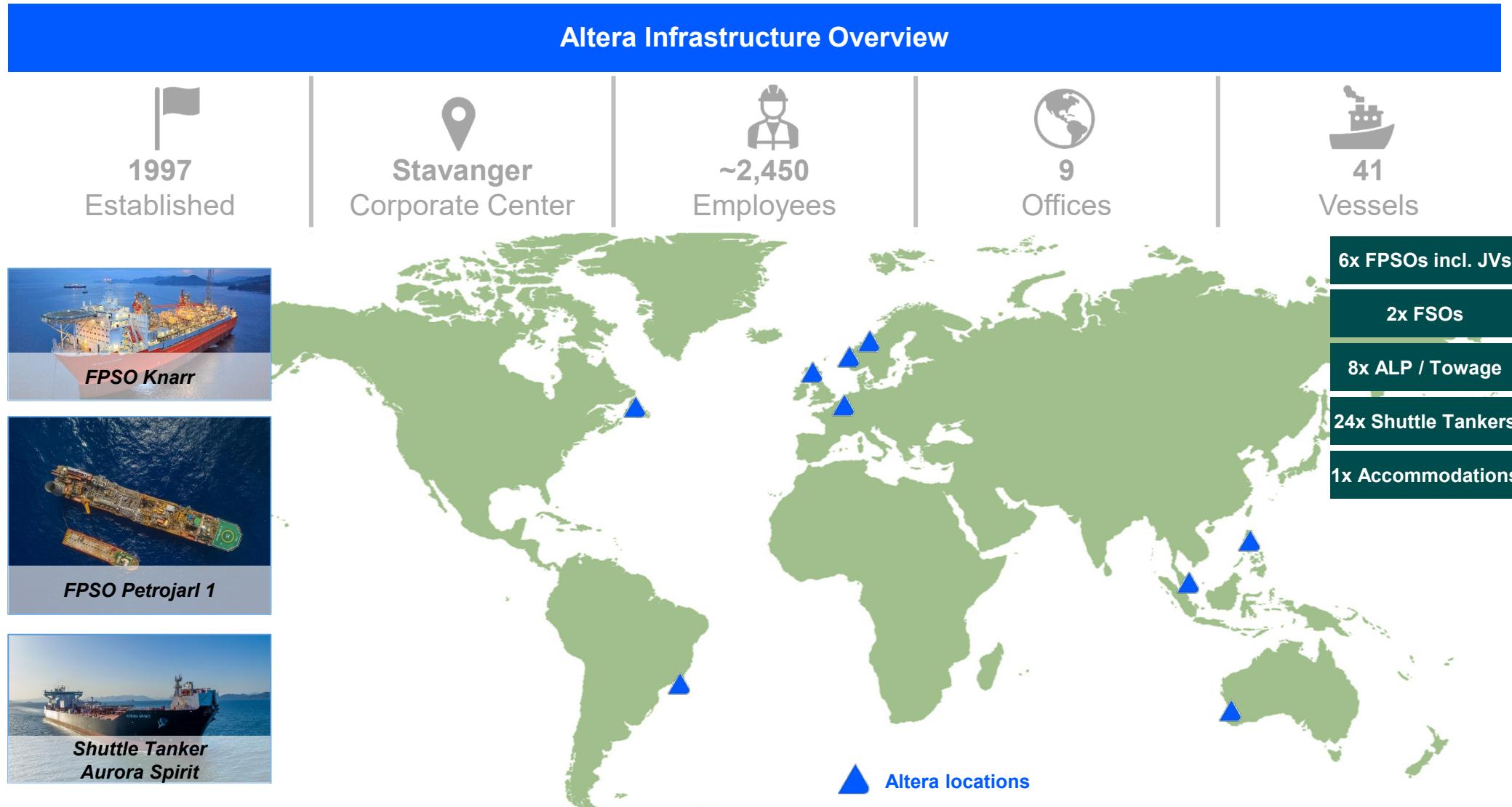
5 Shuttle Tankers

- Specialized ships designed to transport crude oil and condensates from offshore oil field installations to onshore terminals and refineries

