

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
TPI COMPOSITES, INC., et al.,	§	Case No. 25-34655 (CML)
	§	
Debtors.¹	§	(Joint Administration Requested)
	§	
	§	

**DECLARATION OF WILLIAM E. SIWEK IN SUPPORT OF
DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY RELIEF**

I, William E. Siwek, pursuant to section 1746 of title 28 of the United States Code, hereby declare under penalty of perjury that the following is true and correct:

1. I am the President and Chief Executive Officer and a member of the board of directors (the “**Board**”) of TPI Composites, Inc. (“**TPIC**”) and each of its debtor subsidiaries in the above-captioned chapter 11 cases as debtors and debtors in possession (the “**Debtors**” and, together with their non-Debtor subsidiaries, the “**Company**”). I was appointed as President of TPIC in May 2019, and I assumed the role of Chief Executive Officer and was appointed to the Board in May 2020. Prior to my appointment as President and Chief Executive Officer, I served as Chief Financial Officer of TPIC from 2013 to 2019.

2. Prior to joining the Company, I served as the Chief Financial Officer of T.W. Lewis Company, an Arizona-based real estate investment company, from 2012 to 2013.

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: TPI Texas, LLC (4000), TPI Composites, Inc. (0775), TPI International, LLC (9537), TPI Turkey, LLC (2552), TPI APAC, LLC (8038), TPI APAC II, Inc. (3515), TPI Turkey II, LLC (2551), TPI Turkey Izbaz, LLC (0185), TPI Composites Services, LLC (4547), TPI Mexico, LLC (0745), TPI Mexico II, LLC (8269), TPI Mexico III, LLC (7315), TPI Mexico IV, LLC (1231), TPI Mexico V, LLC (5628), TPI Mexico VI, LLC (7260), Ponto Alto Holdings, LLC (0322), TPI Arizona, LLC (9641), TPI Iowa, LLC (2887), TPI Iowa II, LLC (4175), Composite Solutions, Inc. (1486), TPI Holdings Mexico, LLC (1936), and TPI Technology, Inc. (2727). The Debtors’ mailing address is 9200 E. Pima Center Parkway, Suite 250, Scottsdale, AZ 85258.

Prior to that, from 2002 to 2012, I held various positions, including Executive Vice President and Chief Financial Officer, at Talisker Mountain, Inc., a real estate development company based in Park City, Utah, and President and Chief Financial Officer of the Lyle Anderson Company, an Arizona-based real estate developer. Earlier in my career, I also served as a Partner at Arthur Andersen in its Audit and Business Consulting Divisions. I hold Bachelors of Science degrees in Accounting and Economics from the University of Redlands, where I previously served on the Board of Trustees. I am currently on the Board of Directors of the American Clean Power Association and WindEurope.

3. I am familiar with the Debtors' day-to-day operations, books and records, business and financial affairs, and the circumstances leading to the commencement of these chapter 11 cases. Except as otherwise indicated herein, this declaration (the "**Declaration**") is based upon my personal knowledge, my review of relevant documents, information provided to me by the Debtors' employees, my opinion based upon my experience, knowledge, and information concerning the Debtors' operations and the renewable energy industry, or my discussions with the Debtors' other officers, directors, and restructuring advisors, including professionals at Weil, Gotshal & Manges LLP ("**Weil**"), Jefferies LLC ("**Jefferies**"), and Alvarez & Marsal North America, LLC ("**A&M**" and, collectively with Weil and Jefferies, the "**Advisors**"). If called upon to testify, I would testify competently to the facts set forth in this Declaration, which I am authorized to submit on behalf of the Debtors.

4. On August 11, 2025 (the "**Petition Date**"), the Debtors each commenced with the Court a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). I submit this Declaration to assist the Court and other parties in interest

in understanding the circumstances and events that led to the commencement of these chapter 11 cases.²

5. This Declaration is organized into three sections. **Section I** provides an overview of the Debtors' prepetition challenges and restructuring objectives. **Section II** describes the Debtors' business, organizational and capital structure, history, and current operations. **Section III** describes the events leading to the filing of the chapter 11 cases and the Debtors' prepetition restructuring efforts.

