

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	
ELETSON HOLDINGS INC., et al.,	:	Case No. 23-10322 (JPM)
	:	
	:	(Jointly Administered)
Debtors. ¹	:	
	:	
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**ORDER (I) APPROVING (A) THE RIGHTS OFFERING
 AND RELATED PROCEDURES AND MATERIALS AND
 (B) THE BACKSTOP AGREEMENT, AND (II) GRANTING RELATED RELIEF**

Upon consideration of the motion [Docket No. 592] (the “Motion”)² by the
 Petitioning Creditors (the “Petitioning Creditors”) for entry of an order (this “Order”)
 (i) approving (a) the rights offering (the “Rights Offering”) contemplated by the *Petitioning
 Creditors’ Amended Joint Chapter 11 Plan of Reorganization of Eletson Holdings Inc. and its
 Affiliated Debtors* [Docket No. 846] (such document for purposes of this Order, and as may be
 further amended, supplemented, or otherwise modified from time to time, the “Plan”), the rights
 offering procedures, substantially in the form attached to the *Notice of Filing of Solicitation
 Version of Proposed Order (I) Approving (A) The Rights Offering and Related Procedures and
 Materials and (B) The Backstop Agreement, and (II) Granting Related Relief* [Docket No. 851]
 (the “NOF”) as Exhibit 1-1 (the “Rights Offering Procedures”), including the Subscription Form,
 substantially in the form attached to the NOF as Exhibit 1-2 (the “Subscription Form” and

¹ The Debtors in these chapter 11 cases are: Eletson Holdings Inc., Eletson Finance (US) LLC, and Agathonissos Finance LLC. The address of the Debtors’ corporate headquarters is 118 Kolokotroni Street, GR 185 35 Piraeus, Greece. The Debtors’ mailing address is c/o Eletson Maritime, Inc., 1 Landmark Square, Suite 424, Stamford, Connecticut 06901.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan or the Backstop Agreement, as applicable.



together with the Rights Offering Procedures, the “Rights Offering Materials”), and (b) the Backstop Agreement for the Rights Offering, substantially in the form attached to the NOF as Exhibit 1-3 (the “Backstop Agreement”), and (ii) granting related relief; and the Court having jurisdiction to consider the Motion and relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order; and the Court having determined that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion having been given as provided in the Motion, and such notice having been adequate and appropriate under the circumstances; and the Court having reviewed the Motion, and having heard the statements in support of the relief requested therein at a hearing before the Court, if any (the “Hearing”); and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and the Court having determined that the legal and factual basis set forth in the Motion and on the record of the Hearing established just cause for the relief granted herein; and all objections to the Motion, if any, having been withdrawn or overruled, including the *Debtors’ Objection to the Petitioning Creditors’ Motion for Entry of an Order (I) Approving (A) Rights Offering and Related Procedures and Materials and (B) the Backstop Agreement, and (II) Granting Related Relief* [Docket No. 652] (the “Debtors’ Objection”); and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing:

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Rights Offering Procedures, substantially in the form attached to the NOF as Exhibit 1-1, and the Subscription Form, substantially in the form attached to the NOF as Exhibit 1-2, provide sufficient notice and information to allow each Holder of an Allowed General Unsecured Claim (a “General Unsecured Claimholder”) to duly participate in the Rights Offering and to exercise its subscription rights (the “Subscription Rights”) to purchase up to 75% of the Reorganized Equity (subject to dilution on account of the Backstop Premium (as defined herein) and the EIP), at a price that represents an implied 10.8% discount to the mid-point of the plan equity value of up to US\$62,058,088.00 in connection with the Rights Offering pursuant to, and in connection with, the Plan.