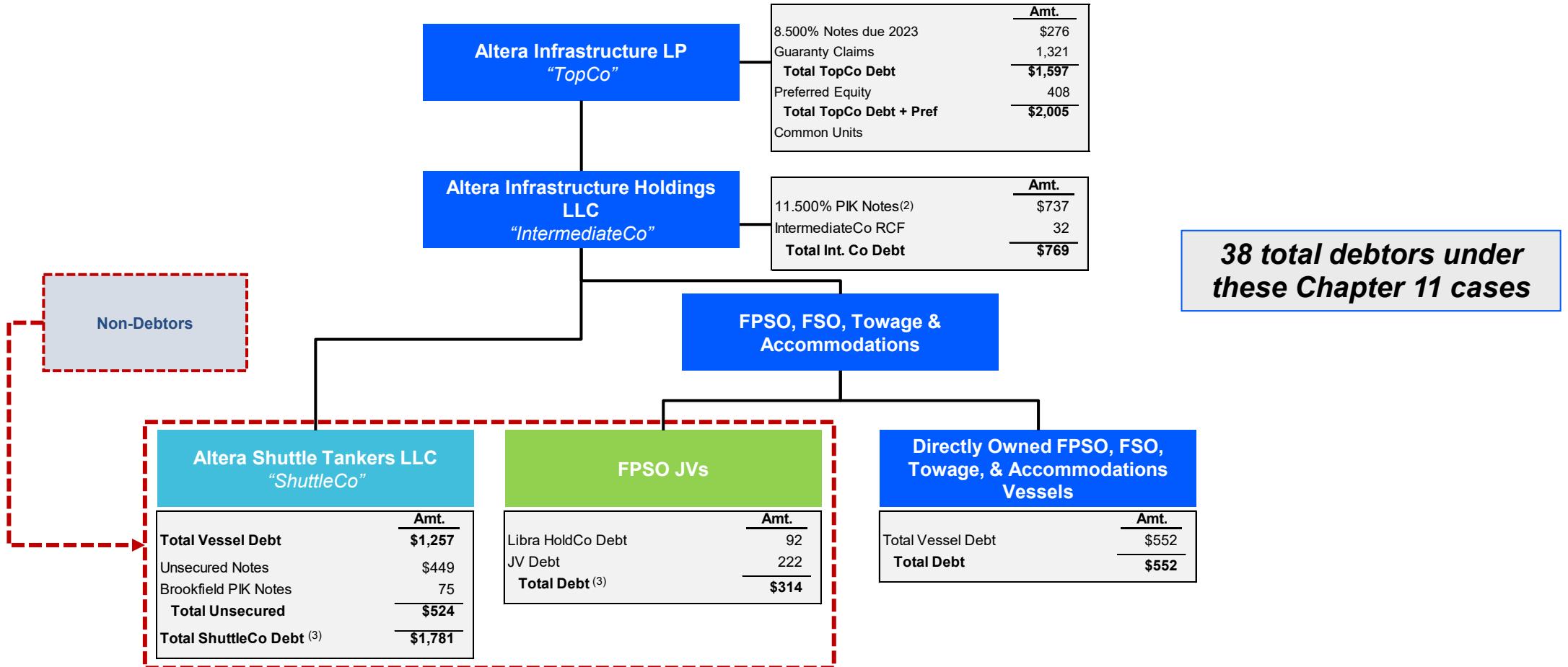
Note: Shuttle Tankers entities are not Debtors

Shuttle Tankers business and FPSO JVs are not Debtors under these Chapter 11 cases

Overview of Altera and the Debtors (Cont'd)



Capital Structure and Corporate Organization



Note: Debt balances as of August 12, 2022 and preferred equity balances as of June 30, 2022; excludes certain tranches that have been repaid in full as of July 1, 2022

(1) Reflects liquidation value

(2) Does not include Applicable Premium due upon the chapter 11 filing

(3) Reflects Altera's 50% share of JV Debt

US\$ in millions

III. Circumstances Leading to These Chapter 11 Cases

Decline in Operating Performance and Liquidity

- ▶ **Since 2019, Altera has faced declining revenues and cash flow**
 - Industry headwinds, contract expirations, a weak Towage market, among other challenges, have all contributed to poor financial performance
- ▶ **In response to this, Altera undertook cost savings and operational improvement measures to improve cash flow**
 - Altera's liquidity had only improved slightly by early 2021 notwithstanding these efforts
- ▶ **In January 2021, Altera began a process to sell ShuttleCo, as a potential liquidity and deleveraging solution**
 - Following a comprehensive marketing process, six parties ultimately submitted proposals but none of which were determined to provide for sufficient sale proceeds to be attractive
- ▶ **Altera then began exploring potential liability management transactions to address its near-term maturities and improve liquidity**