I. Overview

6. The Company, which trades publicly on the Nasdaq stock exchange under the ticker "TPIC,"³ is a leading independent manufacturer of composite wind blades with a global manufacturing footprint that currently spans the United States, Mexico, Türkiye, and India. The Company collaborates with wind turbine Original Equipment Manufacturers ("OEMs") as a key outsourcing partner in the design, prototype, manufacturing, and technical due-diligence phases of large-scale onshore wind turbine production. The Company also provides field service inspection and repair services to OEM customers and wind farm owners and operators. By leveraging its deep technical expertise in advanced engineering, manufacturing, and research and development, while also capitalizing on its global presence to deliver local supply chain optimization, the Company is able to support its OEM customers and provide best-in-class wind blades at a reduced time-to-market with optimized capital expenditures.

² Contemporaneously herewith, the Debtors have filed a declaration from Brian Cejka, a managing director at A&M, the Debtors' proposed financial advisor, in support of certain motions the Debtors have filed with the Court (collectively, the "**First-Day Pleadings**"). The First-Day Pleadings seek relief intended to preserve the value of the Debtors' business for the benefit of their stakeholders and maintain continuity of the Debtors' operations, which, as discussed therein, is critical in these chapter 11 cases.

³ The Company anticipates the TPIC stock will be delisted in connection with the commencement of these chapter 11 cases.

7. Since the launch of its initial public offering in 2016, the Company has pursued several initiatives to enhance its competitive position in the wind energy market and improve its financial profile, including launching a manufacturing hub in Chennai, India to serve multiple global customers, increasing its manufacturing capacity at certain facilities in Mexico to compete at a more cost-effective scale, and divesting its non-core automotive composites business to focus on its core business of wind blade manufacturing. However, over the past several years, the Company has faced challenging macroeconomic conditions and global competition in the manufacturing sector, as well as industry headwinds and market uncertainty resulting from the whipsaw effect of renewable energy policy changes and reversals.

8. In the wake of the COVID-19 pandemic, fearing both a global recession and the expiration of the 2020 Production Tax Credit (“PTC”), wind developers and investors shortened project deadlines at a rapid pace, which led to record installation volumes in the United States. Beginning in 2021, however, the combination of strains on supply chains, post-COVID inflationary impacts, and geopolitical issues in Europe led to significantly increased operational costs and financial losses for many suppliers, including the Company. Specifically, the shrinking supply of component parts and other materials due to supply chain constraints markedly increased the cost of wind turbine production, creating further liquidity pressures for the OEMs and their key manufacturing partners.

9. Against this backdrop, TPIC sought third-party capital and, on November 8, 2021, issued \$350 million of Series A Preferred Stock (the “**Preferred Equity**” and such issuance, the “**2021 Transaction**”) to affiliates of Oaktree Capital Management (“**Oaktree**”). The proceeds of the Preferred Equity issuance were used to pay off all outstanding indebtedness under the Company’s then-existing senior credit facility and provide additional cash to support the

Company's ongoing operational improvements. Dividends owed under the Preferred Equity could be paid in kind for the first two years following the close of the 2021 Transaction, which was a key feature for the Company as it sought to weather the prevailing industry downcycle. Oaktree also had the option to cause the Company to redeem all or any portion of their Preferred Equity at any time after November 8, 2026.

10. As the Company sought to remedy these liquidity issues, a global rise in inflation largely offset any benefits that the Company's efforts provided. Specifically, the Company experienced significant increases in the cost of raw materials and labor due to the rapid rise in inflation, thereby increasing overhead costs, a significant portion of which could not be passed on to customers if the Company wanted to remain competitive in an increasingly dynamic market. Inflation also exacerbated the economic impact of certain unfavorable contract terms with certain of the Company's customers. In addition, due to volume and market uncertainties, market practices shifted as customers demanded shorter contract term lengths and eliminated minimum volume obligations and "take or pay" terms that had historically protected the Company's revenue stream by mitigating the risk of fluctuating demand and production capacity. The subsequent passage of the Inflation Reduction Act in 2022 ("IRA"), though helpful in significantly expanding and extending the PTC, ultimately led to an abrupt deceleration in demand as the longer-term certainty of tax credits reduced the urgency to commence wind turbine project construction. This created a vacuum in manufacturing pipelines, and wind developers in the United States built half as much new wind capacity in 2022 and 2023 than they had in the previous two years.

11. The Company has also experienced several unexpected contractual challenges and operational issues at its operations in Mexico. The contemporaneous rise in inflation caused the Company's margins to decrease given the unfavorable fixed-price nature of a

customer contract of the Company's subsidiaries in Mexico. Moreover, production delays at certain of its plants in Mexico stemmed from, in part, the rapid pace of new product introduction and changing industry quality standards that were inconsistently applied and resulted in quality issues and, consequently, warranty obligations and liquidated damages.

