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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

STG LOGISTICS, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 26-10258 (MEH)

(Jointly Administered)

**DECLARATION OF JASON
KEYES IN SUPPORT OF THE DEBTORS'
DISCLOSURE STATEMENT FOR, AND CONFIRMATION
OF, THE SECOND AMENDED JOINT PLAN OF STG LOGISTICS, INC. AND ITS
DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

I, Jason Keyes, hereby declare under penalty of perjury as follows:

Background and Qualifications

1. I am a Partner and Managing Director of AlixPartners, LLP ("AlixPartners"), the financial advisor to the above-captioned debtors and debtors in possession (collectively,

¹ The last four digits of Debtor STG Logistics, Inc.'s tax identification number are 8624. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://dm.epiq11.com/STGLogistics>. The location of the Debtors' service address in these chapter 11 cases is: 5165 Emerald Parkway, Dublin, Ohio 43017.

the “Debtors,” and together with its non-debtor subsidiaries and certain affiliates, “STG” or the “Company”).

2. I have over fifteen years of restructuring, corporate finance, accounting, and turnaround experience, including business plan development, plan negotiations, and interim management experience. Since joining AlixPartners, I have provided restructuring advice to companies, creditors, and investors, both in chapter 11 and on an out-of-court basis, in the transportation, retail, technology, infrastructure, energy, aerospace, and mining industries. As an advisor, I been involved in numerous chapter 11 cases, including QVC Group, Inc., Riverbed Technology, Inc., J. Crew Group, Inc., Toisa Ltd., Aegean Marine Petroleum Network Inc., UCI International, LLC, Chassix Holdings, Inc., Allied Nevada Gold Corp., American Roads Holding LLC, Essar Steel Minnesota LLC, and Walter Energy, Inc. I have worked on over twenty (20) transportation restructurings and turnarounds, both in chapter 11 and on an out-of-court basis.

3. AlixPartners is a global independent restructuring consulting firm that has a wealth of experience in providing restructuring advisory services and has assisted and provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to these chapter 11 cases. Specifically, AlixPartners’ core turnaround and restructuring services include interim management and executive-level officer roles, liability management, liquidity management, lender and creditor advisory, and bankruptcy, insolvency, and case management. Since its inception in 1981, AlixPartners, its predecessor entities, and its affiliate, AP Services, LLC, have provided turnaround, restructuring, and/or crisis management services in numerous large cases, including services targeted at restructuring, stabilizing, and improving a company’s financial position.

4. I submit this declaration (this “Declaration”) in support of final approval of the *First Amended Disclosure Statement Relating to the First Amended Joint Plan of Reorganization of STG Logistics, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 618] (as may be modified, amended, or supplemented from time to time in accordance with its terms, the “Disclosure Statement”) and confirmation of the *Second Amended Joint Plan of STG Logistics, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 804] (as may be amended, modified, and/or supplemented from time to time in accordance with its terms, the “Plan”).²

5. The Debtors initially retained AlixPartners in July 2025 to advise the Company on strategic alternatives and restructuring initiatives, liquidity forecasting, and management. I have been the lead person at AlixPartners responsible for this engagement, including over the course of these chapter 11 cases. Over the course of its engagement, AlixPartners has evaluated the Debtors’ operations, and has (i) assisted the Debtors in the development of a longer-range business plan, (ii) supported the Debtors in their assessment of strategic alternatives, (iii) provided as-needed resources in support of financing-related workstreams and contingency preparation, (iv) initiated a comprehensive review and analysis of the Debtors’ books and records, (v) assisted with negotiating the Restructuring Support Agreement and the Plan, preparing the Disclosure Statement, and developing the Restructuring Transactions contemplated thereunder.

6. AlixPartners, under my supervision, has worked with the Debtors’ restructuring professionals and key members of the Debtors’ business—including members of the finance, legal, and operations leadership teams—to evaluate and understand the Debtors’ cashflows, financial

² Capitalized terms used but not defined herein have the meanings set forth in the Plan.

reporting and general operations, and has become well-acquainted with the Debtors' capital structure, liquidity needs, and business operations.

7. I am generally familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. The statements in this Declaration are, except where specifically noted or otherwise stated herein, based on my personal knowledge or opinion, information that I have received from the Debtors' employees or advisors, or employees of AlixPartners working directly with me or under my supervision or direction, or from the Debtors' books and records. In making my statements based on documents and other information prepared or collected by the Debtors' employees or my conversations with the Debtors' counsel or other advisors, I have relied upon the accuracy of such documentation and other information. If called to testify, I would testify to the facts set forth herein on that basis. I am authorized to submit this Declaration on behalf of the Debtors.

8. Neither AlixPartners nor I am being specifically compensated for this testimony other than pursuant to AlixPartners' engagement letter with the Debtors.³

The Proposed Restructuring

9. As described in the *Declaration of Tyler Holtgreven, Chief Financial Officer of STG Logistics, Inc., in Support of the Debtors' Chapter 11 Petitions and First Day Motions* [Docket No. 33] (the "First Day Declaration"), the Debtors commenced these chapter 11 cases approximately four and a half months ago to identify and pursue a transaction that would maximize value for all of its stakeholders.

10. To that end, beginning in mid-2025, the Debtors, with the assistance of their advisors and the support of the Consenting Sponsors, diligently engaged in hard-fought, arm's-

³ See Order Authorizing the Employment and Retention of AlixPartners, LLP as Financial Advisor for the Debtors Effective as of the Petition Date [Docket No. 342].

length negotiations with the Ad Hoc Group and certain other lenders holding STG Distribution, LLC loans (the “Supporting Lenders”), concerning one or more potential transactions. These discussions culminated in execution of the restructuring support agreement (the “Restructuring Support Agreement”) on January 12, 2026, with the support of the Consenting Sponsors and the Supporting Lenders collectively holding approximately 95 percent, 90 percent, 70 percent, and 31 percent of the STG Distribution RCF, FLFO Term Loans, FLSO Term Loans, and FLTO Term Loans, respectively. Since execution of the Restructuring Support Agreement, the Debtors broadened support for the Restructuring Transactions, which now enjoy the support of the holders of approximately 100 percent, 99 percent, 95 percent, and 84 percent of the STG Distribution RCF, FLFO Term Loans, FLSO Term Loans, and FLTO Term Loans, respectively. The Restructuring Support Agreement contemplated a “toggle” structure that provided the Debtors the flexibility to implement a sale transaction for all, substantially all, or any portion of the Debtors’ assets or equity interests (the “Sale Transaction”), or, if no successful bid was received in connection therewith, to pursue the recapitalization transaction (the “Recapitalization Transaction”).

11. As set forth in the *Declaration of Thomas Higbie in Support of the Debtors’ Disclosure Statement for, and Confirmation of the Second Amended Joint Plan of Reorganization of STG Logistics, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “Higbie Declaration”), filed substantially contemporaneously herewith, upon entering chapter 11, the Debtors expeditiously commenced the marketing and sale process (the “Marketing Process”) for the Sale Transaction, engaging with sixty-eight (68) potential financial and strategic third parties in connection therewith.⁴ AlixPartners assisted the Debtors and PJT throughout the Marketing Process, including by responding to diligence requests from parties in interest,

⁴ See Higbie Declaration ¶ 9.

preparing disclosure schedules, management presentation materials, and other documents, and assisting with various other tasks as needed. I understand that ultimately the Debtors did not receive any proposals with respect to the Sale Transaction that were more value-maximizing than the Recapitalization Transaction set out under the Restructuring Support Agreement.⁵

12. In parallel, the Debtors engaged in months of hard-fought negotiations with the Committee, the Non-Participating Holders, the Equipment Financing Lenders, the Ad Hoc Group, the Supporting Lenders, the Consenting Sponsors, and others regarding, among other issues, final approval of the DIP Facility, approval of the bidding procedures, the claims set forth in the Adversary Proceeding, the terms of the Debtors' equipment financing agreements, and the treatment of certain prepetition Claims, including trade claims and other general unsecured claims. The Debtors also went to great lengths to coordinate and participate in a mediation (the "Mediation") with the Committee, the Non-Participating Holders, Antares Capital, LP and certain of its affiliates (collectively, "Antares"), and the Ad Hoc Group regarding certain of these issues.

