

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re:	:	
	:	Chapter 11
	:	
SKILLSOFT CORPORATION, et al.,	:	Case No. 20–11532 (MFW)
	:	
Debtors.¹	:	(Joint Administration Requested)
	:	
	x	

**SUPPLEMENTAL DECLARATION OF JOHN FREDERICK IN
SUPPORT OF DEBTORS’ CHAPTER 11 PETITIONS AND FIRST DAY RELIEF**

I, John Frederick, pursuant to section 1746 of title 28 of the United States Code, hereby declare under penalty of perjury under the laws of the United States that the following is true to the best of my knowledge, information, and belief:

1. I am the Chief Administrative Officer (“**CAO**”) and a member of the board of directors (the “**Board**”) of Debtor Skillsoft Corporation, a Delaware corporation (“**Skillsoft**”) and, together with Debtor Pointwell Limited and the direct and indirect subsidiaries of Pointwell Limited, the “**Company**”). Additional information regarding my role at the Company and my professional background, as well as information about the Debtors’ businesses, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of John Frederick In Support of Debtors’ Chapter 11 Petitions and First Day Relief*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Skillsoft Corporation (6115); Amber Holding Inc. (0335); SumTotal Systems LLC (7228); MindLeaders, Inc. (6072); Accero, Inc. (4684); CyberShift Holdings, Inc. (2109); CyberShift, Inc. (U.S.) (0586); Pointwell Limited; SSI Investments I Limited; SSI Investments II Limited; SSI Investments III Limited; Skillsoft Limited; Skillsoft Ireland Limited; ThirdForce Group Limited; Skillsoft U.K. Limited; and Skillsoft Canada, Ltd. The location of the Debtors’ corporate U.S. headquarters is 300 Innovative Way, Suite 201, Nashua, NH 03062.

[Doc. No. 15] (the “**First Day Declaration**”),² filed on the Petition Date and incorporated herein by reference.

2. I am knowledgeable and familiar with the Debtors’ and the Company’s day-to-day operations, businesses and financial affairs, books and records, and the circumstances leading to the commencement of these chapter 11 cases.

3. Except as otherwise indicated herein, the facts set forth in this supplemental declaration (this “**Declaration**”) are based upon my personal knowledge, my review of relevant documents, information provided to me by employees of or advisors to the Company, or my opinion based upon my experience, knowledge, and information concerning the Company’s operations. If called upon to testify, I would testify competently to the facts set forth in this Declaration on that basis.

4. On the date hereof, the Debtors filed the *Motion of Debtors for Entry of an Order (I) Authorizing The Debtors to Enter Into an Exclusivity Letter With the Interested Party, and (2) Perform Their Obligations Thereunder, Including Payment of the Upfront Payment Amount, and (II) Granting Related Relief* [Doc. No. 34 (sealed), 35 (redacted)] (the “**Exclusivity Letter Motion**”). I am familiar with the contents of the Exclusivity Letter Motion, and I believe that the relief sought therein is necessary to allow the Debtors to preserve optionality for a potential value-maximizing transaction.

I.
Preliminary Statement

5. With the support of the Consenting Creditors, the Debtors filed voluntary petitions for chapter 11 relief, along with a variety of procedural and substantive First Day

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the First Day Declaration.

Pleadings to minimize the adverse effects of the commencement of the chapter 11 cases, beginning on the Petition Date. The Debtors also began soliciting votes on the Prepackaged Plan before filing their chapter 11 petitions. The Company is in ongoing negotiations (with the consent of the Consenting Creditors) with the Interested Party regarding a potential Alternative Transaction (as defined in the Restructuring Support Agreement). Notwithstanding such negotiations, the Company commenced these chapter 11 cases (with the support of the Consenting Creditors) and is seeking to implement the Restructuring contemplated by the Restructuring Support Agreement in light of the Company's deteriorating liquidity position, immediate need to access the DIP Facility, and the need for the certainty of a fully-agreed reorganization path if the Company does not consummate a transaction with the Interested Party.

