

## ***Risks Related to Bankruptcy and Our Ordinary Shares***

### **We are subject to risks and uncertainties associated with the Chapter 11 Cases.**

The Chapter 11 Cases could have a material adverse effect on our business, financial condition, results of operations and cash flows. So long as the Chapter 11 Cases continue, our senior management may be required to spend a significant amount of time and effort dealing with bankruptcy proceedings instead of focusing on our business operations. The bankruptcy proceedings also may make it more difficult to retain management and the key personnel necessary to the success and growth of our business. In addition, during the period of time we are involved in the Chapter 11 Cases, our customers and suppliers may lose confidence in our ability to restructure our business and may seek to establish alternative commercial relationships.

Other significant risks associated with the Chapter 11 Cases that could have a material adverse effect on our business, financial condition, results of operations and cash flows include or relate to the following, among others:

- our ability to obtain approval from the Bankruptcy Court (as defined below) with respect to motions or other requests made to the Bankruptcy Court in the Chapter 11 Cases, including maintaining control as debtors-in-possession;
- our ability to confirm and consummate the Plan or another restructuring transaction;
- the effects of the filing of the Chapter 11 Cases on our business and the interests of various constituents, including our shareholders;
- the high costs of the Chapter 11 Cases and related fees;
- our ability to maintain relationships with suppliers, customers, employees and other third parties as a result of the Chapter 11 Cases;
- Bankruptcy Court rulings in the Chapter 11 Cases as well as the outcome of other pending litigation and the outcome of the Chapter 11 Cases in general;
- the length of time that we will operate with chapter 11 protection and any resulting risk that we will not satisfy the milestones specified in the amended RSA and in our agreement with our secured lenders with respect to our use of their cash collateral;
- the availability of operating capital during the pendency of the Chapter 11 Cases, including any event that could terminate our right to continued access to the cash collateral of our lenders to use as operating capital;
- third-party motions in the Chapter 11 Cases, which may interfere with our ability to confirm and consummate the Plan or another restructuring transaction;
- the impact on our business following the sale transaction contemplated by the Plan in light of possible changes in our business and its prospects;
- the adequacy of our cash balances at the time the Plan goes effective and our projected exit from the Chapter 11 Cases; and
- our ability to continue as a going concern.

Because of the risks and uncertainties associated with the Chapter 11 Cases, we may not be able to accurately predict or quantify the ultimate impact the Chapter 11 Cases may have on our business, financial condition, results of operations and cash flows, nor can we accurately predict the ultimate impact the Chapter 11 Cases may have on our corporate or capital structure.

### **Delays in the Chapter 11 Cases may increase the risks of our being unable to confirm and consummate the Plan and increase our costs associated with the Chapter 11 Cases.**

The RSA contemplates the confirmation and consummation of the Plan, but there can be no assurance that we will be able to confirm and consummate the Plan. A prolonged chapter 11 proceeding could adversely affect our relationships with customers, suppliers and employees, among other parties, which in turn could have a material adverse effect on our business, financial condition, results of operations and cash flows, as well as our ability to continue as a going concern. A weakening of our business, financial condition, results of operations and cash flows could adversely affect our ability to implement the Plan (or any alternative restructuring transaction). If we are unable to confirm and consummate the Plan (or an alternative restructuring transaction), we may be forced to liquidate our assets.

### **The RSA is subject to significant conditions and milestones that may be difficult for us to satisfy.**

There are certain material conditions we must satisfy under the RSA, including the timely satisfaction of milestones in the Chapter 11 Cases, which include the confirmation and consummation of the Plan. Our ability to timely complete such milestones is subject to risks and uncertainties, many of which are beyond our control. Failure to meet such milestones could have a material adverse effect on our business, financial condition, results of operations and cash flows.