13. The Debtors' efforts, including at the Mediation, ultimately proved fruitful. First, during the Mediation, the Debtors, the Ad Hoc Group, and the Committee successfully reached a global settlement (the "Committee Settlement") of all Committee issues in these chapter 11 cases, which contemplated, among other things: (i) the payment in full of all critical vendors and go-forward landlords through critical vendor funds, (ii) the establishment of Class 7B (Convenience Claims), and (iii) a release by the Debtors of preference claims against unsecured creditors under section 547(b) of the Bankruptcy Code. Second, the Mediation also laid the groundwork for the subsequent settlement (the "Reception Purchaser Settlement") among the Debtors, the Ad Hoc

⁵ See Notice of Pursuit of Recapitalization Transaction [Docket No. 713].

Group, Antares, and the Non-Participating Holders (the “Reception Purchaser Settlement Parties”). The Reception Purchaser Settlement is embodied in the Plan and provides for, among other things: (i) payment of \$12 million to the Non-Participating Holders (the “Reception Purchaser Settlement Amount”) in full and final satisfaction of all Claims, Causes of Action, and controversies among the Reception Purchaser Settlement Parties, (ii) withdrawal with prejudice of all Claims and Causes of Action asserted in the Non-Participating Holder Litigation and these chapter 11 cases and a standstill of all related discovery and scheduling disputes until such withdrawal becomes effective, (iii) dismissal with prejudice of, and agreement not to re-file or reinstate, the Illinois Action, (iv) dismissal with prejudice or otherwise permanent termination of the New York Action; (v) payment of certain fees by the Debtors on the Effective Date, (vi) the agreement by the Non-Participating Holders not to object to the Plan or “opt out” of the third party releases set forth therein; and (vii) broad mutual releases among the Reception Purchaser Settlement Parties. In light of the Committee Settlement and the Reception Purchaser Settlement, the proposed restructuring—to be effectuated via the Recapitalization Transaction—has garnered consensus across the Debtors’ entire capital structure and all key creditor constituencies.

14. To consummate the Restructuring Transactions, the Debtors have, or will have, as of the Effective Date:⁶

- raised up to approximately \$293,750,000 via the DIP Facility, which provided and continues to provide liquidity for the chapter 11 cases, consisting of (a) New Money Term Loans in an aggregate principal amount of up to \$150 million (\$85 million of which was made available upon entry of the Interim DIP Order, \$40 million upon entry of the Final DIP Order, and up to \$25 million of Incremental New Money DIP Loans which may be made available immediately prior to the Effective Date); and (b) Roll-Up Loans in an aggregate principal amount not to exceed \$143,750,000 in the collective aggregate principal amount of FLFO Term Loan Claims and FLSO Term Loan Claims;

⁶ The terms set forth herein are intended for summary purposes only and are subject in all respects to the explicit terms and conditions as set forth in the Plan.

- distributed to each Holder of an Allowed DIP Claim (i) on account of its New Money DIP Claim, (A) the Takeback Term Loans, and (B) (1) if the Incremental New Money DIP Loans are funded, 19.2% of the Reorganized Equity (subject to dilution from the MIP Equity) or (2) if the Incremental New Money DIP Loans are not funded, 11.5% of the Reorganized Equity (subject to dilution from the MIP Equity); *provided that*, if a portion, but not all of the Incremental New Money DIP Loans are funded, the amount of Reorganized Equity set out in item (i)(B)(2) shall be proportionally increased by the same proportion as the amount of funded Incremental New Money DIP Loans bears to the total amount of Incremental New Money DIP Commitments, (ii) on account of its 1O Roll-Up DIP Claim, if any, treatment consistent with the FLFO Term Loan Claims (Class 3B), and (iii) on account of its 2O Roll-Up DIP Claim, if any, treatment consistent with the FLSO Term Loan Claims (Class 4);
- distributed to each Holder of an Allowed FLFO Term Loan Claim, on a Pro Rata basis, each Holder's *pro rata* share of (x) if the Incremental New Money DIP Loans are funded, 78.3% of the Reorganized Equity (subject to dilution from the MIP Equity) or (y) if the Incremental New Money DIP Loans are not funded, 86.0% of the Reorganized Equity (subject to dilution from the MIP Equity); *provided that*, if a portion, but not all of the Incremental New Money DIP Loans are funded, the amount of Reorganized Equity set out in item (b)(i)(y) shall be proportionally reduced by the same proportion as the amount of funded Incremental New Money DIP Loans bears to the total amount of Incremental New Money DIP Commitments;
- distributed to each holder of an Allowed Reception Purchaser First Lien Claim its *pro rata* share of the Reorganized Equity receivable by Class 3B and Class 4; *provided*, that notwithstanding anything contained in this Plan or the Confirmation Order, the Non-Participating Holders shall forego all recovery on account of their Reception Purchaser First Lien Claims, and shall instead receive solely their *pro rata* share of the Reception Purchaser Settlement Amount. For the avoidance of doubt, the Non-Participating Holders are the only Holders of Reception Purchaser RCF Claims and Reception Purchaser Term Loan Claims;
- distributed to each Holder of an Allowed FLSO Term Loan Claim its *pro rata* share of 2.5% of the Reorganized Equity (subject to dilution by the MIP Equity);
- cancelled, released, discharged, and extinguished all FLTO Term Loan Claims;
- distributed to each Holder of an Allowed FLFO RCF Claim the Committed RCF Treatment, which means, with respect to each Holder of an FLFO RCF Claim that has elected to provide its Exit RCF Commitment, (i) the deemed issuance under the Exit RCF Facility of any outstanding and undrawn letters of credit issued by such Holder under the FLFO RCF Facility, (ii) the issuance to such Holder of revolving loans under the Exit RCF Facility in an amount equal to the outstanding revolving loans and letter of credit obligations (other than with respect to any outstanding and undrawn letters of credit) owed to such Holder, (iii) the distribution to such Holder of its share of any Cash received by any Company Party from the beneficiary of any letter of credit after a draw thereunder in excess of the obligations of the Company Parties to such

beneficiary (which for the avoidance of doubt shall replenish capacity under the Exit RCF Facility), and (iv) to the extent the letters of credit and revolving loans described in clause (i) would otherwise result in such Holder having aggregate exposure under the Exit RCF Facility on the Effective Date in excess of such Holder's Exit RCF Commitment, repayment or cash collateralization in an amount equal to such excess, in each case on terms and conditions acceptable to the Required Consenting FLFO RCF Lenders;

- cancelled, released, discharged, and extinguished all General Unsecured Claims; *provided* that Holders of Allowed General Unsecured Claims that made the Convenience Claim Election received such Holder's Pro Rata share of the Convenience Claims Cash Pool;
- cancelled Equity Interests; and
- provided sufficient funding for Plan distributions and exit from the chapter 11 cases through the (i) Reorganized Equity, (ii) the Debtors' Cash on hand, (iii) the Convenience Claim Reserve, (iv) the Takeback Term Loans, (v) the Exit RCF Facility, and (vi) the Takeback Equipment Financing Debt.

