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*Proposed Co-Counsel for Debtors and  
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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

In re:  
  
CYXTERA TECHNOLOGIES, INC., *et al.*,  
  
Debtors. <sup>1</sup>

Chapter 11  
  
Case No. 23-14853 (JKS)  
  
(Joint Administration Requested)

<sup>1</sup> A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.kccllc.net/cyxtera>. The location of Debtor Cyxtera Technologies, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is: 2333 Ponce de Leon Boulevard, Ste. 90 0, Coral Gables, Florida 33134.



**DECLARATION OF  
RAYMOND LI IN SUPPORT  
OF THE DEBTORS' MOTION FOR  
ENTRY OF INTERIM AND FINAL ORDERS  
(I) AUTHORIZING CERTAIN DEBTORS TO  
CONTINUE SELLING, CONTRIBUTING, AND SERVICING  
RECEIVABLES AND RELATED RIGHTS PURSUANT TO THE  
RECEIVABLES PROGRAM, (II) MODIFYING THE AUTOMATIC STAY,  
(III) SCHEDULING A FINAL HEARING, AND (IV) GRANTING RELATED RELIEF**

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I, Raymond Li, hereby declare under penalty of perjury:

1. I am the Deputy Chief Restructuring Officer (the “DCRO”) of Cyxtera Technologies, Inc. I have served as the Debtors’ DCRO since May 5, 2023. I am also a Director in the Turnaround & Restructuring Services Practice at AlixPartners LLP (“AlixPartners”).<sup>2</sup> I specialize in advising management teams, boards of directors, and creditors in distressed situations. I have nearly fifteen years of experience as a financial advisor to public and private companies, serving in a variety of capacities, including positions within senior management. I have served as a Director at AlixPartners since 2018, when AlixPartners acquired my previous financial advisory firm, Zolfo Cooper. I held several roles at Zolfo Cooper from 2009 until its acquisition in 2018, including Senior Director from 2017 to 2018. Prior to Zolfo Cooper, I was a Senior Manager at KPMG. I hold a B.S. from Carnegie Mellon University and an M.B.A from the Stern School of Business at New York University.

2. In my capacity as DCRO, I am generally familiar with the Debtors’ day-to-day operations, business and financial affairs, and books and records. I have assisted the Debtors in a variety of tasks, including working directly with key members of the Debtors’ business—including, but not limited to, members of the finance, legal, and human resources groups—to evaluate and understand the Debtors’ cashflows, liquidity requirements, and general operations. I

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<sup>2</sup> AlixPartners has advised the Debtors in connection with a potential restructuring since March of 2023.

provide this declaration (this “Declaration”) in support of the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing Certain Debtors to Continue Selling, Contributing, and Servicing Receivables and Related Rights Pursuant to the Receivables Program, (II) Modifying the Automatic Stay, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* (the “Motion”),<sup>3</sup> which seeks, among other things, (i) authorization for Debtors Cyxtera Communications, LLC (“Cyxtera Communications”), Cyxtera Federal Group, Inc. (“Cyxtera Federal”) and, together with Cyxtera Communications, the “Originators”), and Cyxtera Technologies, Inc. (“Cyxtera Technologies”) to continue in the ordinary course of business of selling, contributing, and/or servicing certain trade receivables and related interests to non-Debtor Cyxtera Receivables Holdings, LLC (“Cyxtera Receivables”), (ii) authorization for the applicable Debtors to enter into and otherwise perform under all amendments, restatements, supplements, instruments, agreements, and guaranties entered into in connection with the Receivables Program, (iii) authorization for the Debtors, as applicable, to assume such related Amended Receivables Agreements, (iv) the granting of superpriority claims pursuant to section 364(c)(1) against certain Debtors with respect to the obligations under the Amended Receivables Agreements (the “Superpriority Claims”) over any and all administrative expenses of the kinds specified in sections 503(b) and 507(b) other than with respect to the Carve Out and the DIP Superpriority Claims (which will be *pari passu* with the Superpriority Claims) and (v) the granting of Liens pursuant to section 364(c)(2) of the Bankruptcy Code.

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<sup>3</sup> Capitalized terms used but not defined herein have the meaning ascribed to them in the Motion filed contemporaneously herewith or the *Declaration of Eric Koza, Chief Restructuring Officer of Cyxtera Technologies, Inc., in Support of the Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”) filed contemporaneously herewith, as applicable.

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my discussions with other members of the Debtors' management team and the Debtors' advisors, my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge. If called as a witness, I could and would testify competently to the facts set forth in this Declaration on that basis. I am authorized to submit this Declaration on behalf of the Debtors.

### **The Receivables Program**

4. In the ordinary course of business, the Originators generate trade receivables on account of their routine business operations (the "Receivables"). Alone, the Originators are responsible for generating nearly all of the Debtors' annual Receivables. For approximately three years, the Originators have been party to an arrangement whereby they sell or contribute their ordinary-course Receivables to non-Debtor Cyxtera Receivables Holdings in exchange for immediate liquidity (the "Receivables Program").

