

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

Edward O. Sassower, P.C. (*pro hac vice* pending)

Christopher Marcus, P.C. (*pro hac vice* pending)

Derek I. Hunter (*pro hac vice* pending)

601 Lexington Avenue

New York, New York 10022

Telephone: (212) 446-4800

Facsimile: (212) 446-4900

edward.sassower@kirkland.com

christopher.marcus@kirkland.com

derek.hunter@kirkland.com

**COLE SCHOTZ P.C.**

Michael D. Sirota, Esq.

Warren A. Usatine, Esq.

Felice R. Yudkin, Esq.

Court Plaza North, 25 Main Street

Hackensack, New Jersey 07601

Telephone: (201) 489-3000

msirota@coleschotz.com

wusatine@coleschotz.com

fyudkin@coleschotz.com

*Proposed Co-Counsel for Debtors and  
Debtors in Possession*

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

In re:

CYXTERA TECHNOLOGIES, INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 23-23-14853 (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. 900, Coral Gables, Florida 33134.



**DECLARATION OF  
ERIC KOZA IN SUPPORT  
OF THE DEBTORS' MOTION FOR  
ENTRY OF INTERIM AND FINAL ORDERS  
(I) AUTHORIZING THE DEBTORS TO OBTAIN  
POSTPETITION FINANCING, (II) AUTHORIZING  
THE DEBTORS TO USE CASH COLLATERAL, (III)  
GRANTING LIENS AND PROVIDING SUPERPRIORITY  
ADMINISTRATIVE EXPENSE CLAIMS, (IV) GRANTING  
ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY,  
(VI) SCHEDULING A FINAL HEARING, AND (VII) GRANTING RELATED RELIEF**

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I, Eric Koza, hereby declare under penalty of perjury as follows:

1. I am a Partner and Managing Director of AlixPartners LLP ("AlixPartners") and the Chief Restructuring Officer ("CRO") of Cyxtera Technologies, Inc., and its affiliated debtors and debtors in possession (collectively, the "Debtors" and, together with their non-Debtor subsidiaries, collectively, the "Company" or "Cyxtera"). I have served as the Debtors' CRO since May 5, 2023. AlixPartners has assisted, advised, and provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to the Debtors' chapter 11 cases. I have personally been involved in recent comparable chapter 11 reorganizations such as *In re Avaya Inc.*, Case No. 23-90088 (Bankr. S.D. Tex. February 14, 2023), in which I served as the CRO to Avaya Holdings Corp., *In re Riverbed Technology, Inc et al.*, Case No. 21-11503 (Bankr. Del. Nov. 16, 2021), in which I served as financial advisor to Riverbed Technologies Inc and certain of its affiliates; *In re NPC Int'l Inc.*, Case No. 20-33353 (Bankr. S.D. Tex. July 1, 2020), in which I served as CRO of NPC International Inc.; *In re Chinos Holdings, Inc.*, Case No. 20-32181 (Bankr. E.D. Va. May 4, 2020), in which I served as financial advisor to J. Crew Group Inc. and certain of its affiliates; *In re Avaya, Inc.*, Case No. 17-10089 (Bankr. S.D.N.Y. Jan. 19, 2017), in which I served as CRO of Avaya Inc.; *In re Deluxe Entm't Servs. Grp. Inc.*, Case No. 19-23774 (Bankr. S.D.N.Y. Oct. 3, 2019), in which

I served as financial advisor to Deluxe Entertainment Services Group Inc.; *In re Sungard Availability Servs. Capital, Inc.*, Case No. 19-22915 (Bankr. S.D.N.Y. May 1, 2019), in which I served as CRO to Sungard Availability Services Capital, Inc.; *In re Fullbeauty Brands Holdings Corp.*, Case No. 19-22185 (Bankr. S.D.N.Y. Feb. 3, 2019), in which I served as financial advisor to Fullbeauty Brands Holdings Corp.; and *In re Cenveo Inc.*, Case No. 18-22178 (Bankr. S.D.N.Y. Feb. 2, 2018), in which I served as financial advisor to Cenveo Inc. I specialize in advising senior executives, boards of directors, and creditors in distressed situations. I was named one of the industry's top "People to Watch" by Turnarounds & Workouts 2018. My combination of restructuring, operating, and transaction experience spans multiple countries and a variety of industries. I am above 18 years of age, and I am competent to testify.

