

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

In re:

VIRIDOS, INC.,¹

Debtor.

Chapter 11
Subchapter V

Case No. 25-10697(CTG)

**DECLARATION OF ERIC MOELLERING IN SUPPORT OF THE DEBTOR'S
CHAPTER 11 PETITION, FIRST DAY MOTIONS AND RELATED FILINGS**

I, Eric Moellering, under penalty of perjury, declare as follows:

1. I am the Co-Chief Executive Officer of Viridos, Inc., the debtor and debtor-in-possession (the “Debtor” or the “Company”) in the above-captioned chapter 11 case (the “Chapter 11 Case”). On April 14, 2025 (the “Petition Date”), the Debtor commenced a voluntary case by filing a petition (the “Petition”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and elected to proceed pursuant to subchapter V as a small business debtor.

2. I am authorized to submit this Declaration on behalf of the Debtor (the “First Day Declaration”) to provide the Court and other parties in interest with an overview of the Debtor’s business and the circumstances leading to the commencement of this Chapter 11 Case. I am also submitting this First Day Declaration in support of the first day motions² and applications and certain other pleadings filed by the Debtor (the “First Day Motions”) contemporaneously herewith, or as soon as reasonably practicable hereafter, to stabilize and preserve the Debtor’s business pending a marketing and sale or restructuring process.

¹ The Debtor in this Chapter 11 Case and the last four digits of its U.S. taxpayer identification number is: Viridos, Inc. (3940). The Debtor’s corporate headquarters is located at: 11149 N. Torrey Pines Road, La Jolla, CA 92037.

² All references to agreements, pleadings, or other documentation or summaries thereof in this First Day Declaration are qualified in their entirety by the terms set forth in the relevant agreements, pleadings, or other documents.

3. I have reviewed the Debtor's voluntary petition and the First Day Motions, or have otherwise had their contents explained to me, and it is my belief that the relief sought therein is essential to ensure the uninterrupted operation of the Debtor's business and to successfully maximize the value of the Debtor's estate. If called upon to testify, I could and would testify competently as to the facts set forth herein.

Part I: Background and Events Leading to the Commencement of this Case

A. Background

4. The Debtor (formerly known as Synthetic Genomics, Inc.) is a pioneer in Algae-based biofuel. It is a pre-revenue company that is developing innovative solutions to environmental challenges. Specifically, the Debtor works with microalgae, building a scalable platform for low-carbon intensity biofuels which will revolutionize industries like aviation and commercial trucking while providing much-needed environmental solutions.

5. Founded in 2005, the Debtor was established by leading figures in synthetic biology. It was funded largely in its early stages by ExxonMobil. Since that time, the Company has made several scientific breakthroughs in the field resulting in the awarding of over 100 patents. At commercialization, the Company will likely be able to produce oil from engineered microalgae at up to twenty (20) times greater yield than any existing crop. Such a result and transition from fossil fuels in the heavy transportation industry to the Company's sustainable biofuel will result in a 73-88% reduction in carbon emissions.

B. The Debtor's Capital Structure

6. In the past, the Debtor has utilized equity funding in order to capitalize its research and development. However, over the past several years, such funding has become scarce as has occurred with many similar environmental startups. In addition, the broader economic slowdown

has impacted the ability of the Company to obtain equity infusions from investors, including, but not limited to, an overall slowdown in venture capital and rising interest rates.

7. In order to continue its research and development efforts, the Debtor turned to one of its largest investors to secure funding, Breakthrough Energy Ventures II, L.P. (“BEV” or the “Prepetition Secured Lender”). On July 23, 2024, pursuant to that certain Secured Convertible Promissory Note, made by the Debtor and BEV (together with its successors and assigns, the “Prepetition Secured Lender”) in the original principal amount of \$2,000,000 (the “Initial Prepetition Note”).

8. On or about April 8, 2025, the Prepetition Secured Lender agreed to make additional financing available to the Debtor and, in connection therewith, the Debtor executed in favor of the Prepetition Secured Lender that certain Amended and Restated Secured Convertible Promissory Note dated as of April 8, 2025 in the principal amount of \$2,750,000 (the Initial Prepetition Note, as so amended and restated and as otherwise amended, supplemented, restated or otherwise modified prior to the Petition Date, the “Prepetition Bridge Note” and, collectively with the Note Purchase Agreement and the Security Agreement referenced in the Prepetition Bridge Note (such Security Agreement as amended, the “Prepetition Security Agreement”), and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived, or otherwise modified prior to the Petition Date, the “Prepetition Loan Documents”). Pursuant to the Prepetition Loan Documents, the Prepetition Secured Lender made an additional advance of \$250,000 on April 8, 2025. As of the Petition Date, the Debtor is indebted to the Prepetition Secured Lender in the amount of \$2,250,000.