12. Facing ongoing liquidity declines and the looming shift to cash-pay dividends on its Preferred Equity, in the third quarter of 2023, the Company negotiated a transaction in which Oaktree exchanged its then-existing \$436 million of Preferred Equity into a \$393 million Senior Secured Term Loan (as defined below), with the remaining \$43 million in accrued and unpaid dividends exchanged into common equity (the “**2023 Transaction**”). The 2023 Transaction was projected to improve the Company's liquidity by approximately \$190 million through the life of the Senior Secured Term Loan—partly due to the extension of time during which TPIC could pay in kind interest payments—while eliminating the mandatory dividends previously owed under the Preferred Equity. Fundamentally, the 2023 Transaction provided value by, among other things, improving the Company's liquidity profile, which provided the Company with more runway to continue executing broader corporate initiatives while managing through an industry downcycle. Public markets at the time responded favorably to the 2023 Transaction with the Company's stock price substantially increasing by 73% shortly after the 2023 Transaction was announced.

13. Despite the reprieve the 2023 Transaction provided, the Company still struggled to perform against its financial targets amid still-worsening macroeconomic conditions, contractual terminations, and increased low-cost and state-sponsored competition. In China and Mexico, these headwinds and financial performance shortfalls led the Company to (i) wind down its operations in China by early 2023 with the closure of three manufacturing plants, (ii) exit an

underperforming manufacturing plant in Mexico, and (iii) divest its tooling business, which operated primarily out of Mexico. In Türkiye, severe inflation, unexpected loss of contract volume from all three of the Company's customers, and a protracted labor strike at the Company's Turkish facilities beginning mid-May 2025, which remains ongoing, has forced the Company to actively seek to exit its operations in Türkiye in the near term.

14. In light of the foregoing, prior to the commencement of these chapter 11 cases, the Debtors, together with their Advisors and under the guidance of a transaction committee of the Board (the "**Transaction Committee**"), engaged with key stakeholders in the hope of reaching a consensus around a restructuring transaction that would right-size the Debtors' capital structure, reduce operational costs, and improve profitability. Engagement with such stakeholders included the Debtors' anticipated go-forward OEM customers, GE Vernova International, LLC ("**GEV**") and Vestas Wind Systems A/S ("**Vestas**"), as well as the Senior Secured Lenders (as defined below), represented by Sullivan & Cromwell LLP, as legal counsel, and Moelis & Company LLC, as investment banker (together, the "**Senior Secured Lender Advisors**"). After considering out-of-court restructuring alternatives, the Debtors began to negotiate the key terms of a potential in-court restructuring of the Debtors' funded debt obligations.

15. Following extensive arm's-length, good faith negotiations between the Debtors, the Senior Secured Lenders, and their respective advisors, the Debtors have determined it is in the best interest of all parties in interest to effectuate a restructuring through an in-court chapter 11 process. Although the Debtors, the Senior Secured Lenders, and certain of the Debtors' other key stakeholders have made substantial progress on negotiations regarding the terms of a restructuring transaction, in light of the Debtors' ongoing liquidity constraints, operational challenges, and potential defaults under their funded debt obligations, the Debtors determined it

was necessary to commence these chapter 11 cases before negotiations could conclude in order to avail themselves of the protections afforded by the Bankruptcy Code. To facilitate a path forward and allow the Debtors to complete negotiations with key stakeholders on a comprehensive restructuring, the Senior Secured Lenders agreed to provide the Debtors with use of cash collateral and a superpriority, senior-secured priming debtor-in-possession delayed draw term loan facility (the “**DIP Facility**”), consisting of (a) up to \$27.5 million of new money loans (comprised of a \$7.5 million initial draw and a \$20 million second draw (each draw subject to the terms and conditions of the DIP Facility)) and (b) up to \$55 million in roll-up of the Senior Secured Term Loan. Based on the present facts and circumstances, that restructuring is expected to include the Senior Secured Lenders as new owners of the reorganized company upon emergence. The Debtors are optimistic they can reach an agreement on the terms of a consensual chapter 11 plan that achieves the Debtors’ ultimate goals: timely emergence from chapter 11 as a strengthened, reorganized company.