B. The Rights Offering, the Rights Offering Procedures, and the Rights Offering Materials are (i) fair and reasonable; (ii) are based on good, sufficient, and sound business purposes and justifications; (iii) are supported by reasonably equivalent value and consideration; and (iv) are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

C. The Backstop Agreement, substantially in the form attached to the NOF as Exhibit 1-3, and the terms and conditions therein are (i) fair and reasonable; (ii) are based on good, sufficient, and sound business purposes and justifications; (iii) are supported by reasonably equivalent value and consideration; and (iv) are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

³ The findings and conclusions set forth herein and in the record of the Hearing constitute the Court’s findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014, and are incorporated by reference as though fully set forth herein. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be deemed so, and vice versa.

D. Each of the fees, premiums, and expenses provided for or permitted by the Backstop Agreement, including (a) a premium payable in New Shares in an aggregate amount equal to 8.0% of the New Shares of Reorganized Holdings issued and outstanding on the Effective Date of the Plan (the “Backstop Premium”) and (b) payment of the Backstop Parties’ (as defined below) reasonable and documented fees, expenses, disbursements, and charges (including the reasonable and documented fees and expenses of counsel) incurred in connection with the Backstop Agreement (the “Expense Reimbursement” and, together with the Backstop Premium, the “Backstop Fees”), is reasonable and warranted on the terms set forth in the Backstop Agreement in light of, among other things (i) the significant benefit to the Debtors’ estates of having definitive and binding equity commitments to help fund the Debtors’ obligations under the Plan, (ii) the substantial time, effort, and costs incurred by the Pach Shemen LLC or such affiliate or designee identified by Pach Shemen LLC (the “Initial Backstop Party”) in negotiating and documenting, among other things, the Backstop Agreement, and the Plan, and (iii) the benefits provided by the Initial Backstop Party and such other General Unsecured Claimholders that become party to the Backstop Agreement as set forth in Paragraph 12 of this Order (each a “Subsequent Backstop Party” and, together with the Initial Backstop Party, the “Backstop Parties”) in reserving the funds to make the corresponding investment and other commitments pending confirmation and effectiveness of the Plan and satisfaction of the other conditions precedent in the Backstop Agreement.

E. The Backstop Fees are (i) bargained-for and integral parts of the consideration exchanged under the Backstop Agreement, (ii) reasonable, and (iii) enhance the value of the Debtors’ estates. Without such inducements, the Backstop Parties would not have agreed to the terms and conditions of the Backstop Agreement.

F. The entry into the Backstop Agreement by the parties thereto, and the performance and fulfillment of their respective obligations thereunder, do not constitute the solicitation of any votes on a chapter 11 plan, and comply with the Bankruptcy Code and any and all other applicable statutes, laws, regulations, or orders.

G. The Rights Offering, the Rights Offering Procedures, the Rights Offering Materials, and the Backstop Agreement serve to maximize the value of the Debtors' estates and are in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted as set forth herein. All objections, including the Debtors' Objection, responses, statements or comments, if any, in opposition to approval of the relief requested in this Motion that have not otherwise been resolved or withdrawn prior to, or on the record of the Hearing, are overruled in their entirety.

I. Rights Offering

2. The Rights Offering, the Rights Offering Procedures, and the Rights Offering Materials are hereby approved in their entirety.

3. The Plan Proponents are authorized to commence and conduct the Rights Offering in accordance with the terms and conditions of the Rights Offering Procedures, the Rights Offering Materials, the Plan, and this Order, and may take such actions, as necessary or appropriate, to effectuate the foregoing.

4. The Plan Proponents are authorized to distribute the Rights Offering Procedures and the Rights Offering Materials to each General Unsecured Claimholder.

5. Each General Unsecured Claimholder intending to participate in the Rights Offering must affirmatively make a binding election to exercise its Subscription Rights on or prior to the Subscription Expiration Deadline (as defined in the Rights Offering Procedures) and

must otherwise timely satisfy each of the terms and conditions set forth in the Rights Offering Procedures and the Rights Offering Materials, and shall be deemed to have relinquished and waived all rights to participate in the Rights Offering to the extent such Eligible Holder fails to timely satisfy each of the terms and conditions set forth in the Rights Offering Procedures and the Rights Offering Materials.