2. I submit this declaration (this "Declaration") in support of the relief requested in the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Claims, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* (the "Motion"),<sup>2</sup> which seeks approval of debtor in possession financing in the form of a \$200 million super-priority secured debtor in possession facility, which includes new money components of up to \$150 million in term loans, a "roll-up" component of \$36 million of previously-funded emergency prepetition loans, a conversion of \$14 million in prepetition

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<sup>2</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.

obligations under the Bridge Facility (the “DIP Facility”), and the consensual use of Cash Collateral.<sup>3</sup>

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.

**AlixPartners Retention**

4. The Debtors engaged AlixPartners in March of 2023 to serve as their restructuring advisor. The Debtors sought AlixPartners’ services to commence contingency preparations in the event that a chapter 11 filing became necessary and to advise the Debtors on strategic and business alternatives and liquidity management. Over the course of its engagement, AlixPartners has evaluated the Debtors’ operations and cash requirements to operate their businesses during these chapter 11 cases, including by assisting in the development of the Debtors’ near-term cashflow forecasts. In addition, AlixPartners has assisted the Debtors in the development of the Debtors’ business plan, the assessment of strategic alternatives, and financing-related workstreams. AlixPartners has worked closely with the Debtors’ management and other restructuring

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<sup>3</sup> The material terms of the DIP Facility are set forth in detail in the Motion. For the avoidance of doubt, any description of the DIP Facility herein or in the Motion is qualified in its entirety by reference to the DIP Documents.

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

5. Immediately following its engagement, AlixPartners began obtaining diligence from the Debtors and evaluating the Debtors' operations and near-term liquidity requirements for a bridge financing and, subsequently, for the debtor-in-possession financing process. AlixPartners worked 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, borrowing base reporting, and general operations.

6. As part of an evaluation of the Debtors' liquidity position, AlixPartners assisted in the development of the Debtors' thirteen-week cashflow forecasts as well as an analysis of the Debtors' longer-term liquidity needs, including a six-month cashflow forecast. These forecasts take into account anticipated cash receipts and disbursements during the projected period and consider the effects of the chapter 11 filing, including incremental administrative costs of a complex chapter 11 filing, payments in connection with vendor-related motions, and chapter 11 financing related assumptions.

7. AlixPartners ran a series of analyses to assess the Debtors' potential liquidity needs both during and following these chapter 11 cases. These cashflow analyses assumed, among other things, that the Receivables Program remained in place.

### **The Debtors' Capital Structure**

8. As of the Petition Date, the Debtors have approximately \$1.01 billion in total funded debt outstanding. This consists of approximately \$50 million in aggregate principal amount under the emergency bridge facility, \$97.1 million in aggregate principal amount under the senior secured asset-based revolving credit facility, and approximately \$864.4 million in aggregate principal amount under the first lien term facilities.

**The Debtors' Immediate Need for Access to the DIP Facility and Cash Collateral**

9. I am familiar with the DIP Facility, the material terms thereof, and the Debtors' immediate liquidity needs. Based on my experience in the restructuring industry generally and my experience with the Debtors in particular, I believe that approval of the proposed DIP Facility and use of Cash Collateral is essential for the continued normal course operation of the Debtors' business and a prerequisite to the successful completion of the Marketing Process and the Restructuring Transactions contemplated by the Restructuring Support Agreement.

10. Despite the Debtors' strong core business performance since its founding in 2017, the Debtors have recently faced significant headwinds brought on by inflation and macroeconomic volatility, which have driven up interest rates and energy prices. These challenges have placed increased pressure on the Debtors' capital-intensive business and have strained the Debtors' liquidity.