15. I believe that the Plan represents the best and only value-maximizing path forward for the Debtors. This belief is predicated on a number of factors. ***First***, the Plan will significantly delever the Debtors' net debt, leave operational obligations to critical vendors and go-forward landlords Unimpaired, and position the Post-Effective Date Debtors for long-term success. ***Second***, the Plan provides meaningful recoveries to a broad set of stakeholders. Administrative and Priority Claims, which include post-confirmation tax Claims and Priority Tax Claims such as, to the extent Allowed, the types of Claims set forth in *The New Jersey Department of Labor and Workforce Development's Objection to Confirmation of Debtor's Plan* [Docket No. 746] filed by the New Jersey Department of Labor and Workforce Development ("NJDOL"), will be paid in full, as applicable. For the avoidance of doubt, however, the Debtors dispute the validity of the NJDOL's Claims and, while the Debtors' objection to the NJDOL's proofs of claim is forthcoming, the Debtors believe that NJDOL's Claims should be disallowed, or, at the least, reduced, as the NJDOL proofs of claim incorrectly state the amounts the Debtors owe to the NJDOL. The Plan contemplates payment of the DIP Claims in full through the Takeback Term

Loans and Reorganized Equity. Holders of FLFO RCF Claims will receive the Committed RCF Treatment, as described above. Holders of FLFO Term Loan Claims and FLSO Term Loan Claims will receive their *pro rata* share of part of the Reorganized Equity. Holders of Reception Purchaser Facility Claims will receive their *pro rata* share of the Reception Purchaser Settlement Amount. Holders of Auto Liability Claims will receive treatment rendering its Allowed Auto Liability Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code. Holders of Allowed Convenience Claims will receive their *pro rata* share of the Convenience Claims Cash Pool. **Third**, the Plan represents a very high level of consensus. In addition to the high consensus reflected in the Restructuring Support Agreement and evidenced by the Committee Settlement and Reception Purchaser Settlement, all of the voting classes (Classes 3A, 3B, 3C, 4 and 7B, together, the “Voting Classes”) voted in favor of the Plan.⁷ **Finally**, I am not aware of any actionable proposal that represents an alternative to the Plan, let alone one that would preserve the Debtors as a going concern. The Plan represents the culmination of significant efforts by multiple parties in interest to reach resolution of various complex business and legal issues and enables the Debtors to emerge from chapter 11 as a stronger, better-capitalized enterprise.

16. I believe the proposed restructuring pursuant to the Plan is fair and equitable, maximizes stakeholder value, represents the best path forward for a successful emergence from chapter 11, is in the best interests of the Debtors and all their stakeholders, and that, accordingly, the Bankruptcy Court should confirm the Plan.

⁷ Class 6 (Auto Liability Claims), although solicited because of the possibility of a Sale Transaction, is Unimpaired under the Restructuring Transactions set forth in the Plan. Accordingly, that Class is an Unimpaired accepting Class, as set forth in the Plan.

The Disclosure Statement Should Be Approved on a Final Basis

17. For the reasons detailed below (except where I understand such satisfaction is apparent on the face of the Disclosure Statement), and based on consultation with the Debtors' advisors, I believe the Disclosure Statement satisfies the applicable Bankruptcy Code requirements and should be approved on a final basis.

18. I understand that a disclosure statement must provide "adequate information," which is information sufficient to allow hypothetical investors to make informed decisions on whether to vote to accept or reject a chapter 11 plan. I have reviewed the Disclosure Statement. The Disclosure Statement contains, among other things, descriptions and summaries of: (a) the Debtors' corporate history and structure, business operations, and prepetition capital structure and indebtedness;⁸ (b) the events leading to these chapter 11 cases, including the Debtors' prepetition restructuring efforts and entry into the Restructuring Support Agreement;⁹ (c) the classification and treatment of Claims and Interests under the Plan, including who is entitled to vote and how to vote on the Plan;¹⁰ (d) a summary of the Plan;¹¹ (e) certain important effects of Confirmation of the Plan;¹² (f) the discharge, releases, exculpation, and injunction contemplated by the Plan;¹³ (g) certain financial information about the Debtors, including financial projections and a liquidation analysis;¹⁴ (h) the statutory requirements for confirming the Plan;¹⁵ (i) certain risk factors Holders of Claims should consider before voting to accept or reject the Plan and

⁸ See Disclosure Statement Art. IV.

⁹ See *id.* Art. V, Art. VII.

¹⁰ See *id.* Art. III.

¹¹ See *id.* Art. VII.

¹² See *id.* Art. III, Art. XI.

¹³ See *id.* Art. III.S.

¹⁴ See *id.* Art. XI.F, XI.G, Exhibit D, Exhibit E.

¹⁵ See *id.* Art. XI.

information regarding alternatives to Confirmation of the Plan;¹⁶ (j) certain important disclosures regarding securities laws;¹⁷ and (k) certain U.S. federal income tax consequences of the Plan.¹⁸

19. In addition, prior to solicitation, the Disclosure Statement and the Plan were subject to review and comment by the Consenting Sponsors, the Consenting FLFO Term Lenders, the Consenting FLFO RCF Lenders, the Consenting FLSO Term Lenders, and the Backstop Parties (collectively, the “Consenting Stakeholders”), the Committee, the Non-Participating Holders, and each of their respective advisors. I believe that the information in the Disclosure Statement accurately describes the Debtors’ business and the Plan, and the Disclosure Statement is true and correct to the best of my knowledge. Thus, I believe that the Disclosure Statement contains “adequate information” and should be approved.

The Plan

20. I believe that the Plan is proposed in good faith with the legitimate honest purposes of maximizing value for all of the Debtors’ stakeholders. As discussed in greater detail in the First Day Declaration, the Plan is the product of months of extensive arm’s-length negotiations among the Debtors, the Consenting Stakeholders, and other key constituents. I believe that the Plan maximizes the economic return to all stakeholders in light of the totality of the facts and circumstances of these chapter 11 cases, delivers significant value to creditors, and will enable the Debtors to emerge with a significantly deleveraged capital structure and sufficient liquidity that puts the Post-Effective Date Debtors in a strong position to execute on their business plan. In support of Confirmation, below I highlight some critical components of the Plan.

¹⁶ See *id.* Art. IX.

¹⁷ See *id.* Art. XII.

¹⁸ See *id.* Art. XIII.

21. The Plan places Claims, Intercompany Interests, and Equity Interests into 14 separate classes, with Claims, Intercompany Interests, and Equity Interests in each Class substantially similar to all other Claims, Intercompany Interests, and Equity Interests in such class in a legal or factual nature or based on other relevant criteria. Under Article III.A of the Plan, Claims, Intercompany Interests, and Equity Interests are classified as follows:

<u>Class 1</u>	Other Secured Claims
<u>Class 2</u>	Other Priority Claims
<u>Class 3A</u>	FLFO RCF Claims
<u>Class 3B</u>	FLFO Term Loan Claims
<u>Class 3C</u>	Reception Purchaser First Lien Claims
<u>Class 4</u>	FLSO Term Loan Claims
<u>Class 5</u>	FLTO Term Loan Claims
<u>Class 6</u>	Auto Liability Claims
<u>Class 7A</u>	General Unsecured Claims
<u>Class 7B</u>	Convenience Claims
<u>Class 8</u>	Intercompany Claims
<u>Class 9</u>	Intercompany Interests
<u>Class 10</u>	Section 510(b) Claims
<u>Class 11</u>	Equity Interests

22. The Claims, Intercompany Interests, and Equity Interests assigned to each particular Class described above are substantially similar to the other Claims, Intercompany Interests, and Equity Interests in each such Class and the distinctions among Classes are based on valid business, factual, and legal reasons. I believe that the differences in classification are in the best interests of creditors, foster the Debtors' reorganization efforts, and do not needlessly increase the number of Classes. The Plan's classification scheme generally corresponds to the Debtors' corporate and capital structure, thereby taking into account the relative priority among Claims, Intercompany Interests, and Equity Interests, including the relative priority between secured and unsecured Claims.

23. In addition, valid business, legal, and factual reasons justify the separate classification of the particular Claims, Intercompany Interests, and Equity Interests into the Classes

created under the Plan, and no unfair discrimination exists between or among Holders of Claims, Intercompany Interests, and Equity Interests. Generally, Claims (rights to payment) are classified separately from Intercompany Interests and Equity Interests (representing ownership in the businesses). Specifically, Other Priority Claims (Class 2) are classified separately because of their relative priority and because I understand the Bankruptcy Code requires such Claims to be paid in full. The Plan classifies Equity Interests (Class 11) separately from Intercompany Interests (Class 9) because the Debtors' ownership structure is dependent upon maintaining the Intercompany Interests and, therefore, the Intercompany Interests may be preserved under the Plan for the administrative convenience of ensuring the preservation of the Debtors' corporate structure after the Effective Date. FLFO RCF Claims (Class 3A), FLFO Term Loan Claims (Class 3B), Reception Purchaser First Lien Term Loans (Class 3C), FLSO Term Loan Claims (Class 4) and FLTO Term Loan Claims (Class 5) are classified separately because of the different priorities and instruments underlying the Claims in each Class. Auto Liability Claims (Class 6) are separately classified based on the nature of the claims. Namely, such Claims are unique because they are supported by the automobile liability coverage (the "Auto Liability Insurance Program") provided by the Debtors' wholly-owned subsidiary insurance provider, Ascalon Risk Retention Group, Inc. (the "RRG").¹⁹ If the Holders of Auto Liability Claims do not receive the recovery provided for in the Plan, the Debtors would be required to replace the Auto Liability Insurance Program with a new insurance provider, which would ultimately be more costly than the recovery to Class 6 (Auto Liability Claims) set forth in the Plan. Finally, General Unsecured Claims (Class 7A) are

¹⁹ The Debtors' automobile liability coverage and their relationship with the RRG are described more fully in the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage and Letters of Credit Entered Into Prepetition and Pay Related Prepetition Obligations, (B) Renew, Supplement, Modify, or Purchase Insurance and Surety Coverage and Letters of Credit, (C) Honor the Terms of Their Premium Financing Agreement, and (D) Continue to Pay Broker Fees and (II) Granting Related Relief [Docket No. 9].

separately classified because they have differing legal rights than the Debtors' funded debt creditors and Convenience Claims (Class 7B) are classified separately from General Unsecured Claims to effectuate the Committee Settlement, generate cost savings for the Estates, and as permitted under section 1122(b) of the Bankruptcy Code.

