Docket #1007 Date Filed: 02/06/2024

Honorable Brendan Linehan Shannon

824 North Market Street
6th Floor
Wilmington, DE 19801

United States of America

RECEIVED
2024 FEB -6 AM 10: 37
CLERK
U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

January 25, 2024

Subject: PROTERRA INC, et al., Debtors. Chapter 11 Case No. 23-11120

Your Honor,

I am writing to you and imploring you to **reject** the terms of the Amended Proposed Plan where it continues to provide those holders of the Proterra, Inc ("Proterra") common stock will not receive any recovery following the conclusion of the Chapter 11 case.

My name is Martin Perko, and I am a common shareholder of Proterra. I own over 380 thousand common shares. I am also a Chartered Professional Accountant.

I own common shares which were purchased before Chapter 11 was declared by Proterra and subsequently have increased my position after, based upon my financial statement analysis.

Proterra filed for Chapter 11 bankruptcy protection in August 2023 with $199 million in funded debt, saying it needed to reorganize and raise capital because of inflation, supply-chain issues, and "burdensome" customer contracts.

The balance sheet on March 31, 2023, the last reported Q1, indicated the cash balance was $167 million with accounts receivables being $98 million, that alone was more than the $199 million in funded debt. Furthermore, shareholder equity totaled $270 million on that date.

Based upon this financial information, I was absolutely dumbfounded that Proterra filed for Chapter 11. Proterra in my financial opinion was and is not bankrupt.

Proterra if looking to restructure their operations, a shareholder would reasonably expect management to renegotiate with the debt holders and restructure the debt which is creating a covenant violation which lead to their financial statement qualification. In this case, it has been noted in court filings that Proterra management informed the debt holder Cowen ("CSI") of potential covenant violations in the fall of 2022 and then communicating with them a few days before their 10Q report in April 2023. CSI stated that Proterra took "the near-unprecedented step of filing these chapter 11 cases without informing their secured creditor, CSI, which has a lien on, among other things, all of the Debtors' cash and cash equivalents—the very cash collateral the Debtors seek to use."

2311120240206000000000006

Proterra's proposed Chapter 11 plan calls for the holders of its $22 million in first-lien debt to receive full payment, the holder of its $177 million in second-lien debt (CSI) to receive $10 million cash and ownership of the reorganized company, and general unsecured creditors to share in a minimum $10 million claims trust.

Your court approved the $210 million sale of Proterra's battery business to Volvo in December 2023, and in January 2024 the sale of its manufacturing unit and battery leases to Phoenix Motorcars Inc. for $10 million.

With $160M in cash as of the December 2023 reporting period. $220M more to come in to Proterra and the above, cash outlay obligations of $42M, Proterra are proposing to more than adequately fund their new operation by unreasonably giving nothing to current common shareholders.

We common shareholders, who have written to your court, who are pensioners, laid-off employees and sophisticated investors who see positive equity before, during and after these Chapter 11 proceedings, do not understand how we will get nothing in this proposed plan. The plan proposed is gross and evil. We have been given no right to vote on this proposed plan, let alone vote out Proterra's Management Board in an annual shareholder meeting which was cancelled. Management refused to renegotiate the debt with CSI, yet CSI continues to benefit with ownership in the new organization. We have been denied an equity committee, twice. We have been given no financial consideration to allow management use of the assets we had invested in, to create a new organization which we will not benefit from.

Proterra counsel Michael Colarossi argued in your court regarding the opt-out provision and its fairness, that "The shareholders are interested and paying attention." We common shareholders, regardless of the TopCo classification as we have an equity interest in the OpCo, are interested because we are invested in a Company which has sufficient capital, which decided to file for bankruptcy reorganization, only to further finance its new operations by denying any recovery to us common shareholders! We are interested and paying attention because we do not accept how this is even possible! What stops any other company from doing this?

Your honor, I and many shareholders implore you to reject the terms the Amended Proposed Plan where it continues to provide that holders of Proterra common stock will receive nothing following the conclusion of the Chapter 11 case. Receiving nothing based upon the above facts is not fair and beyond any risk of loss a common shareholder should expect when investing.

Kindest Regards,



Martin Perko

martinperko@outlook.com