2021 TopCo Exchange Offer

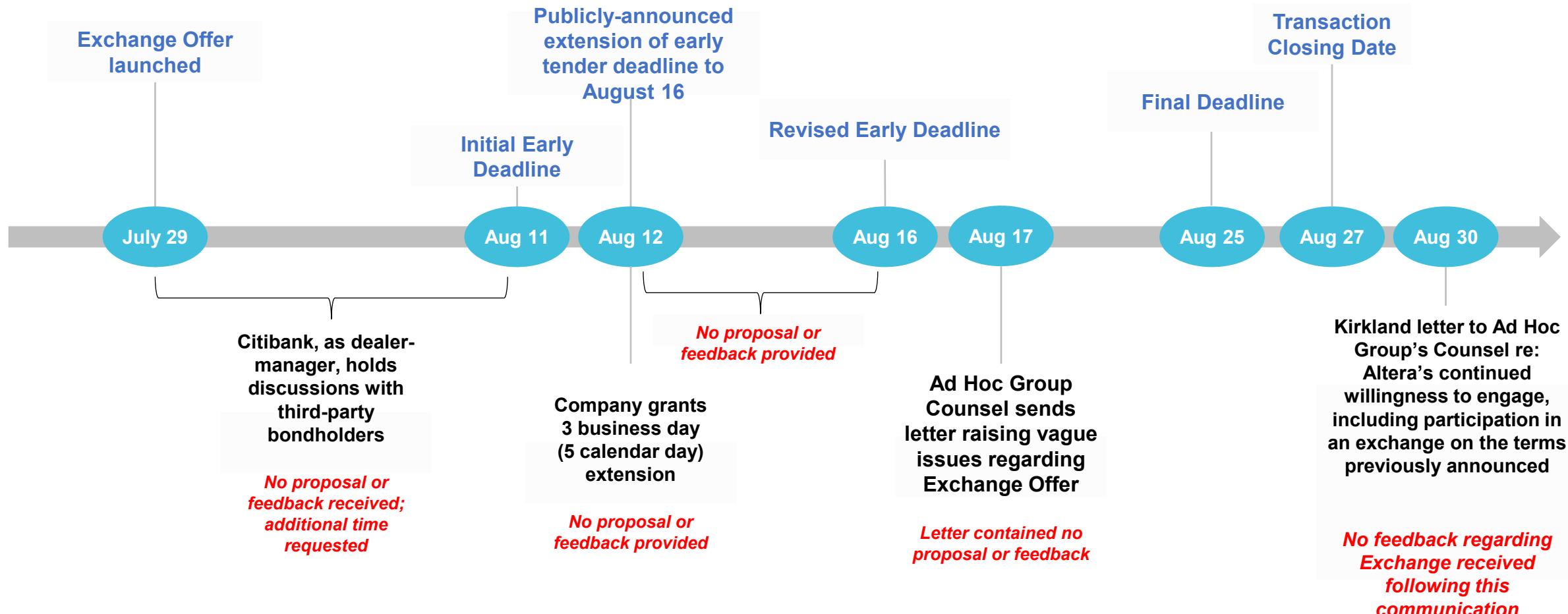
- ▶ In July 2021, Altera launched a par-for-par (i.e., no discount) Exchange Offer to ALL holders of funded debt at TopCo (~\$1bn) focused on:
 - Extending maturities; and
 - Improving liquidity through PIK interest (at least approx. \$50mm per year) and \$17mm cash investment by Brookfield
- ▶ Participating holders would exchange debt at par into structurally senior secured debt at IntermediateCo
 - Brookfield committed to exchange into PIK pay debt
 - Non-Brookfield holders had choice to elect identical PIK pay debt or to receive cash pay debt
- ▶ Minimum participation condition for non-Brookfield holders of TopCo Notes of 80%

Terms of New Debt Offered at IntermediateCo

Issuer/Borrower	<ul style="list-style-type: none">• Altera Infrastructure Holdings LLC (“IntermediateCo”)
Security	<ul style="list-style-type: none">• Secured by all assets at IntermediateCo
Maturity	<ul style="list-style-type: none">• August 2026
Interest Rate	<ul style="list-style-type: none">• Option of:<ul style="list-style-type: none">• 8.5% cash pay; or• 11.5% PIK pay• <i>Brookfield committed to elect PIK pay</i>

2021 TopCo Exchange Offer (cont'd)

Timeline of events



Liquidity Deterioration and Pivot to Restructuring Negotiations

- ▶ The Exchange provided significant benefits to the Debtors, including approximately \$50mm in annual cash interest savings
 - Also extended maturity of \$700mm of debt, \$30mm of which would have otherwise matured earlier this year
- ▶ Liquidity nonetheless continued to deteriorate following the Exchange
 - ShuttleCo financial performance had declined due to the cancelation of a key contract
 - Third-party investors participating in the December 2021 refinancing of unsecured bonds at ShuttleCo prohibited all dividends from ShuttleCo to FFTA, which had historically been an important source of liquidity for FFTA
- ▶ To address the Debtors' additional liquidity need and provide the Company sufficient time to negotiate a comprehensive restructuring, the Debtors obtained access to a \$32mm secured RCF at IntermediateCo from Brookfield at the beginning of 2022
 - All in, since 2019, Brookfield has contributed more than \$374mm of financial support to the Debtors and their business operations (excluding the proposed DIP financing)
 - Brookfield made clear that it would contribute no further capital (junior or otherwise) absent a holistic solution to the capital structure