24. I believe that the Plan provides adequate means for its implementation. Article IV and various other provisions of the Plan describe the means for the cancelation of documents evidencing existing Claims, Intercompany Interests, and Equity Interests and implementation of the transactions provided for in the Plan, including: (a) the general settlement of Claims, Intercompany Interests, and Equity Interests, including the Committee Settlement and the Reception Purchaser Settlement; (b) the effectuation of the Reception Purchaser Settlement; (c) the sources of consideration for Plan Distributions, including, but not limited to, cash on hand, the Reorganized Equity, the Takeback Term Loan Facility, the Exit RCF Facility, and the Takeback Equipment Financing Debt; (d) the cancellation of existing Securities, agreements, and interests; (e) the adoption of the New Governance Documents; (f) the consummation of various corporate transaction steps necessary to implement the new corporate structure upon emergence; and (g) the preservation of certain Causes of Action. Additionally, the Plan sets forth other central mechanics of the Debtors' emergence, such as the vesting of Estate assets in the Post-Effective Date Debtors and the assumption or assumption and assignment of Executory Contracts and Unexpired Leases.

25. The Plan provides that Professional Fee Claims and corresponding payments are subject to prior Bankruptcy Court approval and the reasonableness requirements under sections 328 and 330 of the Bankruptcy Code. Moreover, Article II.D.1 of the Plan requires Professionals to file all final requests for payment of Professional Fee Claims no later than 60 days

after the Effective Date, thereby providing an adequate period of time for interested parties to review such Professional Fee Claims.

26. As of the Effective Date, the term of the current members of the board of directors or other Governing Body of each of the Debtors shall expire, such current directors shall be deemed to have resigned, and all of the directors for the initial term of the New Board and the other Governing Bodies shall be appointed in accordance with the New Governance Documents and in accordance with public policy. In accordance with Article IV.J of the Plan, the known members of the New Board will be disclosed in the Plan Supplement. The New Board will be selected in accordance with the New Governance Documents and the Debtors' existing officers will remain in their current capacities, unless otherwise agreed by the Debtors or Post-Effective Debtors, as applicable, and the applicable officers. For subsequent terms, the directors and officers shall be selected in accordance with the New Governance Documents. I have worked closely with the Debtors' management team over the course of these chapter 11 cases, and believe that the Debtors' existing officers have proceeded in good faith and with diligence and care in connection with these chapter 11 cases. Furthermore, based on my experience as a restructuring professional, including my extensive discussions and personal experience working closely with the Debtors' management over the course of the past approximately ten (10) months, I believe that the Post-Effective Date Debtors' officers have significant knowledge and business and industry experience, and will provide the Post-Effective Date Debtors with continuity in running the business.

27. As set forth in further detail below, I believe that the Plan satisfies the requirements under chapter 11 of the Bankruptcy Code regarding the "best interests of creditors" test. Relying on information from the Debtors' advisors and my own personal knowledge, I have reviewed the classification of Claims, Intercompany Interests, and Equity Interests under the Plan and the

proposed distributions to each class of Claims, Intercompany Interests, and Equity Interests. My testimony below is informed by this knowledge.

28. I understand that the “best interests test” of section 1129(a)(7) of the Bankruptcy Code requires that, with respect to each impaired class of claims or interests, each individual holder of an impaired claim or interest has either accepted the plan or will receive or retain under the plan property of value, as of the effective date of the plan, that is not less than what such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. I further understand that the best interests test applies to each non-consenting member of an impaired class, and can be generally satisfied where the estimated recoveries for a debtor’s stakeholders in a hypothetical chapter 7 liquidation are less than or equal to the estimated recoveries of such non-consenting member under that debtor’s plan of reorganization. For the reasons described below, the projected recoveries for the Impaired Claims and Equity Interests under the Plan are equal to or in excess of the recoveries estimated in a hypothetical chapter 7 liquidation.

29. To determine whether the Plan satisfies the best interests test, the Debtors, with the assistance of their advisors, including AlixPartners, prepared a liquidation analysis, which is attached to the Disclosure Statement as Exhibit D [Docket No. 528] (the “Liquidation Analysis”). I oversaw the preparation of the Liquidation Analysis, and worked closely with a team of AlixPartners professionals in its development.

30. The Liquidation Analysis estimates the projected recoveries that would result from the liquidation of the Debtors in a hypothetical conversion to chapter 7 of the Bankruptcy Code on or about May 18, 2026 (the “Liquidation Date”), which is then compared with the estimated recoveries to Holders of Allowed Claims and Interests under the Plan. The Liquidation Analysis was completed following due diligence performed by the AlixPartners team, including a review of

the Debtors' books and records and discussions with the Debtors' management, and was based on certain assumptions that I believe are reasonable. The Liquidation Analysis is based on the estimated value of the Debtors' assets and liabilities as of February 28, 2026 (the "Valuation Date"), and incorporates various estimates and assumptions that, based on my experience and knowledge, are customarily used in chapter 11 cases similar to this one, including the projected costs associated with the administration of the estate and the support required to wind down the Debtors' operations in a hypothetical conversion to a chapter 7 liquidation. Further, the assumptions contained within the Liquidation Analysis are subject to potentially material changes, including with respect to economic and business conditions as well as legal rulings.

31. To conduct the Liquidation Analysis, the AlixPartners team and I first estimated the gross recoveries and in-flow value available to satisfy liquidation costs and creditor claims. The Company was separated into two silos: the STG Distribution silo and the Reception Purchaser silo. The STG Distribution Loans are secured by the STG Distribution silo and the Reception Purchaser silo, and the Reception Purchaser Loans are secured only by the Reception Purchaser silo. The Liquidation Analysis calculates the asset proceeds of each silo and presents the recoveries to creditors on a consolidated basis. The Liquidation Analysis does not represent the Debtors' position with respect to allocation of value between the STG Distribution Facility and the Reception Purchaser Facility.

32. To calculate the in-flow values, we added the estimated recoveries available from: (a) cash, (b) accounts receivable, (c) the Debtors' property, plant, and equipment ("PP&E"), (d) intangible assets, (e) preference claims; (f) subsidiary sales of Freight Force, Inc. ("Freight Force"), and STG Logistics S. de R.L. de C.V. and Stacktrain Mexico S. de R.L. de C.V. ("STG Logistics Mexico"); and (g) other assets. After estimating the gross recoveries and the in-flow

values, we then estimated the recovery of liquidation costs. We treated the gross recoveries and in-flow values as a single consolidated pool of proceeds. We first applied that pool to satisfy liquidation costs in full, with the remaining net proceeds then available for distribution to creditors in order of priority.