16. To ensure the chapter 11 process is efficient and expeditious, maximizes the going-concern value of the Debtors’ estates for all stakeholders, and enhances operational flexibility, the DIP Facility contains milestones as agreed by the Debtors and the Senior Secured Lenders. Key milestones include:

- **No later than one day after the Petition Date:** filing a motion seeking approval of the Debtors’ entry into the DIP Facility;
- **No later than three days after the Petition Date:** entry of an interim order approving the Debtors’ entry into the DIP Facility;
- **No later than 10 days after the Petition Date:** filing a bar date motion;
- **No later than 40 days after the Petition Date:** entry of a final order approving the Debtors’ entry into the DIP Facility;
- **No later than 45 days after the Petition Date:** entry of an order establishing the bar dates and approving a disclosure statement and related solicitation procedures;

- **No later than 100 days after the Petition Date:** entry of an order confirming the Debtors' chapter 11 plan; and
- **No later than 120 days after the Petition Date:** occurrence of the effective date of the Debtors' chapter 11 plan, subject to certain extensions required for regulatory approvals.

17. To mitigate the impact of any further business disruption, the Debtors must exit these chapter 11 cases as swiftly as possible. The proposed timeline for these chapter 11 cases balances the Debtors' need to complete their reorganization process quickly with their need to successfully effectuate the balance sheet restructuring and other operational improvement initiatives described herein prior to emerging from chapter 11 as a going concern. The Debtors intend to utilize the chapter 11 process to reorganize, emerge as a stronger enterprise for their stakeholders, including their customers and employees, and continue to provide high-quality wind blade manufacturing and field service offerings.

II. Company's Business

A. History and Formation

18. The Company was founded in 1968 as Tillotson Pearson Inc., a high-performance sail and powerboat manufacturer that also produced a range of composite structures used in industrial applications. In 1999, the Company pivoted from the boating sector and began to focus its manufacturing efforts on the wind blade market and has been providing composite wind blades since 2001. In 2004, the Company formally separated from its boat building business and reorganized in Delaware as LCSH Holding, Inc. The Company changed its corporate name to TPI Composites, Inc. in August 2008 and launched its initial public offering in July 2016.

B. Current Business Operations

(i) Products and Services

19. Headquartered in Scottsdale, Arizona, the Company is a global wind blade supplier and partner to top wind turbine OEMs. In addition to operating factories in the United States, Mexico, Türkiye, and India, the Company operates additional engineering development centers in Denmark and Germany, as well as global service centers across the United States, Türkiye, Mexico, India, and Spain. Through its long-term relationships with leading wind turbine OEMs, the Company has developed significant expertise in advanced composite technology, precision molding, and process technology. These competencies, coupled with the Company's global footprint and strategic locations near its OEM customers' target markets, allow the Company to serve as a key outsourcing partner that supports the expansion of its customers' global wind blade capacity by delivering cost-efficient products while also supporting customers with field-service capabilities, including preventative services, inspections, repairs, and improvements. The Company has historically served all of the top five global onshore wind turbine OEMs based outside of China, namely GEV, Vestas, Nordex SE ("**Nordex**"), Enercon GmbH ("**Enercon**"), and Siemens Gamesa Renewable Energy, S.A.

20. The Company's core business segments are: (i) wind blade manufacturing and (ii) field inspection and repair services. The Company generally reports its operations across four geographic operating segments: (i) the United States; (ii) Mexico; (iii) Europe, the Middle East, and Africa (EMEA); and (iv) India. The key capabilities under each segment are set forth in the graphic below and described in greater detail herein:



21. *Wind Blade Manufacturing.* The Company maintains a dedicated supplier model through various supply agreements, pursuant to which it contracts with OEM customers to provide capacity at its facilities for the manufacture of large-scale wind blades ranging from 58 meters to over 80 meters in length. Within this segment, the Company previously offered tooling solutions, including the development and production of precision wind blade patterns, precision molding, and assembly systems. Unfortunately, the Company's tooling segment became unprofitable due to low-cost tooling from China. In late 2024, the Company began to explore alternatives for its tooling business, and in the third quarter of 2025, the Company divested its tooling business as part of its continued prioritization of capital for growth in the wind blade sector.

22. The Company works with its customers to customize blade production to the unique specifications of different wind turbine designs, utilizing fiberglass, carbon fiber, or other advanced composite materials to transition between different wind blade models and sizes

using precision molding and assembly systems. The Company's wind blade manufacturing facilities include (i) a facility in Newton, Iowa, (ii) three facilities in Juárez, Mexico, (iii) a facility in Matamoros, Mexico, (iv) two facilities in Izmir, Türkiye, and (v) a facility in Chennai, India.