Liquidity Deterioration and Pivot to Restructuring Negotiations (cont'd)

- ▶ The debtor began engaging with its FFTA vessel-level lenders began in January 2022, with the goals of:
 - Reprofiling FFTA debt service payments to align with vessel-level cash flows;
 - Deleveraging the Company; and
 - Providing sufficient capital to support operations and fund upgrade capex for the Knarr vessel; the Company is finalizing a new contract with Equinor
- ▶ After seven months of engagement and entry into two standstill agreements, the Debtors have entered into a restructuring support agreement (“RSA”) with a majority of the FFTA vessel-level lenders and Brookfield
 - The restructuring process contemplated by the RSA will be financed by a DIP facility provided by Brookfield (on favorable terms to Altera)
- ▶ The RSA comes at a pivotal moment for the Debtors; their cash position has declined significantly during the course of 2022 and the Debtors are working to secure new work for non-shuttle tanker assets, including the *Knarr* FPSO

The Restructuring Committee's Review of Potential Claims Against Brookfield

- ▶ The Debtors – including their independent directors – stand by the Exchange and do not intend to allow threatened litigation regarding the Exchange to derail these chapter 11 cases and the critical support achieved in the RSA
- ▶ In early 2022, the Debtors supplemented their already robust independent Board process to add a new independent director to serve on the existing Conflicts Committee (which already had three independent directors) and a newly-formed Restructuring Committee
- ▶ The Debtors engaged Quinn Emanuel, whose engagement is at the exclusive direction of the Restructuring Committee
 - Following its investigation, the Restructuring Committee has concluded that there are no viable claims of any value against Brookfield
 - The Restructuring Committee reached this conclusion following a significant investigatory effort that included the review of over 13,000 documents from Altera, review of nearly 4,500 additional documents from Brookfield, and interviews with members of Altera's management, members of the Board (including Brookfield-affiliated directors), and Evercore