33. After adjusting gross recoveries, the AlixPartners team and I then estimated the recoveries of holders of (a) DIP Claims, (b) FLFO RCF Claims, (c) FLFO Term Loan Claims, (d) FLSO Term Loan Claims, (e) FLTO Term Loan Claims, (f) Reception Purchaser First Lien Claims, (g) Other Secured Claims, (h) Equipment Financing Claims, (i) Administrative Claims, (j) Priority Tax Claims, (k) Other Priority Claims, (l) General Unsecured Claims, (m) Auto Liability Claims, and (n) net Intercompany Claims. To do so, we first identified the relevant collateral for each class of claims, if applicable, using a reasonable and standard methodology. We then determined whether such collateral was sufficient to satisfy the applicable claims. Next, we assigned the recovery for each class based on the remaining value available after any senior class was paid out. Finally, we determined if the remaining value available to cover the class could sufficiently satisfy the claims in the class. To the extent it could not, and where applicable, we calculated the deficiency claim.

34. Inherent to the process described above were several detailed assumptions, including regarding the Debtors' accounts receivable, prepaid expenses, and PP&E. Specifically, recovery estimates for accounts receivable were based on liquidations of comparable transportation and logistics businesses, and considered the costs required to complete shipments in progress at the time of liquidation. The analysis resulted in an estimated blended recovery range of 50% to 85% of the net book value, with the high end of the range reflecting the payment of shipment completion expenses of approximately 10% of accounts payable and accrued expenses

necessary to collect outstanding receivables. Additionally, the Debtors' prepaid expenses include prepaid insurance, taxes and tax receivables, customer deposits, pallet inventory, and other expenses that are amortized, as applicable, over the applicable contract, policy term, or other period. Such prepaid expenses may be irrevocable in the event of a liquidation and the analysis resulted in an estimated blended recovery range of 0.0% to 3.2%, although recovery differs between the Reception Purchaser and STG Distribution due to the mix of assets that comprise prepaid expenses for each silo. Further, the Debtors' PP&E consists of chassis, containers, hostlers, railcars, warehouse racking, trucks, trailers, forklifts, tractors, leasehold improvements, furniture, fixtures, equipment, computer equipment and applications, and vehicles. The recovery estimates for the Debtors' PP&E were made by asset type. The analysis resulted in an estimated blended recovery range of 27.3% to 60.5% of net book value, although recovery differs between Reception Purchaser and STG Distribution due to mix of assets that comprise PP&E for each silo.

35. The projected recoveries under the Plan and the results of the Liquidation Analysis for all Holders of Claims and Interests are as follows:

Class²⁰	Claims and Interests	Estimated Plan Recovery	Estimated Liquidation Recovery²¹
Superpriority	DIP Claims	100%	46.0% to 69.0% ²²

²⁰ The Plan was amended following the preparation of the Liquidation Analysis and certain of the Class numbers were modified accordingly. The Classes referenced herein reflect the Classes set forth in the Plan. Among other things, the amended Plan included a separate Class 7B (Convenience Claims), which is not separately listed in the Liquidation Analysis. However, because all Convenience Claims would be General Unsecured Claims absent the Convenience Claim Election, the estimated liquidation recovery for Class 7B (Convenience Claims) is the same as the estimated liquidation recovery for Class 7A (General Unsecured Claims).

²¹ The percentages reflect the low to high range of the projected recoveries under the Liquidation Analysis. The Liquidation Analysis is based on the assumption that the operations of the Debtors will cease on the Liquidation Date, and the related individual assets will be sold under an approximately four-month liquidation process.

²² The Liquidation Analysis provides the expected recovery of the DIP New Money Claims, 10 Roll-Up Claims, and 20 Roll-Up Claims on a consolidated basis, respectively.

Class²⁰	Claims and Interests	Estimated Plan Recovery	Estimated Liquidation Recovery²¹
Class 1	Other Secured Claims	100%	25.3% to 75.4%
Class 2	Other Priority Claims	100%	0%
Class 3A	FLFO RCF Claims	100%	100%
Class 3B	FLFO Term Loan Claims	96.1%	0%
Class 3C	Reception Purchaser First Lien Claims	20.1%	0%
Class 4	FLSO Term Loan Claims	1.0%	0%
Class 5	FLTO Term Loan Claims	0%	0%
Class 6	Auto Liability Claims	100%	0%
Class 7A	General Unsecured Claims	0%	0%
Class 7B	Convenience Claims	20% – 30%	0%
Class 8	Intercompany Claims	N/A	N/A
Class 9	Intercompany Interests	N/A	N/A
Class 10	Section 510(b)	N/A	N/A
Class 11	Equity Interests	0%	0%

36. Comparing the range of projected recoveries under the Liquidation Analysis to the estimated Plan recoveries indicates that each Holder of an Impaired Claim or Interest will receive or retain under the Plan property of a value, as of the Effective Date, that equals or exceeds the

value such Holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. This is true even at the high end of the range of projected recoveries under the Liquidation Analysis. Notably, in a hypothetical chapter 7 liquidation, creditors who stand to recover after the holders of funded debt claims, i.e., Holders of Auto Liability Claims, would receive zero recovery. Holders of FLFO Term Loan Claims, FLSO Term Loan Claims, and Reception Purchaser First Lien Claims would not recover anything, which would constitute less than what they are recovering under the Plan. Based on the Debtors' and their advisors' Plan valuation and recoveries set forth in the Plan, the Disclosure Statement, and the Liquidation Analyses—as well as the estimates and assumptions used therein—the liquidation recoveries are lower than the recoveries provided by the Plan. Accordingly, I believe that the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

37. Article II.A of the Plan provides that Allowed Administrative Claims will be paid in full in cash, except to the extent that a Holder of an Allowed Administrative Claim and the Debtors agree to less favorable treatment for such Holder. In addition, no Holders of the types of Claims specified by section 1129(a)(9)(B) are Impaired under the Plan. Finally, Article II.C of the Plan specifically provides that each Holder of Allowed Priority Tax Claims shall be treated in accordance with the terms of section 1129(a)(9)(C) of the Bankruptcy Code.

38. As set forth in the Voting Report, I understand that the Debtors have obtained the requisite acceptance to confirm the Plan, independent of any insiders' votes in the Voting Classes.

39. In connection with proposing the Plan and presenting the Plan to the Bankruptcy Court for Confirmation, the Debtors and their advisors thoroughly analyzed the Post-Effective Date Debtors' ability to meet their respective post-Confirmation obligations under the Plan and to continue as a going concern without the need for further financial restructuring. The Debtors

negotiated and secured financing in the form of the Takeback Term Loan Facility, the \$25 million of Incremental New Money DIP Loans, the Exit RCF Facility, and the Takeback Equipment Financing Agreements, to fund Plan Distributions, manage post-emergence liquidity, and to meet their obligations in the ordinary course.

40. The Debtors' management team and their advisors, including AlixPartners, prepared and have made significant progress in implementing a comprehensive business plan (the "Business Plan") that will enable the Post-Effective Date Debtors to succeed in their go-forward operations. The Business Plan was developed over a three-month period, from November 2025 to January 2026, by the Debtors' management team and AlixPartners, with support from other advisors. The Business Plan went through an extensive development and review process that included review of materials provided by third-party advisors, an analysis of the Debtors' turnaround efforts and the anticipated impacts, and use of a sophisticated analytical model to assess the Debtors' costs and revenue forecasts.

41. The Business Plan is the product of hundreds of hours of work conducted by the Debtors, their advisors, the management team, and third-party consultants. The revenue and cost forecasts in the Business Plan required highly detailed, time-intensive analyses and include input from a broad range of informed parties. The Debtors and their advisors utilized a range of materials prepared by third-party advisors including, but not limited to, freight industry macroeconomic outlooks, peer company financial statements and analysis, detailed data on customer-level performance, and an analysis of over \$68 million of transformation initiatives, in addition to extensive operating and financial data made available by the Company.

42. AlixPartners, including myself personally, vetted the inputs to the Business Plan to verify its assumptions and their reasonableness and independently validate the forecast during its development, including by:

- a. Conducting numerous meetings with the Debtors' management team to further understand and evaluate the Debtors' business;
- b. Conducting numerous meetings with other third-party advisors to evaluate and analyze work product specific to the Debtors;
- c. Supporting the Company over a wide variety of connected workstreams to achieve a comprehensive understanding of the Company's business operations;
- d. Reviewing historical operating and financial data to validate the management team's view of root causes of share loss and other business dynamics;
- e. Reviewing third-party sources of market studies and peer company financial statements and analysis to evaluate assumptions for volume and price forecasts; and
- f. Reviewing the overall transformation initiative plan, evaluating each key initiative to assess the magnitude of impact and execution risk, assessing performance metrics against internal benchmarking data, and conducting meetings between AlixPartners industry experts and the Debtors' management team to assess execution readiness, delivery risk, and key roadblocks across the overall program.

