

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

PROSOMNUS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10972 (JTD)

(Jointly Administered)

Re: Docket No. 258

FINAL REPORT IN THE CHAPTER 11 CASES

The Debtors in the above-referenced Chapter 11 Cases (the “**Debtors**”), in accordance with the *Second Amended Joint Chapter 11 Plan of Reorganization of ProSomnus, Inc. and its Debtor Affiliates* [Docket No. 225] (the “**Plan**”) confirmed pursuant to the *Findings of Fact, Conclusions of Law, and Order Confirming Second Amended Joint Chapter 11 Plan of Reorganization of ProSomnus, Inc. and its Debtor Affiliates* [Docket No. 239] (the “**Confirmation Order**”) entered by the United States Bankruptcy Court for the District of Delaware (the “**Court**”), submits this final report (the “**Final Report**”)² pursuant to Rule 3022-1(c) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (“**Local Rules**”).

1. To the best of my knowledge, information, and belief, the following chart sets forth the fees and expenses requested to be paid to the professionals identified below for services rendered to the Debtors from the Petition Date through the Effective Date. The Court has scheduled

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ProSomnus, Inc. (8216), ProSomnus Holdings, Inc. (3855), and ProSomnus Sleep Technologies, Inc. (0766). The location of the Debtors’ principal place of business and the Debtors’ mailing address is 5675 Gibraltar Dr., Pleasanton, California 94588.

² The Final Report is filed in connection with the *Reorganized Debtor’s Motion for Entry of Final Decree and Order (A) Closing the Chapter 11 Case; (B) Consensually Terminating Claims and Noticing Agent’s Services; and (C) Granting Related Relief* filed on August 28, 2024 [Docket No. 258] (the “**Final Decree Motion**”). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Final Decree Motion.



a hearing on the first and final fee applications for these professionals contemporaneously with the hearing on the Final Decree Motion.³

PROFESSIONAL	FEES	EXPENSES	COMBINED TOTAL
Polsinelli PC Counsel to the Debtors 5/7/24 – 8/5/24 Docket No. 249	\$886,976.50	\$8,152.42	\$895,128.92
Wilson Sonsini Goodrich & Rosati, P.C. Special Corporate Counsel to the Debtors 5/7/24 – 8/5/24 Docket No. 254	\$578,918.00	\$561.20	\$579,479.20
Gavin/Solmonese LLC Financial Advisor for the Debtors 5/7/24 – 8/5/24 Docket No. 255	\$600,000.00	\$1,627.78	\$601,627.78
Kurtzman Carson Consultants LLC d/b/ Verita Global Administrative Advisor and Voting Agent 5/7/24 – 8/5/24 Docket No. 250	\$25,293.00	\$0.00	\$25,293.00

2. The Debtors have paid \$67,487.85 in fees owed pursuant to 28 U.S.C. § 1930 to the Office of the U.S. Trustee for the District of Delaware (“**Statutory Fees**”) through the second quarter of 2024. The Debtor will pay the Statutory Fees for the third quarter of 2024 on or before September 30, 2024, in accordance with the Final Decree Motion, once the final quarterly report has been prepared.

3. No chapter 11 trustee or examiner was appointed in the Chapter 11 Cases. Accordingly, no fees or expenses were incurred with respect to any trustee or examiner or their respective counsel and other professionals.

³ For the avoidance of doubt, the Debtors intend to supplement this Final Report to the extent that any amounts actually paid to professionals differ from the amounts above.

4. All other expenses arising from the administration of the Debtors' estates and the Chapter 11 Cases have been paid or will be paid.

5. The Plan has been substantially consummated, and the Debtors have fully implemented the Plan. The Debtors do not intend to object to any additional claims. As noted in the Final Decree Motion, all distributions and payments required by the Plan and Confirmation Order have been made. The Plan provided for payment of Administrative Expenses, DIP Administrative Expenses, and Priority Tax Claims on the Effective Date or as soon thereafter as is practicable, and further established six classes of Claims and one class of Interests, the treatment of which is summarized below:

Class	Claim/Equity Interest	Treatment of Claim/Interest
1	Senior Notes Claims	Each Holder of an Allowed Senior Notes Claim shall receive, in full satisfaction of its Allowed Senior Notes Claim: its Pro Rata share of the New Notes; <i>provided, however</i> , that Holders of Senior Notes Claims that are Excluded Parties shall receive no distribution under the Plan.
2	Subordinated Notes Claims	Each Holder of an Allowed Subordinated Notes Claim shall receive, in full satisfaction of such Subordinated Notes Claim, its Pro Rata share of 22.48% of New Common Equity, subject to dilution on account of the MIP; <i>provided, however</i> , that Holders of Subordinated Notes Claims that are Excluded Parties shall receive no distribution under the Plan.
3	Other Secured Claims	Except to the extent less favorable treatment is agreed to by the Debtors or the Reorganized Debtors, as applicable, and a Holder of an Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive, in full and final satisfaction of such Allowed Other Secured Claim, at the option of the applicable Debtor, with the consent of the Sponsoring Noteholders: (i) payment in full in Cash of its Allowed Other Secured Claim; (ii) the collateral securing its Allowed Other Secured Claim; (iii) Reinstatement of its Allowed Other Secured Claim; or (iv) such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
4	Other Priority Claims	Each Holder of an Allowed Other Priority Claim shall receive payment in full, in cash, on the Effective Date.
5	General Unsecured Claims	Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to different treatment, on and after the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall continue to pay or

Class	Claim/Equity Interest	Treatment of Claim/Interest
		dispute each General Unsecured Claim in the ordinary course of business as if the Chapter 11 Cases had never been commenced.
6	Section 510(b) Claims	On the Effective Date, Section 510(b) Claims will be cancelled, released, and extinguished and will be of no further force and effect and shall receive no recovery.
7	Interests	On the Effective Date, Interests will be cancelled, released, and extinguished and will be of no further force and effect and shall receive no recovery.

6. There are no pending adversary proceedings or contested matters that will affect the substantial consummation of the Chapter 11 Cases.

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

Dated: September 4, 2024

By: /s/ Brian Dow
 Brian Dow
 ProSomnus Sleep Technologies, Inc.
 Chief Financial Officer