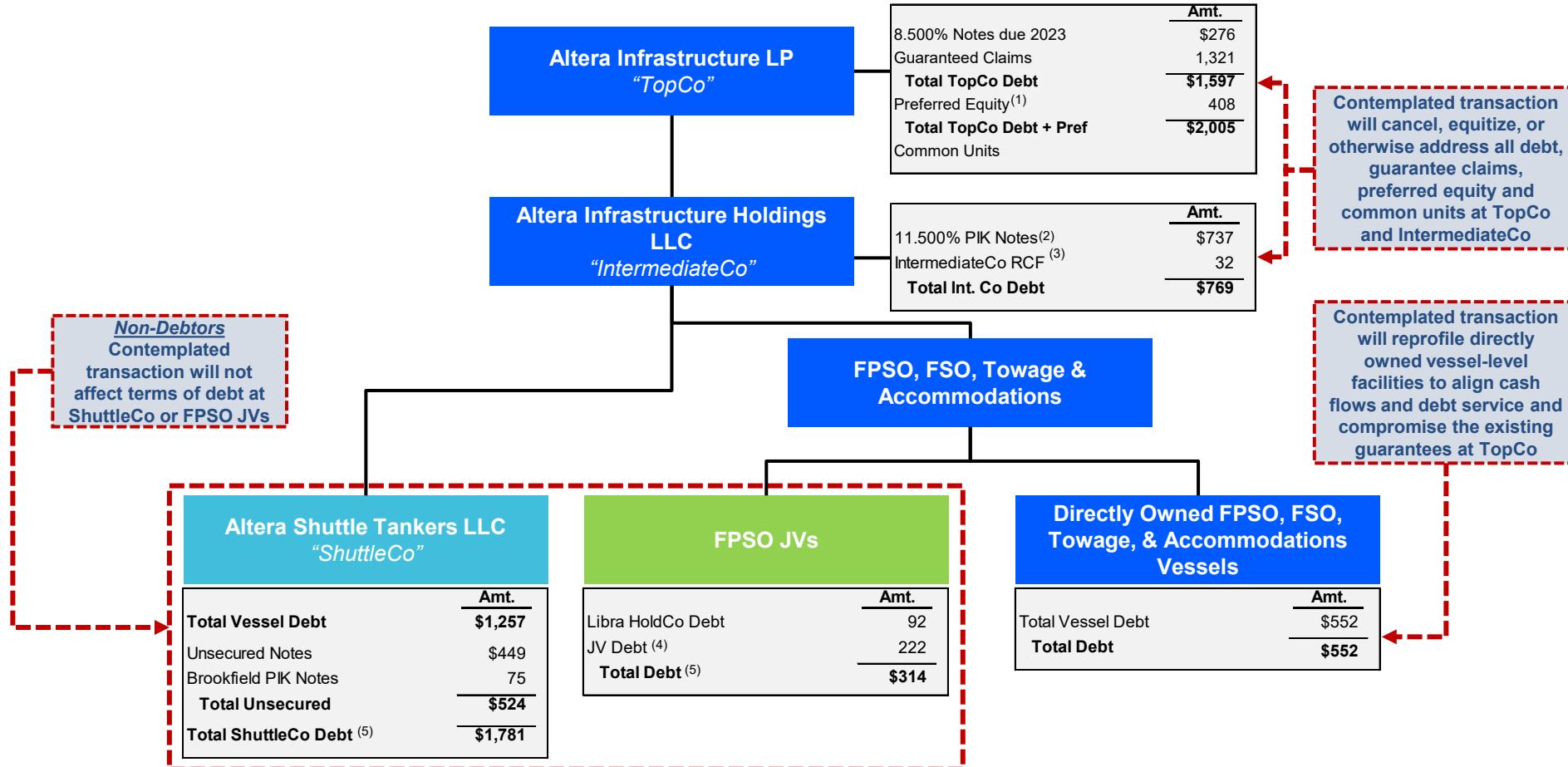
Recent Engagement with the Ad Hoc Group

- ▶ The Debtors began engaging with the Ad Hoc Group in May 2022
- ▶ The Debtors also have facilitated, with Brookfield support, a proposal (and subsequent counterproposal) that would afford the members of the Ad Hoc Group with a significantly increased recovery under the restructuring contemplated by the RSA
- ▶ To date, the Debtors, Brookfield, and the Ad Hoc Group have not reached agreement on a resolution
 - The Ad Hoc Group has proposed disproportionate allocations of equity ownership that ignore the existence of \$552mm of bank guarantee claims that are *pari passu* with their notes
 - Accordingly, despite declining to participate in the 2021 exchange, they are now seeking to capitalize on the benefits conferred by that exchange including: (1) the liquidity and runway enhancement, (2) the RSA, which would not have been possible without such runway and (3) elevation of their claims to be senior to the bank guarantee claims
- ▶ The proposals received from the Ad Hoc Group have no basis in fact or law; instead, the proposals assume an unwind of the exchange combined with a massive premium to reality and a complete disregard to everything that has occurred post exchange

IV. The Path Forward

Restructuring Overview

Transaction contemplated under RSA will: **(1) eliminate all corporate-level debt, preferred equity, and common equity; (2) reprofile asset-level debt to align with asset-level cash flows; and (3) provide new capital for Knarr capex upgrades, transaction costs and go-forward liquidity**



Note: Debt balances as of August 12; and preferred equity balances as of June 30, 2022; excludes certain tranches that have been repaid in full as of 7/1/2022

(1) Represents book value

(2) Does not include Applicable Premium due upon the chapter 11 filing

(3) Assumes RCF is fully drawn

(4) Reflects Altera's 50% share of JV Debt

(5) Borrowers under such debt not contemplated to be debtors

(\$ in millions)

FFTA Vessel-Level Facility Support

	Knarr	Petrojarl I	Gina Krog	Suksan Salamander	4x ALP (Future)	6x ALP (Harms)	Arendal
Principal Amount Outstanding (\$mm)	\$290.6	\$43.8	\$52.0	\$12.5	\$101.7	\$42.5	\$8.5
Compromise of Parent Company Guarantee	✓	✓	✓	✓	✓	TBD	✓
Maturity / Amortization Relief	✓	✓	✓	✓	✓	TBD	✓
PIK Interest Relief % Lenders Expected to sign RSA ¹	✓					TBD	
% of Lenders ¹	Already Signed RSA	90%	100%	100%	50%	0%	22%
	Expected to Sign RSA	100%	100%	100%	50%	100%	100%
Bankruptcy Majority?	✓	✓	✓		✓		✓