43. The resulting Business Plan went through multiple rounds of review by the Company's management to assess the reasonableness of the overall forecast and the underlying assumptions—assumptions that were further discussed in meetings with various department leaders across the Company. The Business Plan was also subjected to intense diligence by many stakeholder groups and their external advisors.

44. As described above, the Debtors' Business Plan reflects extensive input from myself, my team, the management team, and the Debtors' other advisors. I believe the assumptions underlying the business plan are reasonable.

45. In connection with proposing and presenting the Plan to the Bankruptcy Court for confirmation, the Debtors, together with their advisors, have closely evaluated their cash flows to ensure that they will be able to make all required Plan payments on the Effective Date and beyond. At the Debtors' request, AlixPartners, alongside the Debtors' management and other advisors, prepared the Debtors' revised financial projections reflecting the Business Plan for the fiscal period 2026 through 2030, attached to the Plan Supplement as Exhibit K [Docket No. 770] (the "Revised Financial Projections").²³

46. The Revised Financial Projections were developed on a product and business unit level basis rather than on a legal entity basis. The Debtors' projected financial statements represent a consolidated view of the Debtors' 2026 reforecast and long-range plan developed by Management using a product and business unit level forecast across the Debtors operations in the United States and Mexico. In creating the 2026 reforecast and long-range plan, which outlines projected operating and financial performance for the next five calendar years, management analyzed various factors and relevant industry metrics, which included: (i) customer specific price and volume expectations by product and facility for 2026 and thereafter; (ii) industry pricing and volume trends and go-forward expectations utilized thereafter; (iii) direct expense build-ups for transportation and logistics; (iv) projected overhead expenses, including site level costs; (v) projected SG&A expenses; (vi) expected inflation across expense line items; (vii) maintenance and growth capital expenditures; and (viii) various operational improvement initiatives, each of which may contribute to revenue growth, operating efficiency, or cost reductions. I believe that

²³ The Debtors filed an initial version of the financial projections at Docket No. 528 (the "Initial Financial Projections"). The Revised Financial Projections reflect updated forecasts of the Debtors' operations, industry performance, and general business, economic, competitive, regulatory, market, and financial conditions.

the Debtors' underlying assumptions are reasonable under the circumstances, reflect sound business judgments, and are appropriately qualified.

47. In sum, the Revised Financial Projections demonstrate a reasonable assurance that the Post-Effective Date Debtors will have and maintain sufficient liquidity and assets to pay amounts due under the Plan, including post-Confirmation obligations, and fund their operations during the fiscal period 2026 through 2030. In total, based on my oversight of and involvement in the preparation of the Revised Financial Projections and my experience as a restructuring professional, it is my opinion that the process used to prepare the Revised Financial Projections was appropriate and the assumptions and conclusions set forth therein are fair and reasonable. Accordingly, I believe that the Revised Financial Projections represent a reasonable, good-faith estimate of the Debtors' projected income, assets, liabilities, and cash flow through 2030.

48. I understand that, from and after the Effective Date, the Debtors will continue to pay retiree benefits, if any, as defined in section 1114 of the Bankruptcy Code in the ordinary course of business.

49. The Debtors are not subject to any domestic support obligations and no Debtor is an "individual" or a nonprofit corporation or trust.

50. Having closely advised the Debtors in the months leading up to the Petition Date, I believe that the Debtors' principal purpose in filing the Plan was to accomplish their objective of reorganizing their capital structure and maximizing value for all of their stakeholders. The Plan's comprehensive deleveraging will strengthen the Debtors' balance sheet and set the Debtors on the path for long-term success.

51. I understand that the Bankruptcy Code generally requires that each class of claims or interests must either accept the plan or be unimpaired under the plan. If any class of claims or

interests rejects the plan, the plan must satisfy the “cramdown” requirements with respect to the claims or interests in that class. The Classes that are deemed to reject or may be deemed to reject the Plan consist of: (a) FLTO Term Loan Claims in Class 5; (b) General Unsecured Claims in Class 7A; (c) Intercompany Claims in Class 8 (to the extent cancelled); (d) Intercompany Interests in Class 9 (to the extent cancelled); (e) Section 510(b) Claims in Class 10; and (f) Equity Interests in Class 11. Notwithstanding the fact that such Impaired Classes are deemed to have rejected, or may be deemed to reject the Plan, the Plan does not discriminate unfairly and is fair and equitable with respect to the non-accepting Impaired Classes.

52. The Plan’s treatment of the non-accepting Impaired Classes is proper because all similarly situated Holders of Claims, Intercompany Interests, and Equity Interests at each applicable Debtor will receive substantially similar treatment. More specifically, Claims in the non-accepting Impaired Classes—*i.e.*, Class 5 (FLTO Term Loan Claims), Class 7A (General Unsecured Claims), Class 8 (Intercompany Claims), Class 9 (Intercompany Interests), Class 10 (Section 510(b) Claims), and Class 11 (Equity Interests)—are not similarly situated to any other Classes accepting the Plan, given they are distinctly different legally and factually from such Classes. Accordingly, I believe that the Plan does not discriminate unfairly.

53. I also believe that the Plan is fair and equitable. I understand that a plan is fair and equitable if it follows the “absolute priority” rule, and the absolute priority rule provides that a junior stakeholder may not receive or retain property under a plan of reorganization “on account of” its junior claims or interests unless all senior classes either (a) are paid in full or (b) vote in favor of the plan. Importantly, although Classes *pari* to Class 5 (FLTO Term Loan Claims) are receiving a recovery under the Plan, Class 5 (FLTO Term Loan Claims) has overwhelmingly supported the Plan as exhibited by such Holders’ execution of the Restructuring Support

Agreement.²⁴ Additionally, I understand that even were the FLTO Term Loan Claims entitled to any recovery on account of their wholly undersecured Claims, such recoveries are required to hold such proceeds in trust for other Holders of the FLFO Term Loans and FLSO Term Loans and promptly transfer such proceeds to the Agent under the STG Distribution Credit Agreement for distribution in accordance with the priorities set out in the STG Distribution Credit Agreement.²⁵ Because the Holders of FLFO Term Loan Claims and FLSO Term Loan Claims are not recovering in full, as set forth above, any recovery by Holders of FLTO Term Loan Claims would then have to be distributed to such Holders. With respect to Class 6 (Auto Liability Claims), as described above, such Claims are supported by the Auto Liability Insurance Program provided by the RRG. If the Holders of Auto Liability Claims do not receive the recovery provided for in the Plan, the Debtors would be required to replace the Auto Liability Insurance Program with a new insurance provider, which would ultimately be more costly than the recovery to Class 6 (Auto Liability Claims) set forth in the Plan. Accordingly, the treatment of Class 6 (Auto Liability Claims) is justified based on the facts and circumstances of these chapter 11 cases and maximizes value for the Debtors' Estates. Moreover, Holders of General Unsecured Claims may also receive a recovery by making the Convenience Claim Election. With respect to Class 7B (Convenience Claims), Holders of Convenience Claims, either by amount or election, will be entitled to a one-time payment of no greater than \$100,000 of their Allowed General Unsecured Claim to effectuate the Committee Settlement, generate cost savings for the Estates, and as permitted under section 1122(b) of the Bankruptcy Code. With respect to Class 8 (Intercompany Claims) and Class 9

²⁴ As of the date hereof, 84% of FLTO Term Loan Claims have executed the Restructuring Support Agreement, or joinders thereto.

²⁵ See Intercompany Credit Agreement, § 2.3 [Docket No. 33, Ex. D].