6. The Debtors and the Consenting Creditors wish to continue negotiations with the Interested Party as successful negotiations with the Interested Party may lead to an Alternative Transaction that will be value-maximizing for the Company and its creditors. I understand that the failure of the Debtors to enter into the Exclusivity Letter in a timely manner may cause the Interested Party to reconsider its interest in a potential purchase of the Debtors' businesses, thus foreclosing a potentially value-maximizing option for the Debtors.

II. **Exclusivity Letter Motion**

7. The Debtors request authority to enter into that certain letter agreement granting exclusivity to a potential purchaser of the Debtors' business (the "**Interested Party**" and such letter agreement, the "**Exclusivity Letter**") and for the Debtors to perform their obligations under the Exclusivity Letter. The Exclusivity Letter allows the Debtors and the Interested Party to continue negotiating a potential transaction which, if consummated, could maximize the value of the Debtors' estates.

8. Prior to the Petition Date, the Debtors and the Interested Party explored the potential sale of substantially all of the Debtors' business (the "**Potential Transaction**"). However, the parties were unable to finalize a definitive transaction in the time necessary to meet the Debtors' liquidity needs. Accordingly, the Debtors entered into the Restructuring Support Agreement and began implementing the transactions contemplated therein. The Debtors, with the support of the Consenting Creditors, also continued negotiations with the Interested Party, which resulted in agreement to the terms of the Exclusivity Letter.

9. The Exclusivity Letter allows the Debtors to continue negotiating in good faith with the Interested Party and to conduct diligence regarding the Potential Transaction. I understand that the Exclusivity Letter obligates the Debtors to pay the Interested Party an amount to cover the Interested Party's fees and expenses in connection with its diligence of the Potential Transaction (the "**Upfront Payment Amount**"). However, I understand that the Debtors are only obligated to pay the Upfront Payment Amount if the Debtors and the Interested Party enter into a definitive agreement for the Potential Transaction.

10. I believe it is a sound exercise of the Debtors' business judgment to enter into the Exclusivity Letter and to perform their obligations thereunder, including the obligation to pay the Upfront Payment Amount, if required, because doing so is necessary to preserve the option to pursue a potentially value-maximizing transaction. Furthermore, it is my understanding that the Interested Party will not pursue further negotiations or diligence without the Debtors' entry into the Exclusivity Letter and performance of their obligations thereunder. To maximize the efficiency of the Debtors' Restructuring, it is essential for the Debtors and the Interested Party to advance their negotiations and the Interested Party's diligence as quickly as possible. As a result, I believe that entry into the Exclusivity Letter as soon as possible is necessary to preserve the

Debtors' ability to negotiate and potentially consummate the Potential Transaction. It is my understanding that the Consenting Creditors support the Debtors' entry into the Exclusivity Letter.

11. Moreover, the Debtors require immediate authority to enter into the Exclusivity Letter. If the Debtors delay entering into the Exclusivity Letter, the Interested Party may stop negotiating, resulting not only in the loss of a value maximizing transaction, nullifying the time and money spent negotiating and performing due diligence for the Potential Transaction.

12. For all of the foregoing reasons, I believe entry into the Exclusivity Letter is in the Debtors' sound business judgment and in the best interests of the estates, because it will allow the Debtors to continue the pursuit of an alternative transaction to the benefit of all of their stakeholders.

III. Conclusion

13. This declaration illustrates the background that precipitated the Debtors' business decision to agree to the terms of the Exclusivity Letter and demonstrates the critical need for the Debtors to obtain the relief requested in the Exclusivity Letter Motion.

I declare under penalty of perjury that, after reasonable inquiry, the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 15th day of June, 2020

/s/ John Frederick
John Frederick
Chief Administrative Officer

Skillsoft Corporation and its Debtor
affiliates