1. Represents percent of lenders by economic exposure

Key RSA Terms

DIP Financing	<ul style="list-style-type: none">■ \$50mm DIP term loan, to be provided by Brookfield■ \$20mm of existing IntermediateCo RCF rolled up into DIP Facility to be repaid in full at exit with proceeds of Equity Rights Offering (“ERO”) or otherwise equitized with the DIP Facility
FFTA Vessel-Level Debt	<ul style="list-style-type: none">■ Debt service relief across multiple facilities
ShuttleCo Vessel-Level Debt	<ul style="list-style-type: none">■ No changes / ShuttleCo ring-fenced
IntermediateCo RCF and Notes	<ul style="list-style-type: none">■ Receive 100% of post-reorg equity (subject to dilution from ERO (if applicable), warrants and management incentive plan (“MIP”))■ \$20mm of existing IntermediateCo RCF rolled into DIP Facility provided by Brookfield; full DIP (estimated to be approximately \$72mm at exit to fully equitize or satisfied from proceeds of ERO)
TopCo Unsecured Creditors (ex. FFTA Facilities & IntermediateCo Guarantee Claims)	<ul style="list-style-type: none">■ Shares ratably with FFTA Facilities TopCo Guarantee Claims in a pool of 5-year warrants for 7.6% of post-reorg equity¹<ul style="list-style-type: none">▶ Strike price set at equity value implying payment in full on the IntermediateCo Notes claims (including make whole)
FFTA Facilities TopCo Guarantee Claims	<ul style="list-style-type: none">■ Shares ratably with TopCo Unsecured Creditors in a pool of 5-year warrants for 7.6% of post-reorg equity<ul style="list-style-type: none">▶ Strike price set at equity value implying payment in full on the IntermediateCo Notes claims (including make whole)

(1) Percentage calculated based on current estimate of aggregate TopCo Unsecured Claims pool, subject to further refinement

RSA Process and Milestones

The RSA contemplates that the Company's restructuring process will be implemented through a "pre-arranged" chapter 11 process in accordance with the following milestones:



V. DIP Financing and Cash Collateral

The Need for DIP Financing – DIP Budget

(\$ in USD millions)	Wk 1 21-Aug	Wk 2 28-Aug	Wk 3 4-Sep	Wk 4 11-Sep	Wk 5 18-Sep	Wk 6 25-Sep	Wk 7 30-Sep	Wk 8 9-Oct	Wk 9 16-Oct	Wk 10 23-Oct	Wk 11 30-Oct	Wk 12 6-Nov	Wk 13 13-Nov	Total
Week Ending														
Operating Receipts	4.8	7.3	6.6	13.2	23.8	3.9	2.2	8.9	13.7	3.6	16.6	7.1	4.4	116.0
Operating Disbursements	(24.5)	(5.5)	(8.5)	(10.0)	(13.4)	(8.6)	(12.3)	(6.2)	(7.9)	(2.6)	(3.7)	(7.6)	(3.9)	(114.7)
Net Capex and Drydock	(0.9)	(0.1)	(0.1)	(1.6)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(1.0)	(0.1)	(4.1)
Intercompany ¹	-	2.5	-	-	-	2.5	-	12.1	-	-	2.5	-	-	19.7
Operating Cash Flow	(20.6)	4.3	(2.0)	1.6	10.3	(2.2)	(10.2)	14.6	5.8	0.9	15.4	(1.5)	0.4	16.9
Non-Operating Cash Flow														
Debt Service	(0.2)	(0.9)	(0.1)	-	(0.0)	(0.1)	(6.7)	(0.0)	(0.0)	-	(0.2)	-	-	(8.4)
Restructuring Costs	-	-	(4.8)	-	-	-	-	(7.7)	-	-	-	(8.2)	-	(20.7)
Other Non-Operating Cash Flows	(1.2)	(0.7)	(0.1)	8.2	(0.1)	(0.1)	(2.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	3.3
Total Non-Operating Cash Flow	(1.4)	(1.6)	(5.0)	8.2	(0.1)	(0.2)	(8.8)	(7.8)	(0.1)	(0.1)	(0.3)	(8.3)	(0.1)	(25.8)
Net Cash Flow	(22.0)	2.6	(7.0)	9.9	10.2	(2.5)	(19.0)	6.7	5.6	0.8	15.1	(9.8)	0.3	(8.9)
Opening Cash (pre DIP / RCF Availability)	148.4	126.4	129.1	122.1	132.0	142.2	139.7	120.8	127.5	133.1	134.0	149.1	139.2	148.4
Net Cash Flow	(22.0)	2.6	(7.0)	9.9	10.2	(2.5)	(19.0)	6.7	5.6	0.8	15.1	(9.8)	0.3	(8.9)
Closing Cash (pre DIP / RCF Availability)	126.4	129.1	122.1	132.0	142.2	139.7	120.8	127.5	133.1	134.0	149.1	139.2	139.6	
Restricted/Trapped Cash	(121.4)	(122.1)	(123.1)	(123.1)	(119.1)	(120.6)	(116.9)	(117.9)	(119.1)	(119.1)	(120.5)	(121.5)	(121.5)	(121.5)
Closing Liquidity (pre DIP / RCF Availability)	5.0	7.0	(1.0)	8.9	23.1	19.2	3.9	9.6	14.1	14.9	28.6	17.7	18.1	
DIP Proceeds	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
DIP Costs	-	-	-	-	-	-	-	-	-	-	-	(2.3)	(2.3)	(2.3)
Closing Liquidity (Post DIP Availability)	30.0	32.0	24.0	33.9	48.1	44.2	28.9	34.6	39.1	39.9	53.6	40.4	40.7	
Memo: DIP Balance (Ex. Escrow)	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8	25.8

