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 BRIAN AYERS IN SUPPORT OF THE DEBTOR'S MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTOR TO (A) OBTAIN POSTPETITION FINANCING AND (B) USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDER, (III) SCHEDULING FINAL HEARING, AND (IV) GRANTING RELATED RELIEF

I, Brian Ayers, hereby declare under penalty of perjury, pursuant to section 1746 of title 28 of the United States Code, as follows:

1. I am the proposed financial advisor to Viridos, Inc. (the "Debtor") and a Managing Director of Rock Creek Advisors LLC ("Rock Creek"), a financial services firm that works with companies and their investors, shareholders, directors, lenders and other relevant constituents to help companies maximize their true potential. Rock Creek has expertise in turnarounds, assignments for the benefit of creditors, financial advisory services, and liquidations. At Rock Creek, I focus primarily on management consulting and financial restructuring, specializing in liquidity management, financial strategic planning, and implementation of financial strategies for corporate turnarounds and restructurings. I have more than 20 years of experience in a wide variety of industries, including retail, transportation and logistics, manufacturing, construction, healthcare, and bio-tech. I am a Certified Insolvency and Restructuring Advisor and a Certified Turnaround Professional.

[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.

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2. The Debtor intends to seek the retention of Rock Creek to assist the Debtor with financial advisory services. On March 20, 2025, I began overseeing the Rock Creek team that the Debtor intends to engage. In that role, I have become familiar with the Debtor's business and financial affairs.

3. I submit this declaration (the "Declaration") in support of the *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")[2] seeking relief for the Debtor in its Chapter 11 Case. In particular, I submit this Declaration in support of my view that the financing that is the subject of the DIP Motion: (a) is the product of arm's-length, good-faith negotiation processes; (b) is the best presently available postpetition financing option for the Debtor; and (c) contains reasonable and appropriate financial terms and conditions under the circumstances.

4. All facts set forth in this Declaration are based on: (a) my personal knowledge; (b) my discussions with the Debtor's representatives, other members of the Rock Creek team, or other parties in interest; (c) information supplied to me by members of the Debtor's management or other professionals; (d) information learned from my review of the relevant documents; and (e) my experience and knowledge of the Debtor's operations and financial condition.

5. I am not being specifically compensated for this testimony other than through payments received by Rock Creek as a professional whose retention the Debtor is seeking to obtain

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the DIP Motion or the Debtor's proposed *Interim Order (I) Authorizing the Debtor to (A) Obtain Postpetition Financing and (B) Use of Cash Collateral, (II) Granting Adequate Protection to the Prepetition Lender, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* (the "Interim Order"), as applicable, both filed concurrently herewith.

this Court's approval of pursuant to an application to be filed with this Court at a later date. If called as a witness, I could and would testify to the facts set forth in this Declaration. I am authorized to submit the Declaration on behalf of the Debtor.

I. THE DEBTOR'S FINANCING NEEDS AND POTENTIAL SOURCES

6. Over the past two months, the Debtor's management determined that the Debtor would have a critical need for working capital in order to continue operating and bridge to a sale of substantially all its assets. 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 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.

7. After the DIP Lender had agreed in principle to provide the DIP Facility, I approached no less than three (3) parties that regularly provide postpetition financing in the middle market and lower middle market spaces. None of those parties were willing to match or better the terms provided by the DIP Facility and specifically not on a basis subordinate to the Prepetition Secured Debt.

8. I do not believe that the Debtor could obtain postpetition financing on terms more favorable than the proposed DIP Facility. The DIP Lender also holds the Prepetition Bridge Note, and the Prepetition Loan Obligations. Although the DIP Facility will prime the Prepetition Secured Loan, the DIP Lender is also the Prepetition Secured Lender and will be benefited because BEV, as DIP Lender and Prepetition Lender, will be paid in full at the closing of the sale contemplated by the Stalking Horse APA. Accordingly, I believe that the Prepetition Lender is adequately protected, and the Court should approve the DIP Facility and permit the liens securing

the DIP Facility to prime the liens securing the Prepetition Loan.