(Intercompany Interests), the relevant Claims and Interests may be Unimpaired. These Intercompany Claims and Intercompany Interests, which exist to support the Debtors' corporate structure, may be Reinstated because Reinstatement of Intercompany Claims and Intercompany Interests advances an efficient reorganization by avoiding the need to unwind and recreate the corporate structure and relationships of the Post-Effective Date Debtors. This Reinstatement does not affect the economic substance of the Plan for the Debtors' stakeholders. With respect to Class 10 (Section 510(b) Claims), the Debtors do not believe any Section 510(b) Claims exist. Out of an abundance of caution, the Debtors formed Class 10 to include Holders of Claims that may be subordinated pursuant to section 510(b) of the Bankruptcy Code. With respect to Class 11 (Equity Interests), the Debtors formed Class 11 to include Holders of Equity Interests. As explained above, Equity Interests are classified separately from Intercompany Interests because, in part, they reflect the economic entitlements of the shareholders that own the Equity Interests in the Debtors' enterprise. Holders of Equity Interests in Class 11 are not receiving or retaining any property pursuant to the Plan, and there are no Classes which are junior to Class 11. In addition, I understand that no Class of Claims that is senior to the rejecting Classes is receiving more than a 100% recovery under the Plan.

54. I understand that Article V of the Plan provides for the satisfaction of monetary defaults under each Executory Contract and Unexpired Lease to be assumed under the Plan by payment of the default amount.

55. The Debtors made certain modifications to the Plan after the end of the period for solicitation of the Plan. In my assessment, such modifications are (a) immaterial or technical clarifications, (b) modifications that resolve formal or informal objections to the Plan, or (c) implemented with the support of the affected stakeholders. In particular, the Plan made certain

modifications to the Plan to incorporate, among other things, the Reception Purchaser Settlement. Importantly, I understand that all Holders of Claims in Voting Classes are receiving the same recovery as contemplated under the original Plan unless they have agreed otherwise.

The Plan's Debtor Release, Third-Party Release, Exculpation, Injunction Provisions, and Settlement Provisions Are Appropriate Under the Circumstances

56. The Debtor Release, Third-Party Release, exculpation provision, injunction provision, and settlement provisions are a result of extensive negotiations between the Consenting Stakeholders and the Debtors, with the assistance of their advisors, including AlixPartners, and I believe that they are in the best interests of the Debtors' Estates, are a sound exercise of the Debtors' business judgment, and are a critical component of the overall negotiations with the stakeholders for the following reasons.

I. The Debtor Release Is Appropriate.

57. Article VIII.C of the Plan provides for the Debtor Release. The Debtor Release was negotiated in connection with the comprehensive settlement to be implemented through the Plan and is an indispensable component to achieve final resolution of potential disputes that would otherwise negatively affect these chapter 11 cases and the available recoveries under the Plan.

58. *First*, the Released Parties, which include the Debtors, the Post-Effective Date Debtors, the Consenting Stakeholders, the DIP Lender, the DIP Agent, the Agents, the Committee and each of its members, the Non-Participating Holders, and the Releasing Parties, have made substantial contributions to the Debtors' Estates. The Released Parties played an integral role in the formulation of the Plan and contributed to the Plan not only by expending significant time and resources analyzing and negotiating the terms thereof, but also in foregoing economic interests to ensure the success of the Debtors' chapter 11 cases.

59. In particular, in exchange for the Debtor Release, Released Parties in the Voting Classes, as applicable, contributed direct value in the form of their agreement to (i) commit new capital to fund both the chapter 11 cases and the go-forward business and (ii) consent to the Debtors' use of Cash Collateral, and have otherwise agreed to be Impaired. Absent the foregoing consideration and concessions, the Debtors would not be able to significantly deleverage their balance sheet while minimizing costs through the chapter 11 process. In addition, based on my involvement in and discussions regarding the negotiations between the Debtors, their advisors, and the Consenting Stakeholders, I understand that the Debtor Release was a material inducement for the Consenting Stakeholders to support the Debtors' restructuring, as set forth in the Restructuring Support Agreement. Finally, the Debtors' directors, officers, professionals, and other agents have been instrumental in negotiating, formulating, and implementing the Restructuring Transactions contemplated by the Plan.

60. ***Second***, the Debtor Release is essential to the Debtors' reorganization because it constitutes an integral term of the Plan. As set forth above, I understand that absent the Debtor Release, it is highly unlikely the Debtors would have been able to build the extraordinary level of consensus with respect to the Plan and the transactions contemplated thereby because it was a critical term to the constructive participation of the Company's stakeholders in connection with negotiating the Restructuring Support Agreement and the Plan. The DIP Lenders and the Consenting Stakeholders required releases from the Debtors in order to implement these chapter 11 proceedings as prearranged cases and to commit to fund up to \$150 million in New Money Term Loans to support the Company's go-forward operations. Importantly, the Debtor Release is the product of arm's-length negotiations between the Debtors and their key stakeholders, is limited in scope, and is an express condition of the Restructuring Transactions memorialized by the

Restructuring Support Agreement and the Plan, which remains the only actionable option that preserves the Debtors' business as a going concern. In consideration for the Debtor Release, the Debtors and their Estates will receive: (i) releases from potential claims and Causes of Action of each of the Releasing Parties in addition to the significant benefits provided to the Debtors through this prearranged chapter 11 process; (ii) the Takeback Term Loan Facility, the \$25 million of Incremental New Money DIP Loans, the Exit RCF Facility, and the Takeback Equipment Financing Agreements, to fund Plan Distributions and go-forward operations; (iii) a New Board and Company ownership dedicated to preserving existing jobs for the Debtors' existing employees and maximizing the value of the go-forward business enterprise; (iv) ongoing trade partnerships with the Debtors' existing vendor community; and (v) the Convenience Claims Cash Pool for Holders of Allowed General Unsecured Claims that make the Convenience Claim Election. Based upon the analysis conducted by the Debtors' Special Committee, the Debtors believe that pursuit of any such claims against the Released Parties is not in the best interests of the Estates or their various constituencies because the costs involved would likely outweigh any potential benefit from pursuing such claims.²⁶ Importantly, the Debtor Release provides finality and avoids significant delay in consummating the Plan, and, therefore, the inclusion of the Debtor Release is worthwhile and inures to the benefit of all the Debtors' stakeholders.

61. ***Third***, based on the Debtors' analysis, the Debtor Release greatly benefits the Debtors' Estates, and the probability of success in litigation with respect to claims the Debtors may have against each of the Released Parties is uncertain and would take significant time and effort. Consistent with the investigation conducted by the Debtors' Special Committee and as set forth in the Barse Declaration in greater detail, the Debtor Release expressly excludes a release of

²⁶ For additional details regarding the Debtor Release and the claims and Causes of Action released thereby, see the Barse Declaration.

any Causes of Action identified on the Schedule of Retained Causes of Action. In addition, the Holders of Claims in the Voting Classes have overwhelmingly voted in favor of the Plan, which includes the Debtor Release. Finally, the Plan, including the Debtor Release, was heavily negotiated by sophisticated entities that were represented by experienced counsel and financial advisors. I believe that the result is a compromise that reflects the give-and-take of a good faith, arm's-length negotiation process.

62. ***Finally***, the Plan provides for meaningful recoveries for substantially all of the Claims in Classes affected by the Debtor Release. Furthermore, the Debtor Release is supported by the Voting Classes.

63. For these reasons, I believe that the Debtor Release is justified, is a sound exercise of the Debtors' business judgment, is in the best interests of creditors and all stakeholders, is an integral part of the Plan, and should be approved.

II. The Consensual Third-Party Release Is Appropriate.

64. Article VIII.D of the Plan contains the Third-Party Release. I understand that (a) all Holders of Claims in the Voting Classes that voted to reject the Plan or abstained from voting on the Plan had the opportunity to opt out of the Third-Party Release through their Ballots and (b) the remaining Holders of Claims in the Classes deemed to accept or reject the Plan had the opportunity to opt out of the Third-Party Release through the applicable Opt-Out Forms or to object to the Third-Party Release by timely filing an objection in these chapter 11 cases.

65. The Ballots and the Notices of Non-Voting Status and Opt-Out Forms quoted the entirety of the Third-Party Release in bold font, informing Holders of the steps they should take if they disagreed with the scope of the Third-Party Release.

66. Moreover, I believe that the Third-Party Release is an integral and essential provision of the Plan and provides finality for the Released Parties regarding their respective

obligations under the Plan, is in exchange for good and valuable consideration provided by the Released Parties, and is in the best interests of the Debtors, the Estates, and all Holders of Claims, Intercompany Interests, and Equity Interests.