Note 1: Relate to intercompany transfers between Non-Debtor ShuttleCo entities and FFTA entities

Summary of Key DIP Financing Terms

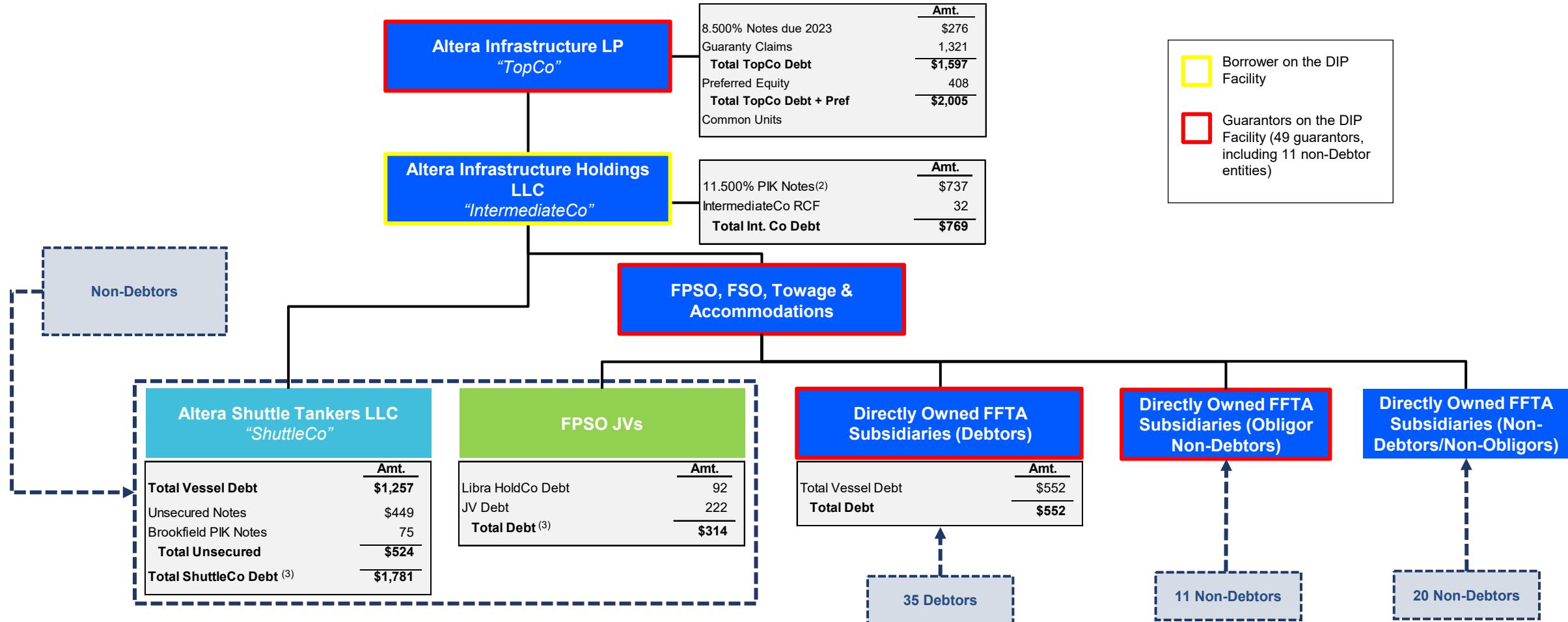
Borrower / Guarantors	<ul style="list-style-type: none"><u>Borrower</u>: Altera Infrastructure Holdings LLC ("IntermediateCo")<u>Guarantors</u>: Guarantors under the IntermediateCo RCF and PIK Notes (including Altera Infrastructure LP ("TopCo")) and (to the extent Debtors) obligors under the existing FFTA vessel-level debt
Size / Structure	<ul style="list-style-type: none">\$70mm secured delayed-draw term loan facility<ul style="list-style-type: none">\$50mm of new money funding (\$25mm available upon entry of Interim DIP Order approval and \$25mm available under Final DIP Order)Upon entry of Interim DIP Order, roll-up of \$20mm of existing \$32mm Brookfield RCF (the "RCF Roll-Up")
Collateral / Priority	<ul style="list-style-type: none">Senior priority liens on all collateral securing the IntermediateCo RCF and PIK Notes and unencumbered assetsJunior priority to existing FFTA vessel-level debt
Maturity	<ul style="list-style-type: none">Earlier of 120 days after the Petition Date and the Effective Date
Rate / Fees	<ul style="list-style-type: none"><u>Interest Rate</u>: SOFR+11% (no floor)<u>Commitment Fee</u>: 5.5% of aggregate undrawn commitment<u>Upfront Fee</u>: 1.5% of aggregate commitments (exclusive of RCF Roll-Up) payable in the form of an increase in the principal amount of the loans<u>Exit Fee</u>: 1.5% of outstanding amounts of the loans (inclusive of the Upfront Fee and RCF Roll-Up)
EOD / Cash Management	<ul style="list-style-type: none">Company to manage cash consistent with past practiceEvents of Default / Cash Collateral Termination substantially the same as IntermediateCo RCF and customary bankruptcy-related events of default
Covenants / Other Terms	<ul style="list-style-type: none">\$15mm minimum liquidity4-week rolling disbursements (excluding professional fees) test with 20% permitted varianceCustomary covenants and other provisions, to be based on existing IntermediateCo RCF obligationsUpon entry of Final DIP Order, full release by Debtors of all claims and causes of action against BrookfieldDIP (and approximately \$2mm in fees) to be equitized pursuant to a plan of reorganization that is consistent with the RSA or, if ERO, paid in full at exit with proceeds from ERO