23. *Field Service Inspection and Repair Services.* The Company also provides field service inspection and repair services to OEM customers and wind farm owners and operators, including diagnostic, repair, and maintenance services for wind blades that are installed on wind turbines located at wind farms. These services can be performed “up-tower,” where a blade technician performs the services in the air or from the wind turbine tower on a wind turbine blade, or “down tower,” where a blade is first removed from a wind turbine and the services are performed on the ground at the wind farm site or in a repair facility. The Company also offers global wind blade inspection and repair services from its facilities in the United States, Mexico, Türkiye, Spain, and India.

Forecasted Revenue by Business Segment: Fiscal Year 2025

(\$ in MM\$)

Business Segment:	Total	% of Total
Wind Blade Manufacturing	\$ 1,309.4	96.3%
Field Inspection and Repair Services	50.5	3.7%
Total Revenue	\$ 1,359.9	100.0%

Forecasted Revenue by Geography: Fiscal Year 2025

(\$ in MM\$)

Geography:	Total	% of Total
United States	\$ 72.3	5.3%
Mexico	838.9	61.7%
Europe, the Middle East and Africa	314.5	23.1%
India	134.2	9.9%
Total Revenue	\$ 1,359.9	100.0%

(ii) Revenue Breakdown

24. As reflected above, the Company primarily generates revenue through its contracted wind blade manufacturing, which is projected to account for approximately 96% of the Company's total net sales in fiscal year 2025. Revenue is primarily recognized over time as the Company has an enforceable right to payment upon termination and may not use or sell the product to fulfill other customers' supply agreements. Specifically, revenue recognition is determined by a ratio of direct costs incurred in fulfillment of the performance obligation to the total estimated direct costs required to complete the performance obligation, with the balance of the Company's revenue realized primarily from the provision of field services as the services are provided.

25. Importantly, substantially all of the Company's revenues are derived primarily from three wind blade customers: GEV, Vestas, and Nordex, which, respectively, accounted for approximately 36%, 25%, and 31% of total net sales for the year ended December 31, 2023 and approximately 24%, 35%, and 33% of total net sales for the year ended December 31, 2024. Before commencing the chapter 11 cases, the Debtors began negotiations with certain customers on go-forward contracts and intends to reach acceptable terms for such contracts in the near future.

C. Corporate Structure, Governance, and Management

26. The Debtors consist of TPIC, a Delaware corporation, and certain of its wholly-owned subsidiaries, totaling 22 entities formed under the laws of Texas and Delaware, each of which is either a borrower or obligor under certain of the Debtors' prepetition funded debt. A chart illustrating the Company's organizational structure as of the Petition Date is attached hereto as Exhibit A.

27. TPIC, TPI Arizona, LLC, TPI Iowa, LLC, TPI Mexico, LLC, TPI Mexico II, LLC, TPI Mexico III, LLC, TPI Mexico IV, LLC, TPI Mexico V, LLC, TPI Mexico VI, LLC,

TPI Composite Services, LLC, and TPI APAC II, Inc. are the Company's main operating entities for, among other things, its primary business segments, entering into lease, vendor, and other agreements on behalf of the Company and funding enterprise-wide payroll.

28. The current Board consists of nine members, as shown below:

Name	Position
Steven C. Lockard	Chairman of the Board and Director
Paul G. Giovacchini	Lead Independent Director
Bavan Holloway	Director
James A. Hughes	Director
Jayshree Desai	Director
Michael "TJ" Jordan	Director
William E. Siwek	President and CEO, Director
Neal Goldman	Director
Timothy Pohl	Director

29. On May 8, 2025, in connection with its development and review of potential strategic alternatives, the Board formed the Transaction Committee, comprised of the following three independent directors: (i) Paul Giovacchini; (ii) Neal Goldman; and (iii) Timothy Pohl. The Board granted the Transaction Committee power and authority to, among other things, (i) consider and evaluate any potential capital structure solutions, liability management transactions, or other strategic alternatives for or on behalf of the Company (each such strategic transaction, a "**Potential Transaction**") and alternatives related thereto, (ii) consider, evaluate, and recommend to the Board any Potential Transaction or any action, agreement, or undertaking related to or in furtherance thereof, and (iii) take such other actions as the Transaction Committee deems necessary or desirable in order to carry out its mandate.