9. The DIP Facility represents the only viable path to effectuate a value-maximizing sale of the Debtor's assets. As adequate protection for the Debtor's use of the collateral securing the Prepetition Loan, the DIP Lender and the Debtor agreed that Prepetition Lender shall receive: (a) a valid, binding, continuing, enforceable, and fully-perfected replacement (and if applicable, new) security interest in and lien on the DIP Collateral, subordinate only to the DIP Liens, Prepetition Permitted Liens, if any, and the Carve-Out; (b) an allowed administrative expense claim against the Debtor with priority over all other administrative expense claims in the Chapter 11 Case, subordinate only to the Carve-Out, Prepetition Permitted Liens, if any, and the DIP Superpriority Claims, (c) payment of the Prepetition Secured Lender's prepetition and postpetition fees and out of pocket expenses of the Prepetition Secured Lender's advisors, and (d) payment of postpetition interest under the Prepetition Loan Documents, at the non-default rate.

II. THE PROPOSED DIP FACILITY IS NECESSARY AND SHOULD BE APPROVED.

10. Without immediate access to the DIP Facility and Cash Collateral, I understand that 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 (including seeking approval of the Stalking Horse APA, subject to overbids), and continue to operate its business during the pendency of this Chapter 11 Case.

11. The Debtor is currently without sufficient liquidity with which to pay ongoing expenses necessary to operate its business and administer the Chapter 11 Case. The DIP Facility will provide the Debtor with sufficient liquidity and allow the Debtor to: (a) pay necessary payroll costs and other operating expenses; (b) obtain goods and services needed to preserve its assets in

a manner that will avoid irreparable harm to the Debtor's estate; and (c) fund the sale process and the administrative cost of the Chapter 11 Case.

12. Without the immediate relief requested by the DIP Motion, I believe that the Debtor and its creditors (including the Prepetition Lender) face a material risk of substantial, irreparable, and ongoing harm. I also believe that immediate access to the incremental liquidity provided by the proposed DIP Facility will preserve and maximize the value of the Debtor's business, avoid immediate and irreparable harm to the Debtor's estate and creditors (including the Prepetition Lender), and is a sound exercise of the Debtor's business judgment.

III. THE TERMS OF THE PROPOSED DIP FACILITY ARE REASONABLE.

13. I believe that, given the circumstances, the terms of the DIP Facility are fair, reasonable, and in the best interests of the Debtor, its estate, and other parties in interest for the following reasons:

a) Based on current capital market conditions, the Debtor cannot obtain unsecured postpetition financing or financing that is not secured by priming liens with priority over the liens securing the Prepetition Loan;

b) Without the DIP Facility, the Debtor would not be able to continue the Chapter 11 Case, and the case would likely convert to chapter 7;

c) The Debtor's inability to preserve its estate during the Chapter 11 Case and consummate a plan would impair the value of the Debtor's estate to the detriment of all stakeholders, would materially reduce or eliminate recoveries to unsecured creditors, and would jeopardize the Debtor's ability to repay the Prepetition Loan; and

d) In my experience, and based on my personal investigation, I do not believe that another lender would be willing to provide postpetition financing upon more favorable terms.

14. Based on my experience in general and my investigation, it is my view that the DIP Facility is the best available postpetition financing option for the Debtor. I also believe that the terms of the DIP Facility, as set forth in the DIP Loan Documents, are fair, reasonable, and

adequate. Further, I believe that the process for obtaining the DIP Facility was full and fair, was comprehensive, and produced the best available financing option under the circumstances. In short, the DIP Facility provides the most favorable executable transaction available to the Debtor for its financing needs and is beneficial to its estate.

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.

Woodbridge, NJ
Dated: April 15, 2025

Respectfully submitted,

/s/ *Brian Ayers*
Brian Ayers