11. Prior to the commencement of these chapter 11 cases, the Debtors, in consultation with their advisors, took deliberate steps to conserve liquidity and carefully considered a number of potential strategic alternatives to address the Debtors' capital structure and liquidity challenges, as I describe more fulsomely in my First Day Declaration. Ultimately, none of those prepetition efforts provided a viable solution to the Debtors' long-term liquidity challenges or sufficiently addressed the Debtors' leverage on a go-forward basis.

12. As a result, the Debtors enter these chapter 11 cases with approximately \$40.7 million in accessible cash-on-hand,<sup>4</sup> which is insufficient to support their global operations during the first 28 days of these chapter 11 cases. Given the Debtors' limited cash and in light of

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<sup>4</sup> This includes approximately \$3 million held with the Canadian Debtor entities.

the size, scope, cash-intensive nature of the Debtors' operations, the Debtors require immediate access to proceeds under the DIP Facility and use of Cash Collateral to administer these chapter 11 cases and avoid business disruption, continue to provide service for its customers, and avoid other value-destructive business impacts to the Debtors' estates.

13. Cyxtera is a multi-national business with operations across a vast network of data centers that generates approximately \$750 million of revenue with obligations to its employees, landlords, vendors, and other stakeholders to support its revenue and profitability. Access to the DIP Facility and use of the Cash Collateral will allow the Debtors to conduct these operations in the ordinary course, avoid significant business disruption, and minimize distractions as the Debtors' management and advisors continue to advance the Marketing Process and related restructuring efforts. Access to this liquidity at the outset of these chapter 11 cases will convey a positive message to all stakeholders that the Debtors are adequately funded with the ability to satisfy operational obligations in the ordinary course. This positive message will reduce the likelihood that certain stakeholders will attempt to accelerate the Debtors' obligations, which would further exacerbate the Debtors' liquidity situation. Participants in the Marketing Process will also be assured that the Debtors will not face value-destructive business impact due to their liquidity position prior to the consummation of a potential Sale Transaction.

14. Accordingly, the Debtors require immediate access to liquidity—the proposed DIP Facility provides just that. Interim approval of the DIP Facility, permitting the Debtors to access up to \$40 million of New Money Loans, access \$14 million of converted bridge loans, and providing access to the use of Cash Collateral during the interim period will be critical to the Debtors' ability to continue operating and successfully administer these chapter 11 cases.

15. Over the preceding months, AlixPartners professionals operating at my direction, and I assisted and advised the Debtors in evaluating the amount of funding that the Debtors will require during these chapter 11 cases. Based on my experience in numerous large-scale corporate bankruptcy cases, my familiarity with the Debtors' operations, and my extensive discussions with the Debtors' management team and advisors, I believe that the Debtors' estates would benefit by entering into a new postpetition financing agreement and receiving access to Cash Collateral. The size of the DIP Facility was derived from a cash-flow projection, including estimates of near-term and longer-term liquidity needs, that my team developed in coordination with the Debtors' management team. In light of the foregoing, I believe the thirteen-week cashflow forecast (the "Budget,"), attached to the Interim Order as Exhibit B, represents a reasonable estimate of the Debtors' cash sources and needs during the first thirteen weeks of these chapter 11 cases.

16. Based on the Budget, the DIP Facility and use of Cash Collateral will provide the Debtors with sufficient liquidity to maintain their business operations in the normal course as the Debtors work to advance the Marketing Process and effectuate the Restructuring Transactions contemplated by the Restructuring Support Agreement.

### **Conclusion**

17. I believe that access to the DIP Facility and Cash Collateral will ensure the Debtors have sufficient funds to preserve and maximize the value of their estates, pursue their restructuring goals in the interim period, and responsibly administer these chapter 11 cases throughout the period that the Debtors expect will be necessary to implement and effectuate their restructuring efforts.

*[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/ Eric Koza

Name: Eric Koza

Title: Chief Restructuring Officer  
Cyxtera Technologies, Inc.