9. Additionally, as of the Petition Date, the Debtor's capital structure also consists of unsecured trade debt, including unpaid rent, totaling approximately \$3 million.

C. Events Leading to Restructuring

10. While the Debtor has revolutionary technology in the pipeline, those products require significant additional investment to bring them fully to market and are not expected to generate revenue in the near term. Accordingly, continuous funding is required for the Debtor's operations. In mid-March 2025, recognizing its precarious financial position and lack of alternatives, the Debtor engaged Rock Creek Advisors ("Rock Creek") to act as financial advisors. Specifically, Rock Creek was engaged to explore financing and restructuring alternatives for the Debtor.

11. Rock Creek immediately evaluated the Debtor's cash position and potential for financing alternatives. I instructed Rock Creek to canvass third party financing partners for additional opportunities. Given the deteriorating financial and cash position of the Debtor, it became apparent to the Debtor and Rock Creek that a bankruptcy or other insolvency process was likely needed to effectuate a financing and sale or restructuring transaction.

12. With that in mind, Rock Creek continued to seek financing for the Debtor over a period of several weeks. Ultimately, the Prepetition Lender expressed interest in continuing its support for the Company by financing the Debtor's restructuring process and acting as a stalking horse bidder.

13. With the offer of this support, on March 29, 2025, the BEV representative on the Debtor's board resigned and was replaced by an additional independent director in order to ensure fairness throughout the restructuring process. The Debtor's reconstituted board – now including

myself and two independent directors – carefully considered the restructuring possibilities with the support of our advisors.

14. As set forth in more detail below, the Prepetition Secured Lender's offered DIP Facility and stalking horse bid (subject to higher and better bids) offered the best option for the Company to successfully restructure. The provisions of the DIP Facility and the Interim Order were negotiated at arm's-length and in good faith, and the proposed DIP Facility provides the best terms presently available to the Debtor.

15. The Debtor intends to utilize the DIP Facility to facilitate this sale or restructuring process. Specifically, upon the Petition Date, Rock Creek commenced a marketing process by sending out an offering memorandum to over one hundred potential strategic and financial transaction parties. Simultaneously, myself and the Debtor's advisors have negotiated with the DIP Lender to provide the stalking horse bid to serve as a floor price for other potential bidders in the coming weeks.

16. I believe that through this Chapter 11 Case and marketing process, the Debtor will be well situated to sell its assets to the highest and best bidder, and not only maximize value for all stakeholders, but also create a pathway by which it can continue its critical research and development.

Part II: Evidentiary Support for First Day Motions

17. I believe that the First Day Motions are critical to a smooth transition into Chapter 11 to minimize (if not eliminate) any immediate and irreparable harm to the Debtor's business, as well as its employees and creditors. For these and the other reasons discussed below, I believe

that the relief requested in each of the First Day Motions is appropriate under the circumstances and should be granted by the Court.

Administrative and Procedural Motions

A. Application of the Debtor for Entry of Order Appointing Stretto Group, Inc. as Claims and Noticing Agent Effective as of Petition Date (the “Stretto Retention Application”)

18. Pursuant to the Stretto Retention Application, the Debtor seeks to retain Stretto, Inc. (“Stretto”) as the Debtor’s claims and noticing agent to, among other tasks, (i) serve as the noticing agent to mail notices to the estate’s creditors and parties in interest; (ii) provide computerized claims database services; and (iii) provide expertise, consultation, and assistance with other administrative services as they may arise in the Chapter 11 case pursuant to provisions of Stretto’s services agreement.

19. Based on my discussions with the Debtor’s advisors, I believe that retention of Stretto is appropriate under the circumstances and in the best interest of the Debtor’s bankruptcy estate. Based on all engagement proposals the Debtor obtained, I believe that Stretto’s rates have been negotiated down, and are competitive and comparable or superior to the rates charged by its competitors for similar services.

20. The need to retain Stretto is supported by the necessity of serving notice a large group of potential creditors in this case. While all persons and entities included on the Debtor’s notice list may not hold claims against the Debtor, the Debtor nevertheless decided to provide actual notice to a broad group of potential claimants. Given the potential scope of the possible claimants, and the likely need for robust claims processing requirements, it is my opinion that the appointment of a claims and noticing agent will provide the most effective and efficient means of relieving the Debtor and/or the Clerk’s office of the significant administrative burden that they would otherwise be required to address. Consequently, I believe that the Stretto Retention

Application is in the best interest of the Debtor's bankruptcy estate, its creditors, and all other parties in interest and will enable the Debtor to continue to operate its business during the pendency of this Chapter 11 case without significant disruption.

B. Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Redaction of Certain Personally Identifiable Information of Individuals From the List of Creditors and Certain Other Filings; (II) Authorizing The Debtor to Serve Certain Parties By Electronic Mail; And (III) Granting Related Relief ("Creditor Matrix Motion")

21. The Debtor seeks entry of an order (i) authorizing the Debtor to redact certain personally identifiable information of individuals contained within the Debtor's list of creditors (the "Creditor Matrix") and any other filing within this Chapter 11 case that may similarly contain personally identifiable information of individuals; (ii) authorizing the Debtor to serve certain parties by electronic mail; and (iii) granting related relief.

22. Based on discussions with the Debtor's professionals, I understand that there may be applicable data privacy laws that prohibit or restrict the Debtor from publicly filing certain information about individuals who will be listed in the Debtor's Creditor Matrix or other filings in this case. Additionally, I believe that the redaction of individuals' home and email addresses from public filings in this Chapter 11 case would reduce the chances that such disclosures may otherwise lead to identify theft or the identification of survivors of domestic violence, harassment or stalking who have taken steps to conceal their locations. Therefore, based on discussions with the Debtor's advisors, I believe that the redaction of individual's home and email addresses is the best way to limit any negative outcomes or risk of the Debtor violating any applicable data privacy laws, while not hindering parties in interest from reviewing amounts owed to such individuals as part of the bankruptcy process.

23. With respect to notifying the Debtor's shareholders, the Debtor has traditionally contacted its shareholders by email and does not maintain physical mailing addresses for a majority

of shareholders. Indeed, it only has mailing addresses for a fraction of its total current shareholders, holders of warrants, and former shareholders (the “Shareholders”). Because the Debtor traditionally communicated with its Shareholders via email—and based on discussions with its advisors—the Debtor believes that the proposed procedure for serving the notice of commencement of this Chapter 11 case and notice of the section 341 meeting of creditors via email will provide adequate and appropriate notice to the Shareholders.

Operational Motions

C. Debtor’s Motion for Entry of Interim and Final Orders (I) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Services, (II) Determining Adequate Assurance of Payment for Future Utility Services, (III) Establishing Procedures for Determining Adequate Assurance of Payment, And (IV) Granting Related Relief (the “Utilities Motion”)

24. The Debtor seeks entry of an order authorizing the Debtor to ensure continued provision of Utility Services at the Debtor’s leased properties. The Debtor seeks entry of an order (i) prohibiting Utility Providers from altering, refusing, or discontinuing any Utility Services on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtor’s proposed adequate assurance, (ii) determining adequate assurance of payment for future Utility Services; (iii) establishing procedures for determining adequate assurance of payment for future Utility Services; and (iv) granting related relief. The Debtor proposes to fund a segregated account with a deposit equal to approximately two (2) weeks of the Debtor’s estimated aggregate Utility Services expenses as adequate assurance of future payment required under the Bankruptcy Code and, additionally, has proposed standard procedures to address any request made by the Utility Providers for additional adequate assurance.

25. Any disruption of the Debtor’s Utility Services would cause irreparable harm to the Debtor’s business operations, its estate, and its ability to maximize value through this Chapter 11

case. For the foregoing reasons, I believe that the relief requested in the Utilities Motion is in the best interests of the Debtor, its estate, and its creditors, and should therefore be approved.

D. Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Continue to Operate Its Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, and (C) Maintain Existing Business Forms, and (II) Granting Related Relief (the "Cash Management Motion")

26. With the Cash Management Motion the Debtor seeks to (a) continue to operate its Cash Management System (as defined therein) and maintain its existing bank accounts, including honoring certain prepetition obligations related thereto and (b) maintain existing business forms in the ordinary course of business.

27. In my experience, businesses like the Debtor's business, operate more efficiently using an integrated, centralized Cash Management System to manage cash in a cost-effective manner. This includes using the system in the ordinary course to collect, transfer, and disburse funds. Since the Debtor has historically operated with such a system, any disruption to the system would have a sharply adverse effect on operations and thus be highly detrimental to the Debtor's estate and its creditors. Therefore, in my business judgment, the Cash Management System should be preserved on a post-petition basis.

E. Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing, But Not Directing, the Debtor to (A) Pay Its Obligations Under Insurance Policies Entered Into Prepetition, and (B) Renew, Supplement, Modify, or Purchase Insurance Coverage and Pay Premiums Thereunder; and (II) Granting Related Relief (the "Insurance Motion")

28. The Debtor seeks orders (i) authorizing, but not directing, the Debtor to (a) pay its obligations under insurance policies entered into prepetition, and (b) renew, supplement, modify, or purchase insurance coverage in the ordinary course; and (ii) granting related relief.

29. In connection with the operation of its business, the Debtor maintains approximately ten (10) insurance policies (collectively, the "Insurance Policies") administered by

multiple third-party insurance carriers (collectively, the “Insurance Carriers”). The Insurance Policies provide coverage for, among other things, general liability, auto vehicle, the Debtor’s directors and officers liability, crime, casualty, and cyber crime. A schedule of the Insurance Policies, including policy numbers and the approximate annualized gross premium of each Insurance Policy is attached to the Insurance Motion as Exhibit C.

30. In connection with the Insurance Policies, the Debtor obtains insurance brokerage services from Lockton Insurance Brokers, LLC (the “Broker” or “Lockton”). The Broker assists the Debtor in obtaining comprehensive insurance coverage for the Debtor’s operations by evaluating benefit plan offerings, assisting the Debtor with the procurement and negotiation of the Insurance Policies, and enabling the Debtor to obtain those policies on advantageous terms at competitive rates. The Debtor does not pay brokerage consulting fees to the Broker for such services.

31. Continuation of the Insurance Policies is essential to the preservation of the value of the Debtor’s properties and assets. Moreover, in many cases, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts governing the Debtor’s commercial activities, including the requirements of the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”). Additionally, the Debtor believes that continuation of the services of the Broker is necessary to secure Insurance Policies on advantageous terms at competitive rates, facilitate the proper maintenance of the Debtor’s Insurance Policies postpetition, and ensure adequate protection of the Debtor’s property for any party in interest. The Debtors’ insurance brokers, as described below. The Debtors estimate that, as of the Petition Date, there are no outstanding prepetition premiums due on account of the Insurance Policies.

32. Accordingly, I believe that the relief requested in the Insurance Motion, including, but not limited to, authority to pay prepetition amounts outstanding on account of the Insurance Policies and to pay premiums thereunder in an aggregate amount of up to \$75,000 on an interim basis, is in the best interests of the Debtors, their estates, and all parties in interest and should be granted in all respects.

F. Debtor’s Motion for Entry of Interim and Final Orders (I) Authorizing, But Not Directing, the Debtor to (A) Pay Prepetition Employee and Independent Contractor Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief (the “Wages Motion”)

33. The Debtor currently employs 18 people (collectively, the “Employees”). Of the Employees, 17 are full-time salaried Employees and one is a full-time hourly employee. The Debtor also has one temporary employee (the “Temporary Employee”), whose services are provided to the Debtor through an employment agency (the “Employment Agency”) and five independent contractors (the “Independent Contractors”). Furthermore, the Debtor recently effectuated a reduction-in-force where it terminated 28 non-insider employees (the “Terminated Employees”). While the Debtor issued payment to the Terminated Employees pre-petition for severance and cashed-out accrued Paid Time Off, certain of the related checks remaining uncashed as of the Petition Date. Based on my conversations with the Debtor’s professionals, none of the Employees are statutory insiders.

34. As detailed in the Wages Motion and incorporated herein by reference, in addition to compensation paid to the Employees (and the related withholdings and deductions therefrom, such as payroll taxes, the Employee’s share of insurance premiums and the Employee’s 401(k) Plan contributions), the Debtor offers a suite of Employee Benefit Programs to its Employees, including a reimbursable expense program, medical, vision and dental insurance places, a 401(k) Plan, Paid Time Off and worker’s compensation insurance). The Debtor’s payroll runs bi-weekly

on every other Friday for dates of service provided for the two-week period ending on the immediately preceding Friday. The Debtor pays its payroll processor, Automatic Data Processing, Inc. (“ADP”), monthly, and ADP pulls the payroll funds approximately two days prior to the pay date from the appropriate Debtor account. ADP, as the payroll processor, issues checks and initiates direct deposit ACHs that are drawn on the Debtor’s applicable payroll accounts on the date of payment.

35. To minimize the personal hardship the Employees, the Temporary Employee and Independent Contractors could suffer if prepetition Employee- and Independent Contractor-related obligations are not paid when due or as expected and to maintain stability in the Debtor’s workforce during the administration of the Debtor’s Chapter 11 Case, the Debtor, seeks authority, but not direction, to: (a) pay and honor certain prepetition claims relating to, among other things, wages, salaries, and other compensation (including amounts owed to Independent Contractors), payroll services, federal and state withholding taxes and other amounts withheld (including garnishments (if any), Employees’ share of insurance premiums, and taxes), reimbursable expenses, health insurance, retirement and related benefits, and certain other benefits that the Debtor has historically provided in the ordinary course (collectively, the “Employee Compensation and Benefits”); and (b) pay all costs incident to the Employee Compensation and Benefits.