30. The Debtors' current senior management team consists of the following individuals:

Name	Position
William E. Siwek	President and Chief Executive Officer
Ryan Miller	Chief Financial Officer
Chuck Stroo	Chief Operating Officer
Steven Fishbach	General Counsel

D. Capital Structure

31. The Debtors' prepetition capital structure is composed of obligations incurred by the Debtors under (i) the Senior Secured Credit Agreement (as defined below) and (ii) the Convertible Notes Indenture (as defined below). The descriptions that follow are provided for informational purposes only and are qualified in their entirety by reference to the documents setting forth the specific terms of such obligations and their respective related agreements. A summary of the Debtors' outstanding funded debt obligations as of the Petition Date is set forth below.

Category of Debt	Approximate Amount Outstanding as of Petition Date ⁽¹⁾
Secured Funded Debt	
11% Senior Secured Term Loan due 2027	\$472 million
Unsecured Funded Debt	
5.25% Convertible Senior Notes due 2028	\$135 million
Total Funded Debt	\$607 million

(1) Includes interest accrued through August 11, 2025.

(i) Senior Secured Credit Agreement

32. The Debtors are party to that certain *Credit Agreement and Guaranty*, dated as of December 14, 2023 (as amended, modified, or supplemented from time to time in accordance with the terms thereof, the "**Senior Secured Credit Agreement**"), by and among TPIC, as borrower, each of the other Debtors, as guarantors, the lenders party thereto from time to time

(the “**Senior Secured Lenders**”), and Oaktree Fund Administration, LLC, as administrative agent. As of the Petition Date, the Debtors owe approximately \$472 million, including accrued and unpaid interest, under the Senior Secured Credit Agreement (the “**Senior Secured Term Loan**”). The Senior Secured Term Loan has a stated maturity of March 31, 2027.

33. The obligations under the Senior Secured Credit Agreement are (i) secured by substantially all of the assets of TPIC and the other Debtors and (ii) guaranteed by each of the other Debtors.

(ii) 5.25% Convertible Senior Notes Due 2028

34. On March 3, 2023, TPIC issued senior unsecured convertible notes in the aggregate amount of \$132.5 million (the “**Convertible Notes**”) pursuant to the terms of that certain *Indenture*, dated as of March 3, 2023 (as amended, modified, or otherwise supplemented from time to time, the “**Convertible Notes Indenture**”), by and among TPIC, as issuer, and U.S. Bank Trust Company, National Association, as trustee. The Convertible Notes bear interest at 5.25% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, commencing on September 15, 2023. As of the Petition Date, the Debtors owe approximately \$135 million, including accrued and unpaid interest, on account of the Convertible Notes. The Convertible Notes have a stated maturity of March 15, 2028.

III. Key Events Leading to Commencement of Chapter 11 Cases

35. As described in Section I, the Company has faced serious challenges stemming from industry headwinds, including changes in industry norms, pace of new blade designs, significant inflationary pressure, uncertainty of United States policies on renewable energy and trade, and fluctuating market demand, all of which have significantly strained the Company’s business, operations, and liquidity. With the commencement of these chapter 11 cases, the Debtors will continue negotiations with key stakeholders regarding the terms of a

comprehensive restructuring and use the chapter 11 process to maximize enterprise value for the benefit of all stakeholders by right-sizing their capital structure and positioning the Debtors for long-term success and viability at a sustainable scale.

A. Operational Challenges and Industry Headwinds

(i) Macroeconomic Competition

36. For much of its recent history, the Company's international footprint has been core to its value proposition. The ability to deliver blades from various manufacturing hubs to global and local markets at an advantageous cost structure was a key differentiator for the Company given its position as an outsourcing partner that indirectly competes with its OEM customers. Chinese turbine and turbine blade manufacturers, which are subsidized by the Chinese government, have made considerable advances over the past few years, capturing very significant market share outside of the United States, making it increasingly difficult for the Company to compete internationally. China's excess blade manufacturing capacity affords state-supported turbine and turbine blade manufacturers a great degree of cost flexibility and, by extension, capacity adjustability. Coupled with the intense inflationary pressures outside of the United States, such challenges have made it difficult for the Company to retain a presence in geographies not serving North America, resulting in the Company's exit from China in 2023, the loss of key contracts with various international partners, and an imminent exit from Türkiye.