67. For months prior to the commencement of these chapter 11 cases and continuing after the Petition Date, the Released Parties worked constructively with the Debtors to negotiate and implement a value-maximizing reorganization embodied in the Plan that enables the Post-Effective Date Debtors to emerge from these chapter 11 cases with a right-sized capital structure and viable go-forward business plan. I believe that the Released Parties have provided material concessions, benefits, and commitments to the Debtors, during the pendency of these cases and as set forth in the Restructuring Support Agreement, such as: (a) certain of the Consenting Stakeholders committing to, and funding, the Debtors' DIP Facility consisting of up to \$150 million of New Money Term Loans and approximately \$143,750,000 of Roll-Up Loans; (b) the Backstop Parties committing to fully backstop the DIP Facility; (c) the funding of Plan Distributions and exit from the chapter 11 cases through, among other things, the Takeback Term Loan Facility, the \$25 million of Incremental New Money DIP Loans, the Exit RCF Facility, and the Takeback Equipment Financing Agreements; and (d) negotiating the Third-Party Release as part of the Restructuring Support Agreement, which provided concrete evidence to the market of the high level of consensus among the Debtors' key stakeholders for the Plan while providing stability to the Debtors' business as the Debtors navigated the restructuring process. In addition, I believe that the Debtors' directors and officers maintained their duties to maximize value for the benefit of all stakeholders. The Debtors' management has provided their extensive industry knowledge to the Debtors during the Restructuring Support Agreement and Plan negotiations, which required collaborating constructively with their stakeholders. I believe that management

will continue to facilitate the restructuring process during and after these chapter 11 cases and, as such, have made and will continue to make, indispensable contributions to the successful reorganization of the Debtors.

68. I believe there is an identity of interests between the Debtors and the Entities that will benefit from the Third-Party Release. Each of the Released Parties were stakeholders and/or critical participants in the chapter 11 cases and the Plan process and share a common goal with the Debtors in seeing the Plan succeed. The scope of the Third-Party Release is also appropriately tailored to the facts and circumstances of the chapter 11 cases.

69. For the foregoing reasons, I believe that the Third-Party Release is appropriate and should be approved.

III. The Exculpation Provision Is Appropriate.

70. Based on my experience and discussions with the Debtors' advisors, it is my belief that the exculpation provision described in Article VIII.E of the Plan (the "Exculpation") is appropriate because it was proposed in good faith, was formulated following extensive good-faith, arm's-length negotiations with key constituents, and is appropriately limited in scope. The Exculpation is intended to prevent collateral attacks against Estate fiduciaries or parties that have acted in good faith to help facilitate the Debtors' reorganization.

71. Here, the Debtors and their officers, directors, and Professionals actively negotiated with Holders of Claims, Intercompany Interests, and Equity Interests across the Debtors' capital structure in connection with the Plan and the Restructuring Transactions contemplated in these chapter 11 cases. Such negotiations were extensive and the resulting agreements were implemented in good faith with a high degree of transparency. As a result, the Plan enjoys overwhelming support across the Debtors' capital structure. In addition, I understand that the promise of exculpation played a significant role in facilitating Plan negotiations. In short, I believe

that the Exculpation represents an important piece of the overall settlement embodied in the Plan and is the product of good-faith, arm's-length negotiations, and significant sacrifice by the Exculpated Parties. Finally, as set forth in the Plan, the Exculpation contains a carve-out for criminal acts, actual fraud, willful misconduct, or gross negligence as determined by a Final Order.

72. Accordingly, under the circumstances, I believe that the exculpation provision is reasonable and appropriate and the Exculpated Parties have acted in good faith and in compliance with the law.

IV. The Injunction Provision Is Appropriate.

73. The injunction provision set forth in Article VIII.F of the Plan (the "Injunction Provision") implements the Plan's discharge, release, and exculpation provisions by permanently enjoining all Entities from commencing or maintaining any action against the Debtors, the Post-Effective Date Debtors, the Exculpated Parties, or the Released Parties on account of, or in connection with, or with respect to, any such Claims, Intercompany Interests, Equity Interests, liabilities, or Causes of Action discharged, released, exculpated, or settled under the Plan.

74. I believe that the Injunction Provision is a necessary part of the Plan because it enforces the discharge, release, and exculpation provisions that are centrally important to the Plan. Further, the injunction provided for in the Plan is narrowly tailored to achieve its purpose. As noted above, I believe these provisions are foundational to the success of the Plan and these chapter 11 cases, and I believe the Injunction Provision should be approved.

V. The Settlement Provisions Are Appropriate.

75. I have been advised that section 1123(b)(3) of the Bankruptcy Code provides that a plan may provide for the settlement or adjustment of any claim or interest belonging to the debtor or the estate. The Plan implements, among other things, the Committee Settlement and the Reception Purchaser Settlement. The Debtors worked collaboratively with the Committee and the

Reception Purchaser Settlement Parties to maximize recoveries for the Debtors' stakeholders, including the unsecured creditors, and ensure timely, cost-effective Confirmation and emergence from these chapter 11 cases. The Committee Settlement and the Reception Purchaser Settlement are the product of rigorous and productive negotiations among the Debtors and their stakeholders and resolve all disputes between the Debtors, the Committee, and the Reception Purchaser Settlement Parties, as applicable, relating to these chapter 11 cases. Further, the Committee Settlement and the Reception Purchaser Settlement provide consensus and finality between significant economic stakeholders in these chapter 11 cases and avoids costly and protracted litigation, the cost of which would significantly diminish returns to all stakeholders. With respect to the Reception Purchaser Settlement in particular, I believe that if the Debtors were forced to litigate the issues necessary to resolve the Claims related to the Reception Purchaser Settlement, including through the Adversary Proceeding, such litigation would be costly, protracted, inherently uncertain, and would leave the Debtors and all stakeholders in a substantially worse-off position. Specifically, AlixPartners estimated that continued litigation with the Non-Participating Holders in these chapter 11 cases, including in the Adversary Proceeding, would cost between approximately \$20 and \$25 million—greater than the Reception Purchaser Settlement Amount. Such litigation would also only prolong the Debtors' bankruptcy process, draining the Debtors' Estates and distracting the Debtors' key personnel and advisors, who would otherwise be focused on implementing the Restructuring Transactions and strengthening the Debtors' go-forward business.

76. Additionally, Article IV.B of the Plan provides for a release in connection with the Reception Purchaser Settlement (the "Reception Purchaser Release"). The Reception Purchaser Release was negotiated in connection with the broader settlement and is an indispensable

component to achieve final resolution of potential disputes that would otherwise negatively affect these chapter 11 cases and the available recoveries under the Plan. Based on my experience as a restructuring professional, the Reception Purchaser Release is also similar in scope to the Debtor Release and/or customary releases provided in similar out-of-court contexts and should be approved for the reasons set forth above regarding the Debtor Release, as applicable. In particular, the Debtors provided the Reception Purchaser Release because: (i) it is essential to the Debtors' reorganization because it constitutes an essential part of the Plan, and, without which, it would have been impossible to build the extraordinary level of consensus with respect to the Plan and the transactions contemplated thereby, (ii) it is the product of extensive, arm's-length negotiations among the Reception Purchaser Settlement Parties, all of whom are represented by experienced counsel, (iii) the Debtors will receive, in consideration for the Reception Purchaser Release, among other things, releases from potential Claims (including attorneys' fees) and Causes of Action of each of the Reception Purchaser Settlement Parties as well as certain representations, waivers, and covenants related thereto, and (iv) the Claims released by Reception Purchaser Release relate to litigation that is inherently uncertain and would be costly to pursue.

77. For these reasons, I believe that the settlement provisions contained in the Plan, including the Committee Settlement and Reception Purchaser Settlement, are justified, are a sound exercise of the Debtors' business judgment, are in the best interests of creditors and all stakeholders, are an integral part of the Plan, and should be approved.

[Remainder of page left intentionally blank.]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing Declaration are true and correct to the best of my knowledge, information, and belief.

Dated: May 17, 2026

/s/ Jason Keyes

Jason Keyes
Partner and Managing Director
AlixPartners LLP