36. Additionally, on April 1, 2025, the Debtor conducted a reduction-in-force. State law required that the Debtor provide certain waiting periods for the Terminated Employees to review the proposed severance agreements and for payment of Paid Time Off. Accordingly, certain of the Terminated Employee checks remain uncashed. The Debtor also seeks approval to honor or re-issue checks issued pre-petition to the Debtor’s Terminated Employees (on account of severance payments and cashed-out accrued Paid Time Off).

37. Subject to approval from the Court, the Debtor intends to continue its applicable prepetition Employee Compensation and Benefits in the ordinary course. Out of an abundance of caution, the Debtor further requests confirmation of its right to modify, change, and discontinue any of their Employee Compensation and Benefits and to implement new programs, policies, and benefits in the ordinary course during this Chapter 11 Case in the Debtor's sole discretion and without the need for further Court approval, subject to applicable law.

38. Specifically, by the Wages Motion, the Debtor seeks authority to make the following payments related to prepetition amounts owed on account of the Employee Compensation and Benefits:

Employee Obligation	Interim Amount	Final Amount
Employee Compensation Gross Wages	\$70,496.01	\$70,496.01
Independent Contractor Obligations	\$22,110.88	\$22,110.88
Withholding Obligations	\$78,365.52	\$78,365.52
Payroll Processing Fees	\$1,932.13	\$1,932.13
Reimbursable Expenses	\$0.00	\$0.00
Employment Agency Fees	\$8,479.33	\$8,479.33
Severance and PTO to Terminated Employees	\$66,771.66	\$66,771.66
Employee Benefits Programs	\$50,351.18	\$50,351.18
Total	\$298,506.71	\$298,506.71

39. I have also been advised that with respect to unpaid compensation, the Debtor does not seek under the Wages Motion to pay any employee in excess of the \$17,150 wage cap imposed by section 507(a)(4) of the Bankruptcy Code.

40. Based on my knowledge of the Debtor's business and operations, I believe that the relief requested in the Wages Motion is in the best interests of the Debtor's estate, its creditors, and all other parties in interest and is necessary to enable the Debtor to continue to operate in the ordinary course without disruption.

Other First Day Relief Requested by the Debtor

G. Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Obtain Postpetition Secured Financing and (B) Use of Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Lender, (III) Scheduling Final Hearing, and (IV) Granting Related Relief (the "DIP Motion")

41. By the DIP Motion, the Debtor requests entry of interim and final orders (collectively, the "DIP Orders") authorizing the Debtor to obtain postpetition financing of a senior secured super-priority multi-draw term loan facility (the "DIP Facility").

42. The Debtor's management has determined that a sale of substantially all of its assets would be the best path forward and in the best interests of its creditor and equity holders. In recent months, the Debtor's management determined that the Debtor would have a critical need for additional working capital in order to continue operating and bridge to a sale.

43. As it became clear that this Chapter 11 Case would likely be necessary, the Debtor worked diligently to identify a lender willing to provide postpetition financing to the Debtor. Only the Debtor's prepetition lender, Breakthrough Energy Ventures II, L.P. (together with its successors and assigns, "BEV" or the "DIP Lender"), was willing to extend postpetition financing to the Debtor on the terms and conditions set forth in the DIP Loan Documents.

44. The Debtor does not believe that it can obtain postpetition financing on terms more favorable than the proposed DIP Facility. After the DIP Lender had agreed in principle to provide the DIP Facility, the Debtor, through its financial advisor, Rock Creek Advisors, approached no less than three (3) parties that regularly provide postpetition financing in the middle market, lower

middle market, and technology start-up spaces. None of those parties were willing to match or better the terms provided by the DIP Facility.

45. Without immediate access to the DIP Facility and Cash Collateral, the Debtor will not have sufficient liquidity to be able to pay its vendors, fund employee wages, benefits, and related obligations, pay for use of its business equipment, fund its sale process, and continue to operate its business during the pendency of this chapter 11 case. Therefore, I believe that the terms of the DIP Facility are the most favorable available to the Debtor under the circumstances and that entry into the DIP Facility is in the best interests of this estate and the Debtor's creditors.

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

Dated: April 15, 2025
Wilmington, Delaware

/s/ Eric Moellering

Name: Eric Moellering
Title: Co-Chief Executive Officer