6. Consistent with, and in each case subject to, the terms of the Rights Offering Procedures, the Rights Offering Materials, and the Backstop Agreement, the Plan Proponents are hereby authorized to modify, supplement, or waive the terms of the Rights Offering Materials or the Rights Offering Procedures, and adopt additional detailed procedures as may be necessary or appropriate to effectuate the Rights Offering.

7. The Plan Proponents' designation of Kurtzman Carson Consultants, LLC dba Verita Global as the subscription agent (the "Subscription Agent") for the Rights Offering is hereby approved.

II. Backstop Agreement

8. Subject to the terms of this Order, the Backstop Agreement and the terms and conditions included therein are approved in their entirety.

9. The Plan Proponents are authorized to execute, deliver, and implement the Backstop Agreement and all exhibits and attachments thereto, and to take any and all actions necessary and proper to implement the terms of the Backstop Agreement and to perform all obligations thereunder on the terms and conditions set forth therein.

10. The consideration, fees, premiums, and expenses provided for or permitted by the Backstop Agreement (including the Backstop Fees) are hereby approved.

11. The Backstop Premium and Expense Reimbursement payable under the Backstop Agreement are actual and necessary costs of preserving the Debtors' estates and as such shall be treated as allowed administrative expenses of the Debtors pursuant to sections 503(b) and 507(a) of the Bankruptcy Code solely upon the occurrence of the Effective Date (as defined in the Plan) under the Plan. For the avoidance of doubt, the Backstop Premium and Expense Reimbursement shall not be allowed or paid as administrative expenses under this Order if the Effective Date under the Plan does not occur; *provided* that the Backstop Parties' rights are reserved to assert administrative expense claims, including, without limitation, pursuant to sections 503(b)(3)(D) and 503(b)(4) (or otherwise), on any other basis in any other circumstances.

12. A General Unsecured Claimholder that is eligible to purchase the Reorganized Equity issued pursuant to Section 5.9(b) of the Plan and desires to participate in the Backstop Agreement as a Subsequent Backstop Party, shall provide (a) an executed copy of the Form of Joinder, attached as Exhibit C to the Backstop Agreement, including certification of eligibility to purchase such Reorganized Equity, (b) proof of eligibility to purchase such Reorganized Equity, and (b) proof of funds or other financial wherewithal to counsel for the Petitioning Creditors at Togut, Segal & Segal LLP (Kyle J. Ortiz (kortiz@teamtogut.com) and Bryan M. Kotliar (bkotliar@teamtogut.com)) by no later than ten (10) days following the Solicitation Commencement Deadline (as defined in the order approving the Disclosure Statement) (i.e., July 27, 2024). Upon execution of the Backstop Agreement, the Initial Backstop Party's Backstop Commitment percentage shall be 100% of the Rights Offering Amount. As of the Election Deadline, to the extent that any Subsequent Backstop Party joins this Agreement, each Backstop Party's Backstop Commitment percentage shall be calculated based on its percentage, as of the Election Deadline, of the aggregate amount of General Unsecured Claims

held by all Backstop Parties and the Initial Backstop Party's Backstop Commitment shall be proportionately reduced by any such commitments; *provided* that the Backstop Parties shall, severally and not jointly, backstop the Rights Offering on a fully committed basis by purchasing from the Issuer, at the price provided in the Rights Offering Procedures, the New Shares that are not purchased by General Unsecured Claimholders in the Rights Offering; *provided further* that to the extent there are any Subsequent Backstop Parties, by no later than three (3) business days following the Election Deadline, Petitioning Creditors' Counsel shall file a notice on the docket of the Chapter 11 Cases identifying the Backstop Parties and each Backstop Party's Backstop Commitment.

III. Miscellaneous Relief

13. The Plan Proponents and the Debtors (as directed by the Plan Proponents) are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: July 10, 2024

/S/ John P. Mastando III
HONORABLE JOHN P. MASTANDO III
UNITED STATES BANKRUPTCY JUDGE