(ii) Challenges with Certain International Operations

37. In 2024, the sustainability of the Company's Turkish operations became challenged unexpectedly when Vestas decided not to extend its contract and the two other customers of the Company's Turkish business, Nordex and Enercon, significantly reduced or eliminated contracted volume for fiscal year 2025. These developments, coupled with prolonged hyperinflation and the onset of a labor strike in May 2025, have severely impacted the operating

model in Türkiye, forcing the Company to recognize that Türkiye is no longer a viable option to serve markets outside of Türkiye. Accordingly, the Company has begun exploring potential strategic alternatives for its operations in Türkiye.

38. At the same time, the Debtors' operations in Mexico have been subject to costly disruptions and delays in production, stemming in part from ongoing operational and contractual challenges. Following the decision in early 2024 to expand certain supply agreements and launch additional production lines in one of their facilities in Mexico, the Debtors have experienced repeated production challenges and costly delays related to complex new blade designs. The expanded footprint has encountered ongoing implementation issues as the Debtors seek to accommodate these complex blade designs, which have suffered from inconsistent quality requirements from customers and have been difficult to produce, leading to delays that have triggered various liabilities under the Debtors' commercial supply agreements with its customers. To make matters worse, the contemporaneous rise in inflation exacerbated the economic impact on the Debtors' margins given the inability to pass all increased operating expenses onto customers.

39. As a result of the unexpected liabilities incurred, the Debtors have been subject to certain setoffs of liquidated damages against amounts owed for components delivered under applicable supply agreements. These setoffs exacerbated the Debtors' diminishing liquidity as they attempted to negotiate a comprehensive restructuring and approached the need to commence these chapter 11 cases.

(iii) Renewable Energy Policy Uncertainty

40. Predictability is key to the project-based nature of manufacturing in the renewable energy sector. Unfortunately for the Debtors, the current executive administration of the United States is making a substantial effort to phase out meaningful renewable energy subsidies

that were previously established under the IRA, resulting in considerable uncertainty across the sector, in particular with respect to wind development projects. Specifically, the One Big Beautiful Bill Act (“**OBBB**”),⁴ which was signed into law on July 4, 2025, requires wind projects to be completed by the end of 2027 or begin construction by July 4, 2026 in order to qualify for the renewable energy subsidies, such as the PTC, which the OBBB is also sunseting. Further, the administration issued an executive order on July 7, 2025 directing the U.S. Treasury to revisit the “beginning of construction” rules applicable under the PTC to restrict the safe harbors potentially available to developers to determine when a project begins construction for federal income tax purposes.⁵ Additionally, the U.S. Department of the Interior has also started to implement new restrictions on renewable energy, especially wind and solar energy.⁶

41. The confluence of these recent policy shifts against renewable energy put the Debtors’ production for domestic wind projects at considerable risk of cancellation or delay. Perhaps more consequential, these policy shifts have generally impacted the willingness of OEM customers to commit to meaningful volumes beyond a one-year period even in the American market where the Debtors have been relatively insulated from foreign competition.

(iv) Tariff Policies

42. Recent fluctuations in policies on tariffs for foreign commercial partners have led to economic uncertainty for the Company and its OEM customers. Such tariffs are expected to increase the cost of wind power projects, thus raising the threshold for the economic viability of such projects. In turn, demand for wind turbines may decrease materially, potentially

⁴ See One Big Beautiful Bill Act, Pub. L. No. 119-21, 139 Stat. 72 (2025).

⁵ See Exec. Order No. 14315, 90 Fed. Reg. 30821 (July 7, 2025).

⁶ See *Department of the Interior Curbs Preferential Treatment for Wind Energy*, U.S. DEP’T. OF THE INTERIOR (July 29, 2025), <https://www.doi.gov/pressreleases/departement-interior-curbs-preferential-treatment-wind-energy>.

increasing lead times and further complicating supply chains for the wind energy sector more broadly. Although the direct effect of recent tariffs on the Company has been minimal, these tariffs affect the Company's OEM customers, leading to a domino effect as the cost of a turbine and, thus, the total project cost has increased for customers of the Company's customers.

43. The dynamics described above have a uniquely outsized effect on the Company. Indeed, given its market position as an outsourcing partner, the Company necessarily competes on some level with its OEM customers, which maintain their own internal manufacturing operations and are guided by a "make versus buy" decision that is disadvantageous to the Company in times of depressed demand and market uncertainty.