Relative Lien Priorities

Prepetition Collateral and Existing Secured Facility Collateral								
Priority	Prepetition IntermediateCo Collateral (including the assets and property of Altera)	Prepetition Gina Krog Collateral	Prepetition Knarr Collateral	Prepetition Petrojarl Collateral	Prepetition 4x ALP Collateral	Prepetition 6x ALP Collateral	Prepetition Clipper Collateral	Prepetition Arendal Collateral
1st	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out
2nd	DIP Liens	Gina Krog AP Liens	Knarr AP Liens	Petrojarl AP Liens	4x ALP AP Liens	6x ALP AP Liens	Clipper AP Liens	Arendal AP Liens
3rd	IntermediateCo RCF AP Liens	Gina Krog Liens	Knarr Liens	Petrojarl Liens	4x ALP Liens	6x ALP Liens	Clipper Liens	Arendal Liens
4th	IntermediateCo RCF Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens
5th	IntermediateCo Notes AP Liens							
6th	IntermediateCo Notes Liens							

Unencumbered Collateral								
Priority	IntermediateCo Unencumbered Collateral (including the assets and property of Altera)	Gina Krog Unencumbered Collateral	Knarr Unencumbered Collateral	Petrojarl Unencumbered Collateral	4x ALP Unencumbered Collateral	6x ALP Unencumbered Collateral	Clipper Unencumbered Collateral	Arendal Unencumbered Collateral
1st	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out	Carve Out
2nd	DIP Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens	DIP Liens
3rd	IntermediateCo RCF AP Liens	Gina Krog AP Liens	Knarr AP Liens	Petrojarl AP Liens	4x ALP AP Liens	6x ALP AP Liens	Clipper AP Liens	Arendal AP Liens
4th	IntermediateCo Notes AP Liens							

Capital Structure and Corporate Organization



Note: Debt balances as of August 12, 2022 and preferred equity balances as of June 30, 2022; excludes certain tranches that have been repaid in full as of July 1, 2022

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(2) Does not include Applicable Premium due upon the chapter 11 filing

(3) Reflects Altera's 50% share of JV Debt

US\$ in millions

Requested Roll-up

- ▶ The relief requested today includes a roll-up of \$20mm of prepetition debt provided to the Debtors under the IntermediateCo RCF
- ▶ The IntermediateCo RCF provided critical liquidity to the Debtors in the months leading up to the Petition Date, including working capital that enabled the Debtors to:
 - Fund ongoing operations;
 - Bridge low-liquidity period;
 - Fund professionals fees associated with the restructuring;
 - Pay interest and other amounts needed to extend critical runway; and
 - Fund a \$15mm equity investment into non-Debtor affiliate ShuttleCo, thereby avoiding a potential default at ShuttleCo and the attendant possible loss of value
- ▶ The roll-up is, at its essence, a dollar-for-dollar roll up of drawn amounts under the RCF for each dollar of new money provided under the DIP (capped at \$20mm)
- ▶ The requested roll-up is the product of good faith, arms-length negotiations, is limited, and is appropriate under the circumstances