5. Mechanically, the Receivables Program has two fundamental components. *First*, pursuant to that certain *Amended and Restated Purchase and Sale Agreement*, by and among the Originators and Cyxtera Receivables Holdings, as buyer (as amended, restated, supplemented, or otherwise modified from time to time, the "Purchase and Sale Agreement"), I understand that the Originators sell and/or contribute, as applicable, certain Receivables to Cyxtera Receivables Holdings on a continual basis free and clear of any and all liens, claims, charges, interests, or encumbrances at a fair market value—discounting for risk that such sold Receivables will not materialize and for the time value of money based upon anticipated dates of collection. *Second*, pursuant to that certain *Amended and Restated Receivables Purchase Agreement* by and among Cyxtera Receivables Holdings, as seller, Cyxtera Communications, as initial servicer, the

purchasers party thereto (collectively in such capacity, the “Purchasers”), PNC Bank as administrative agent, and PNC Capital Markets LLC, as structuring agent (as may be further amended, restated, supplemented, or otherwise modified from time to time, the “Receivables Purchase Agreement”), Cyxtera Receivables Holdings, in turn, sells certain of the Receivables, and proceeds thereof, to PNC Bank and pledges the remaining unsold Receivables to PNC Bank as collateral on a first priority basis. In consideration for the Receivables Program, Cyxtera Receivables Holdings makes certain fee payments to PNC Bank as well as certain other yield and breakage fee payments, as applicable.

6. I am aware that Cyxtera Receivables Holdings is a bankruptcy-remote, special-purpose entity that is wholly owned by Debtor Cyxtera Communications. I am further aware that the Receivables Purchase Agreement contains various termination provisions, whereby the Receivables Purchase Agreement automatically terminates upon the occurrence of certain events, such as, for instance, the commencing of chapter 11 cases such as these. With the understanding that the filing of these chapter 11 cases would terminate the Receivables Program, and that such a termination threatened to impair the Debtors’ liquidity, I am aware that the Company and PNC Bank negotiated certain amendments to both the Purchase and Sale Agreement and the Receivables Purchase Agreement in order to avoid the Receivables Program’s immediate termination.

7. These negotiations proved successful, resulting in the Debtors, with the assistance of AlixPartners and their other advisors, negotiating revisions to both the Purchase and Sale Agreement and Receivables Purchase Agreement (together with certain other related instruments and agreements, as amended and restated, the “Amended Receivables Agreements”) in advance of these chapter 11 cases. Pursuant to the Amended Receivables Agreements, the parties thereto have

agreed to allow the Receivables Program to continue postpetition, subject to certain modifications, including (i) a revised schedule of fees payable by Cyxtera Receivables Holdings to the Purchasers (including the addition of fees under certain circumstances and the increase of existing fees) and (ii) the waiver of an immediate termination of the Receivables Program as a result of these chapter 11 cases.

8. Based on my understanding of the negotiations surrounding the Amended Receivables Agreements, I believe they were conducted in good faith and at arm's length. I also believe that Court authorization of the Debtors' entry into the Amended Receivables Agreements will help ensure the Debtors have a sufficient amount of operational liquidity and will avoid the winding up of the Receivables Program altogether. Such a winding up would require the Debtors to immediately seek additional postpetition financing, given that my team sized the DIP Facility with the understanding that the Receivables Program would continue postpetition.

9. I further believe that the termination of the Receivables Program would result in immediate and adverse consequences to the Debtors. Importantly, if the Receivables Program were to terminate at the outset of these chapter 11 cases, the proceeds of outstanding Receivables generated by the Originators and sold through the Receivables Program would cease to be remitted to the Debtors. Instead, they would be trapped in an account controlled by PNC Bank until PNC Bank's entire \$37.5 million of outstanding "capital" funded to Cyxtera Receivables Holdings was repaid (such "capital" is analogous to the outstanding principal of a loan made by PNC Bank to Cyxtera Receivables Holdings). Such an outcome would be a significant distraction and would seriously jeopardize the Debtors' ability to successfully administer these chapter 11 cases.

**Conclusion**

10. I believe the Receivables Program provides an important source of liquidity and operational flexibility for the Debtors and that the uninterrupted continuation of the Receivables Program, through the Amended Receivables Agreements, is necessary to avoid immediate liquidity shortages. For all of the reasons set forth in this Declaration, I submit it would be appropriate for the Court to approve the continuation of the Receivables Facility as contemplated by the Motion.

*[Remainder of page intentionally left blank.]*

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

Dated: June 5, 2023

*/s/ Raymond Li*

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Name: Raymond Li

Title: Deputy Chief Restructuring Officer  
Cyxtera Technologies, Inc.