B. Prepetition Restructuring Efforts and Stakeholder Negotiations

44. Given the combined effect of the aforementioned headwinds, in January 2025, the Company retained Jefferies to help identify liability management strategies to address the Company's balance sheet. Following evaluation of the Company's business plan and capital structure, in February 2025, the Company and the Board determined to pursue a liability management strategy focused on achieving an out-of-court balance sheet solution with the Company's existing stakeholders. At the same time, the Company retained Turkish counsel to assist with assessing a potential restructuring or other exit of the Company's operations in Türkiye. Although the Company consistently sought and entertained options for an out-of-court restructuring, such efforts were ultimately unsuccessful.

45. Around the same time, the Company began developing and implementing a plan designed to improve operational efficiencies, simplify the Company's organizational structure, and reduce costs. To achieve these goals, the Company has worked to, among other things:

- drive cost management initiatives to improve the Company’s near-term liquidity profile;
- achieve deferrals on contractual repayments to customers;
- explore cash utilization strategies across the Company’s international subsidiaries;
- divest and consolidate certain assets and operations, inclusive of exiting certain markets (*e.g.*, exiting Türkiye by the end of 2025);
- leverage the Company’s global operations expertise to remedy underperforming lines at its facilities in Mexico;
- delay renovations and other capital projects; and
- expand initiatives to optimize administrative expenses (including by significantly reducing operating expenses and non-essential spending).

46. Notwithstanding management’s general success in reducing costs and improving operational efficiency, the Company still faced significant challenges and diminishing liquidity over the course of the second quarter of 2025. Given the continued financial stress on the Company and the increasing complexity of such efforts, the Company retained Weil and A&M in April 2025 to assist in the evaluation, negotiation, and implementation of potential restructuring alternatives. In addition, in May 2025, the Company formed the Transaction Committee to oversee and guide the Company and the Advisors’ review, development, and negotiation of Potential Transactions, and, as appropriate and subject to certain exceptions, make recommendations to the full Board with respect to such transactions.

47. The Board also formed a special investigation subcommittee (the “**Investigation Subcommittee**”) and appointed Neal Goldman and Timothy Pohl to serve on the Investigation Subcommittee and conduct an independent, privileged investigation into any potential claims or causes of action that the Company may hold based on prior transactions,

including claims or causes of action against the Company's directors and officers and the Senior Secured Lenders.

48. In late May 2025, with the oversight of the Transaction Committee, the Company and its Advisors began discussions with the Senior Secured Lenders regarding potential alternatives to address the Company's balance sheet, particularly in light of approaching liquidity concerns in Türkiye, which had the potential to trigger cross defaults under the Senior Secured Credit Agreement and Convertible Notes Indenture should one of the Turkish subsidiaries commence an insolvency proceeding in Türkiye. The Company executed non-disclosure agreements with the Senior Secured Lender Advisors in May 2025 and with advisors to an ad hoc group of convertible noteholders in June 2025.

49. The Company, through its Advisors, continued to engage with the Senior Secured Lenders, establishing a virtual data room to facilitate a streamlined diligence process for the Senior Secured Lender Advisors, hosted diligence and business plan calls with management for the benefit of the Senior Secured Lenders, and participated in meetings to discuss potential restructuring transactions. On a similar timeline, the Company also engaged in negotiations with its primary customers regarding go-forward contract terms and certain outstanding disputes under the Company's supply agreements.

50. As of the Petition Date, the Debtors are actively engaged in arm's-length, good faith negotiations with the Senior Secured Lenders, GEV, and Vestas. As those negotiations progress, the Debtors will also engage with all other stakeholders while the Debtors move forward to implement a comprehensive restructuring that preserves the going-concern value of the business, maximizes stakeholder recoveries, and minimizes disruption to the Debtors' day-to-day operations. Accordingly, these chapter 11 cases will best position the Debtors to achieve such a

restructuring, and the Debtors will use the tools afforded by the Bankruptcy Code to right-size their business and reestablish themselves as a healthy corporate enterprise able to compete effectively in their industry for the benefit of their stakeholders.

IV. Conclusion

51. The above describes the Debtors' business and capital structure, the factors that precipitated the commencement of these chapter 11 cases, and the Debtors' goals for these chapter 11 cases.

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

Dated: August 12, 2025
New York, New York

/s/ William E. Siwek
Name: William E. Siwek
Title: President and Chief Executive Officer

Certificate of Service

I hereby certify that on August 12, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Gabriel A. Morgan
Gabriel A. Morgan

Exhibit A

Organizational Chart

